

**SCHEDULE "B" TO MEETING ORDER**

No. S113459  
**Vancouver Registry**

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,**

**R.S.C. 1985, c. C – 36 as amended**

**- AND -**

**IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57  
and THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9**

**- AND -**

**IN THE MATTER OF  
BUL RIVER MINERAL CORPORATION, BIG BEAR METAL MINING CORPORATION,  
EARTH'S VITAL EXTRACTORS LIMITED, FORT STEELE MINERAL CORPORATION,  
FORT STEELE METALS CORPORATION, FUSED HEAT LTD., GALLOWAI METAL  
MINING CORPORATION, GIANT STEEPLES MINERAL CORPORATION, GRAND  
MINERAL CORPORATION, INTERNATIONAL FELDSPAR LTD., JAO MINE DEVELOPERS  
LTD., KUTTENI DIAMONDS LTD., STANFIELD MINING GROUP OF CANADA LTD.,  
SULLIBIN MINERAL CORPORATION, SULLIBIN MULTI METAL CORPORATION, SUPER  
FELDSPARS CORPORATION, WHITE CAT METAL MINING CORPORATION, ZEUS  
METAL MINING CORPORATION, ZEUS METALS CORPORATION and ZEUS MINERAL  
CORPORATION**

**PETITIONERS**

**PLAN OF COMPROMISE AND ARRANGEMENT**

Pursuant to the  
*Companies' Creditors Arrangement Act* (Canada)  
Concerning, Affecting and Involving  
the Petitioners

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Dated September 25, 2014

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## TABLE OF CONTENTS

<b>ARTICLE 1 INTERPRETATION .....</b>	<b>1</b>
1.1 Definitions .....	1
1.2 Interpretation, Etc. ....	9
1.3 Accounting Terms .....	10
1.4 Date for any Action .....	10
1.5 Time .....	10
1.6 Definitions in the CCAA .....	10
1.7 Number, Etc. ....	11
1.8 Currency .....	11
1.9 Statutory References .....	11
1.10 Governing Law .....	11
1.11 Schedules .....	11
<b>ARTICLE 2 PURPOSE AND EFFECT OF PLAN .....</b>	<b>11</b>
2.1 Purpose .....	11
2.2 Agreement .....	12
2.3 Background to Plan .....	12
2.4 Affected Creditors .....	13
2.5 Equity Claims .....	13
2.6 Class B Shares .....	13
<b>ARTICLE 3 CLASSIFICATION AND TREATMENT OF AFFECTED CLAIMS .....</b>	<b>14</b>
3.1 Classification of Affected Claims .....	14
3.2 Treatment of Affected Claims .....	14
3.3 Voting by Affected Creditors .....	16
3.4 Approval by Affected Creditors .....	17
3.5 Unaffected Claims .....	17
3.6 Disputed Claims .....	17
3.7 Extinguishment of Claims .....	17
3.8 Government Priority Claims .....	17
3.9 Illustrative Calculation .....	18
<b>ARTICLE 4 SANCTION ORDER .....</b>	<b>19</b>
4.1 Application for Sanction Order .....	19
4.2 Effect of Sanction Order .....	19
<b>ARTICLE 5 CONDITIONS PRECEDENT TO PLAN IMPLEMENTATION .....</b>	<b>21</b>
5.1 Conditions of Plan Implementation .....	21
5.2 Waiver of Conditions .....	22
5.3 Monitor's Certificate .....	23
5.4 Failure to Satisfy Conditions Precedent .....	23
<b>ARTICLE 6 IMPLEMENTATION OF PLAN .....</b>	<b>23</b>
6.1 Plan Implementation .....	23
6.2 New Investment .....	26
6.3 Treatment of Securities for the Purposes of the Plan .....	27
6.4 Corporate Actions .....	27
6.5 Securities Law Matters .....	27
6.6 Cancellation of Certificates and Notes .....	28
<b>ARTICLE 7 EFFECT OF THE PLAN .....</b>	<b>28</b>
7.1 Binding Effect of the Plan .....	28

7.2	Consents, Waivers and Agreements .....	28
7.3	Release of Released Parties .....	29
7.4	Injunction.....	30
7.5	Responsibilities of the Monitor .....	31
7.6	Distributions of Purcell Shares .....	31
7.7	Assignment of Affected Claims .....	32
7.8	Interest on Affected Claims .....	32
7.9	Undeliverable Distributions.....	32
7.10	Withholding Taxes .....	33
7.11	Fractional Interests .....	33
<b>ARTICLE 8 GENERAL .....</b>		<b>33</b>
8.1	Amendment .....	33
8.2	Paramountcy .....	34
8.3	Termination .....	34
8.4	Severability.....	35
8.5	Guarantees and Similar Covenants.....	35
8.6	Successors and Assigns .....	35
8.7	Further Assurances .....	35
8.8	Entire Agreement.....	36
8.9	Exhibits and Related Documents.....	36
8.10	Notices.....	36
8.11	Non-Consummation .....	38

**PLAN OF COMPROMISE AND ARRANGEMENT PURSUANT TO  
THE COMPANIES' CREDITORS ARRANGEMENT ACT  
AND THE BUSINESS CORPORATIONS ACT**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Plan (including the Schedules hereto), unless otherwise stated or the context otherwise requires:

**"Administration Charge"** means the charge granted pursuant to paragraph 32 of the Initial Order, as more particularly set out therein, in favour of the Monitor, counsel to the Monitor and counsel to the Debtors, and as subsequently amended by the further Orders of the Court granted on October 13, 2011 and April 24, 2014;

**"Affected Claim"** means any Claim that is not an Unaffected Claim;

**"Affected Creditor"** means any Creditor having an Affected Claim in respect of and to the extent of such Affected Claim;

**"Allowed"** means, with respect to a Claim against the Debtors, (i) any Claim in respect of which a Proof of Claim and/or a Notice of Dispute has or is deemed to have been timely filed in accordance with the Claims Process Order and in respect of which no objection has been interposed within the applicable period fixed by the Claims Process Order, or (ii) any Claim that is Allowed pursuant to the Plan, Claims Process Order, or a Final Order of the Court;

**"Amalco"** means the corporation resulting from the amalgamation pursuant to the BCBCA of each of Purcell, Fort Steele and Zeus as contemplated by this Plan;

**"Amended DIP Facility Letter"** means the Amended Facility Letter re Debtor in Possession Loan to Stanfield Mining Group dated May 23, 2014 and attached as Exhibit "B" to Affidavit #15 of George Timothy Hewison, filed May 26, 2014;

**"BCBCA"** means the *Business Corporations Act* (British Columbia), as amended;

**"Bul River"** means Bul River Mineral Corporation;

**"Bul River Class A Shares"** means the class A common shares in the capital of Bul River;

**"Bul River Class E Shares"** means the class E non-voting common shares in the capital of Bul River;

**"Bul River Preferred Shares"** means the class C preferred shares, class D preferred shares, class F preferred shares and class G preferred shares in the capital of Bul River, being all of the classes of preferred shares of Bul River;

**"Business Day"** means any day, other than a Saturday, a Sunday, or a statutory holiday in British Columbia;

**"CCAA"** means the *Companies' Creditors Arrangement Act* (Canada), as amended;

**“CCAA Charges”** means, collectively, the Administration Charge, the DIP Lender’s Charge and any other charge over the Debtors’ assets created by other Order of the Court;

**“CCAA Proceedings”** means the CCAA proceedings commenced by the Debtors, being the British Columbia Supreme Court Action No. S-113459, Vancouver Registry, on the Filing Date, pursuant to the Initial Order;

**“Claim”** means any Pre-Filing Claim, Restructuring Claim or Directors/Officers Claim;

**“Claims Bar Date”** means the bar date for filing Claims as set out in the Claims Process Order, being 4:00 p.m. (Pacific Time) on October 17, 2011;

**“Claims Process Order”** means the Order of the Court, granted on August 19, 2011, as amended and varied by the further Order of the Court granted on October 26, 2011, approving, among other things, the establishment of a procedure for filing Proofs of Claim and/or Notices of Dispute;

**“Class”** means a category of Creditors holding Affected Claims as described in Article 3 hereof;

**“Class B Direction”** means the direction by a Class B Shareholder made on or before the Direction Deadline to receive such Class B Shareholder’s pro rata share of Purcell Shares issuable to Class B Shareholders as determined in accordance with this Plan;

**“Class B Direction Form”** means the form by which a Class B Shareholder can make a Class B Direction, substantially in the form set forth in Schedule “H” to the Meeting Order;

**“Class B Direction Shares”** means the Purcell Shares issued to the DIP Lender, in accordance with Section 2.6 and held pursuant to the terms of the Trust Agreement, to facilitate the Class B Direction (representing 3% of the issued and outstanding Purcell Shares, which is 3/7ths of the Highlands Entitlement);

**“Class B Shareholders”** means those holders of Class B Shares;

**“Class B Shares”** means the class B non-voting common shares of Bul River, the class B non-voting common shares of Gallowai, the class B non-voting common shares of Fort Steele, the class B non-voting common shares of Zeus and the class B non-voting common shares of Big Bear Metal Mining;

**“Conditions Precedent”** means those conditions precedent to the effectiveness of the Plan set forth in Section 5.1;

**“Convenience Trade Claim”** means a Trade Creditor Claim equal to or less than CAD\$500;

**“Convenience Trade Creditor”** means a holder of a Convenience Trade Claim;

**“Court”** means the Supreme Court of British Columbia;

**“Creditor”** means any Person having a Claim against the Petitioners and includes, without limitation, the transferee or assignee of a transferred Claim that is recognized as a Creditor, or a trustee, liquidator, receiver, manager, or other Person acting on behalf of such Person;

**“Creditors List”** has the meaning ascribed to such term in the Claims Process Order;

**“CuVeras DIP Investors”** means those persons who are holders of senior unsecured notes issued by the DIP Lender to fund the DIP Facility;

**“Debtors”** means, collectively, Bul River Mineral Corporation, Big Bear Metal Mining Corporation, Earth’s Vital Extractors Limited, Fort Steele Mineral Corporation, Fort Steele Metals Corporation, Fused Heat Ltd., Gallowai Metal Mining Corporation, Giant Steeples Mineral Corporation, Grand Mineral Corporation, International Feldspar Ltd., Jao Mine Developers Ltd., Kuttenei Diamonds Ltd., Stanfield Mining Group Of Canada Ltd., Sullibin Mineral Corporation, Sullibin Multi Metal Corporation, Super Feldspars Corporation, White Cat Metal Mining Corporation, Zeus Metal Mining Corporation, Zeus Metals Corporation and Zeus Mineral Corporation;

**“DIP Credit Agreement”** means that certain agreement dated as of June 21, 2012 as amended by the amended commitment letter dated May 28, 2014, between the Debtors and the DIP Lender;

**“DIP Facility”** means the interim financing facility provided pursuant to the terms of the DIP Credit Agreement and as approved by the Court pursuant to paragraph 2 of the DIP Order, as more particularly set out therein, and as subsequently amended by further Order of the Court, and as may be further amended, supplemented or varied by the Court;

**“DIP Facility Claims”** means all outstanding obligations owed to the DIP Lender under the DIP Facility;

**“DIP Lender”** means CuVeras, LLC;

**“DIP Lender’s Charge”** means the charge in favour of the DIP Lender granted pursuant to paragraph 5 of the DIP Order, as more particularly set out therein;

**“DIP Order”** means the Order of the Court dated December 15, 2011, and as subsequently amended by further Orders of the Court granted on June 26, 2012, March 28, 2013 and May 26, 2014, and as may be further amended, supplemented or varied by the Court;

**“Direction Deadline”** means 5:00 p.m. (Pacific Time) on January 5, 2015;

**“Director”** means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director of any one or more of the Debtors;

**“Director/Officers Claim”** means any right or claim of any Person against one or more of the Directors and/or Officers that relates to a Pre-Filing Claim or a Restructuring Claim, howsoever arising, for which the Directors and/or Officers are by statute or otherwise by law liable to pay in their capacity as Directors and/or Officers or in any other capacity;

**“Disputed Claim”** means any Affected Claim, the amount of an Affected Claim (including a contingent Affected Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which is not yet Allowed, which is disputed and which is subject to adjudication in accordance with the Claims Process Order and/or pending adjudication by final Order of the Court;

**“Distribution Date”** means the date which is 10 Business Days after the Effective Date, or such later date as may be determined by the Monitor, in consultation with the DIP Lender and Purcell;

**“Effective Date”** means the Business Day, which date shall be acceptable to the DIP Lender and Purcell on which (i) this Conditions Precedent have been satisfied, fulfilled or waived in accordance with the

terms hereof, as applicable, and (ii) the Monitor has completed and filed the Monitor's Certificate with the Court in accordance with Section 5.3 hereof;

**"Effective Time"** means 5:00 p.m. on the Effective Date;

**"Equity Claim"** means a Claim owed by the Debtors for amounts due in respect of an Equity Interest other than a Preferred Share Claim;

**"Equity Claimants"** means those Creditors with an Equity Claim;

**"Equity Interest"** has the meaning ascribed thereto in section 2(1) of the CCAA;

**"Estate"** means the Estate of Mr. Ross Stanfield;

**"Filing Date"** means May 26, 2011;

**"Final Order"** means an Order, ruling or judgment of the Court, any other court of competent jurisdiction, which has not been reversed, modified or vacated, and is not subject to any stay or appeal, and for which any and all applicable appeal periods have expired;

**"Fort Steele"** means Fort Steele Mineral Corporation;

**"Fort Steele Class A Shares"** means the class A common shares in the capital of Fort Steele;

**"Gallowai"** means Gallowai Metal Mining Corporation;

**"Gallowai Class A Shares"** means the class A common shares in the capital of Gallowai;

**"Gallowai Class E Shares"** means the class E non-voting common shares in the capital of Gallowai;

**"Gallowai Preferred Shares"** means the class C preferred shares, class D preferred shares, class F preferred shares and class G preferred shares in the capital of Gallowai, being all of the classes of preferred shares of Gallowai;

**"Government Priority Claims"** means all Claims that fall within Section 37 of the CCAA;

**"Governmental Entity"** means any governmental, regulatory, authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

**"Highlands"** has the meaning ascribed to such term in Section 2.6;

**"Highlands Assignment Agreement"** has the meaning ascribed to such term in Section 2.6;

**"Highlands Entitlement"** has the meaning ascribed to such term in Section 2.6;

**"Initial Order"** means the Order made May 26, 2011, as amended from time to time, pursuant to which, among other things, the Debtors was granted certain relief pursuant to the CCAA;

**“Lacey Group”** means Peter Lacey and Michael Morretti;

**“Law”** or **“Laws”** means all federal, state and provincial codes, conventions, laws, ordinances, policies, by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority (including the TSX), and the term “applicable” with respect to such laws means such laws as are applicable to the referenced party or its business, undertaking, property or securities and emanate from a person having jurisdiction over the party or parties or its or their business, undertaking, property or securities;

**“Lien”** means any valid and enforceable mortgage, charge, pledge, assignment by way of security, lien, hypothec, security interest, deemed trust or other encumbrance granted or arising pursuant to a written agreement or statute or otherwise created by law;

**“LOA”** means the letter of agreement, dated as of May 23, 2014, between the DIP Lender and the Debtors, approved by the Court pursuant to 2 of the Order granted on May 28, 2014;

**“Meeting Date”** means the time and date of the Trade Creditor Meeting, being 10:00 a.m (Pacific Time) on October 29, 2014, and the Preferred Share Claimant Meeting, being 11:00 a.m. (Pacific Time) on October 29, 2014, as contemplated in the Meeting Order;

**“Meetings”** means, collectively, the Trade Creditor Meeting and the Preferred Share Claimant Meeting;

**“Meeting Order”** means the Order of the Court granted September 29, 2014, as amended or varied by further Order, setting the Meeting Date, approving the procedures for the Meetings, and authorizing the dissemination of the documents relating thereto;

**“Monitor”** means Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor pursuant to the Initial Order;

**“Monitor’s Certificate”** means the certificate to be filed with the Court by the Monitor, substantially in the form attached hereto as **Schedule “A”**;

**“Monitor’s Website”** means the website of and as maintained by the Monitor with respect to the Debtors: <http://www.deloitte.com/ca/Stanfield>;

**“New Investment”** means a private placement of Purcell Shares at \$10.00 per Purcell Share, for an aggregate subscription amount of a minimum of \$1,700,000;

**“Non-Terminated Contracts”** means any contracts not terminated before the Effective Date, if any, either in their current form or as renegotiated with the applicable counterparties;

**“Notice of Dispute”** has the meaning ascribed to such term in the Claims Process Order;

**“Obligations”** has the meaning ascribed to such term in Section 7.3;

**“Officer”** means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer of any one or more of the Debtors;

**“Order”** means any order of the Court;



**“Person”** means any person, including any individual, partnership, joint venture, venture capital fund, association, corporation, limited liability company, limited liability partnership, unlimited liability company, trust, trustee, executor, administrator, legal personal representative, estate, group, unincorporated association or organization, Governmental Entity, syndicate, the Monitor, or other entity, whether or not having legal status;

**“Plan”** means this Plan of Compromise and Arrangement filed by the Debtors pursuant to the provisions of the CCAA, including the Schedules hereto, as may be amended, varied or supplemented hereafter in accordance with the terms hereof or made at the direction of the Court in the Sanction Order with the consent of Purcell, in consultation with the DIP Lender;

**“Post-Filing Claims”** means all valid claims, obligations and liabilities that are not Claims or Restructuring Claims, and arise from, or are in respect of any executory contract, purchase order, unexpired lease or other agreement that has been deemed ratified pursuant to this Plan;

**“Post-Filing Interest and Costs”** means all interest accrued or accruing on or after the Filing Date on or in respect of an Affected Claim and all costs and expenses incurred on or after the Filing Date pursuant to or in respect of an Affected Claim;

**“Pre-Filing Claim”** means any right or claim of any Person that may be asserted or made in whole or in part against the Debtors (or any of them), whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, in existence on, or which is based on, an event, fact, act or omission which occurred in whole or in part prior to the Filing Date, at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of contract or other agreement (oral or written), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any reason whatsoever against any of the Debtors or any of their property or assets, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims not referred to above that are or would be claims provable in bankruptcy had the Debtors (or any one of them) become bankrupt on the Filing Date, and for greater certainty, includes any Tax Claim; *provided, however*, that “Pre-Filing Claim” shall not include an Unaffected Claim or any contingent liabilities that may be crystallized in the future under any applicable environmental laws of British Columbia arising from the Debtors’ operations and undertakings, all situated in the Province of British Columbia. For greater certainty, Pre-Filing Claim includes Trade Creditor Claims, Preferred Share Claims and Equity Claims;

**“Preferred Share Claim”** means a Claim owed by the Debtors for amounts due in respect of Preferred Shares;

**“Preferred Share Claimants”** means those Creditors with a Preferred Share Claim;

**“Preferred Share Claimant Meeting”** means the meeting of Preferred Share Claimants to be held on the Meeting Date for the purposes of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting;

**“Preferred Share Class”** means the Class comprising the Preferred Share Claimants;

**“Preferred Share Creditors”** means those Preferred Share Claimants who have submitted a valid Preferred Share Direction;

**“Preferred Share Direction”** means a direction to Purcell by a Preferred Share Creditor made on or before the Direction Deadline to receive such Preferred Share Creditor’s pro rata portion share of Purcell Shares issuable to Preferred Share Creditors as determined in accordance with the Preferred Share Exchange Ratio;

**“Preferred Share Direction Form”** means the form by which a Preferred Share Claimant can make a Preferred Share Direction, substantially in the form set forth in Schedule “I” to the Meeting Order;

**“Preferred Share Exchange Ratio”** has the meaning ascribed to such term in Section 3.2;

**“Preferred Shares”** means, collectively, the issued and outstanding Bul River Preferred Shares and the Gallowai Preferred Shares;

**“Proof of Claim”** has the meaning ascribed to such term in the Claims Process Order;

**“Proven Claim”** means, in respect of an Affected Creditor, the amount or any portion of the amount of the Affected Claim of such Affected Creditor as agreed by the Debtors or finally determined for distribution purposes in accordance with the provisions of this Plan, the CCAA, the Claims Process Order and any other applicable Orders of the Court;

**“Purcell”** means Purcell Basin Minerals Inc., a corporation incorporated pursuant to the BCBCA;

**“Purcell Notes”** means the senior secured convertible notes issued by Purcell to the DIP Lender and Highlands, as further described in Section 2.3;

**“Purcell Shares”** means the common shares in the capital of Purcell;

**“Released Claims”** has the meaning ascribed to such term in Section 7.3;

**“Released Parties”** has the meaning ascribed to such term in Section 7.3;

**“Required Majority”** means, with respect to each Voting Class, a majority in number of Affected Creditors who represent at least two-thirds in value of the Allowed Claims of Affected Creditors who have voted pursuant to the Meeting Order on the resolution approving the Plan (in person or by proxy) at the Meetings, which tally may include, subject to an Order of the Court, the Convenience Trade Claims that may be deemed by such Order to vote in favour of the resolution approving the Plan;

**“Restructuring Claim”** means any right or claim of any Person against the Debtors (or any one of them) in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Debtors (or any one of them) to such Person arising out of the restructuring, disclaimer, resiliation, termination, or breach on or after the Filing Date of any contract, employment agreement, lease or other agreement or arrangement, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of the Claims Process Order, and includes for greater certainty any right or claim of an employee of any of the Debtors arising from a termination of its employment after the Filing Date; provided, however, that “Restructuring Claim” shall not include an Unaffected Claim;

**“Sanction Order”** means an Order by the Court under the CCAA to, among other things, sanction, authorize and approve the Plan, in a form and substance satisfactory to the Debtors, in consultation with Purcell and the DIP Lender;

**“Service List”** means the service list posted on the Monitor’s Website, as amended from time to time;

**“Subscriber”** means a subscriber for common shares of Purcell pursuant to the New Investment;

**“Subscription Agreement”** means the subscription agreement to be entered into between Subscribers and Purcell in connection with the New Investment;

**“Surplus Shares”** has the meaning ascribed to such term in Section 3.2;

**“Surplus Trade Shares”** has the meaning ascribed to such term in Section 3.2;

**“Tax” or “Taxes”** means any and all taxes, duties, fees, pending assessments, reassessments and other governmental charges, duties, impositions and liabilities of any kind whatsoever (including any Claims by any Taxing Authorities), including all interest, penalties, fines and additions with respect to such amounts;

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

**“Tax Claim”** means any Claim against the Debtors (or any of them) for any Taxes in respect of any taxation year or period ending on or prior to the Filing Date, and in any case where a taxation year or period commences on or prior to the Filing Date, for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Filing Date and up to and including the Filing Date. For greater certainty, a Tax Claim shall include, without limitation, any and all Claims of any Taxing Authority in respect of transfer pricing adjustments and any Canadian or non-resident Tax related thereto;

**“Taxing Authorities”** means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada and any political subdivision thereof, and any Canadian or foreign governmental authority, and **“Taxing Authority”** means any one of the Taxing Authorities;

**“Trade Claim”** means all Claims against any Debtor, including Convenience Trade Claims, but not including Equity Claims, Preferred Share Claims and Unaffected Claims;

**“Trade Creditors”** means those Creditors with Trade Claims;

**“Trade Creditor Class”** means the Class comprised of the Trade Claims;

**“Trade Creditor Meeting”** means the meeting of Trade Creditors to be held on the Meeting Date for the purposes of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting;

**“Trade Creditor Share Direction”** means a direction to Purcell by a Trade Creditor, substantially in the form attached as Schedule “J” to the Meeting Order, made on or before the Direction Deadline to receive such Trade Creditor’s pro rata portion share of Purcell Shares issuable to Trade Creditors as determined in accordance with this Plan;

**“Trade Creditor Share Direction Form”** means by which a Trade Creditor (who is not a Convenience Trade Creditor) can make a Trade Creditor Share Direction;

**“Trust Agreement”** means the agreement to be entered into between Purcell and the DIP Lender, pursuant to which the DIP Lender will hold the Class B Direction Shares in trust for delivery to the Class B Shareholders pursuant to the terms of this Plan;

**“Unaffected Claim”** means, subject to further Order of the Court:

- (a) any right or claim of any Person that may be asserted or made in whole or in part against the Debtors (or any of them) in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the Filing Date (other than Restructuring Claims and Director and Officers Claims) any interest thereon, including any obligation of the Debtors towards creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Debtors on or after the Filing Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds on or after the Filing Date;
- (b) any Claim secured by any CCAA Charge;
- (c) any DIP Facility Claim;
- (d) any Claim referred to in sections 6(3), 6(5) and 6(6) of the CCAA;
- (e) any Governmental Priority Claim;
- (f) any claims with respect to reasonable fees and disbursements of counsel to the Debtors, the Monitor, and counsel to the Monitor in excess of the Administration Charge and the agreed budget amounts set out in the Amended DIP Facility Letter as amended by agreement among counsel for the DIP Lender, counsel to the Debtors, the Monitor, and counsel to the Monitor, as approved by the Court to the extent required;
- (g) any Claim existing on the Filing Date that has been satisfied, cured or rectified on or before the date of the Sanction Order; and
- (h) any Claim of any employee of the Debtors (or any of them) employed by the Debtors (or any of them) after the Filing Date, but only in respect of a Claim for wages, including vacation pay and banked time (and specifically excluding any claim for severance, termination pay or wages or any amount owing in respect of employment prior to the Filing Date);

**“Voting Classes”** means the Trade Creditor Class and Preferred Share Class;

**“Zeus”** means Zeus Mineral Corporation;

**“Zeus Class A Shares”** means the Class A common shares in the capital of Zeus.

## **1.2 Interpretation, Etc.**

For purposes of this Plan:

- (a) any reference in this Plan to a contract, instrument, release, order, agreement or other document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in this Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be modified, amended, varied or supplemented;
- (c) all references in this Plan to Articles, Sections, paragraphs and Schedules are references to Articles, Sections, paragraphs and Schedules of or to this Plan;
- (d) unless otherwise specified, the words "hereof", "herein", "hereunder", and "hereto" refer to this Plan in its entirety rather than to any particular portion of this Plan;
- (e) the division of this Plan into Articles, Sections, Schedules, and paragraphs and the insertion of captions and headings to Articles, Sections, Schedules and paragraphs are for convenience of reference only and are not intended to affect the interpretation of, or to be part of this Plan;
- (f) where the context requires, a word or words importing the singular shall include the plural and vice versa and a word or words importing one gender shall include all genders;
- (g) the deeming provisions are not rebuttable and are conclusive and irrevocable; and
- (h) the word "or" is not exclusive.

### **1.3 Accounting Terms**

All accounting terms not otherwise defined herein shall have the meaning ascribed to them in accordance with Canadian generally accepted accounting principles including those prescribed by the Canadian Institute of Chartered Accountants.

### **1.4 Date for any Action**

In the event that any date on which any action is required to be taken under this Plan by any of the parties is not a Business Day, that action shall be required to be taken on the next succeeding day that is a Business Day.

### **1.5 Time**

All times expressed herein are local time in Vancouver, British Columbia, Canada unless otherwise stipulated.

### **1.6 Definitions in the CCAA**

A word or words with initial capitalized letters used herein and not defined herein but defined in the CCAA shall have the meaning ascribed thereto in the CCAA as of the date hereof unless the context otherwise requires.

### **1.7 Number, Etc.**

In the Plan, where the context requires, a word importing the singular number shall include the plural and vice versa; a word or words importing gender shall include all genders and the words “including” and “includes” mean “including (or includes) without limitation”.

### **1.8 Currency**

Unless otherwise specified, all references to monetary amounts are to lawful currency of Canada. All affected Claims denominates in a currency other than Canada dollars shall, for the purpose of the Plan, be converted to and shall constitute obligations in Canada dollars, such calculation to be effected using the Bank of Canada noon spot rate on the Filing Date.

### **1.9 Statutory References**

Except as provided herein, any reference in this Plan to a statute includes all regulations and rules made thereunder, all applicable amendments to such statute, regulation or rules in force from time to time, and any statute, regulation or rule that supplements or supersedes such statute or regulations.

### **1.10 Governing Law**

This Plan shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal laws of Canada applicable thereto. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

### **1.11 Schedules**

The following are the schedules to this Plan, which are incorporated by reference into this Plan and form an integral part of it:

<u>Schedule</u>	<u>Description</u>
“A”	Draft Form of Monitor’s Certificate
“B”	Preferred Share Direction Form
“C”	Trade Creditor Share Direction Form
“D”	Class B Direction Form

## **ARTICLE 2 PURPOSE AND EFFECT OF PLAN**

### **2.1 Purpose**

The purpose of this Plan is to effect a compromise of Affected Claims to enable the continuation of the business of the Debtors as a going concern, to maximize the recovery of the Debtors’ Creditors, and to effect a corporate restructuring, recapitalization and financing transaction on an expedited basis to provide a stronger financial foundation for the Debtors going forward and additional liquidity to allow the Debtors to continue to work towards its operational and financial goals from and after the Effective Date

in the expectation that all Persons with an economic interest in the Debtors will derive a greater benefit from the implementation of this Plan than would otherwise result.

## **2.2 Agreement**

This Plan is made pursuant to, and other than as amended hereby, is consistent with the provisions of the LOA.

## **2.3 Background to Plan**

The Debtors, as a group effectively controlled by the Estate through the Estate's direct or indirect ownership of the voting securities of the Debtors, carried on business as a developer of mineral resources and a mining property situated near the Bull River in the Rocky Mountains in British Columbia (the "**Mine**"). Exploration and development of the Mine was funded by private investors, the majority of funds from which were raised via offerings of Class B Shares and Preferred Shares.

In the fall of 2009, the Debtors suspended all exploration programs due to lack of funds and the inability to raise any additional equity as a result of a combination of the death of Mr. Ross Hale Stanfield (founder of the Debtors), a cease trade order requiring the delivery of a technical report compliant with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* applied by the British Columbia Securities Commission and an oppression action commenced by a group of shareholders. In connection therewith, certain offices of the Debtors were closed, the workforce was reduced and certain non-essential and essential assets were sold in order to raise sufficient funds for care and maintenance of the Mine.

On May 26, 2011 the Debtors sought and obtained protection from its creditors under the CCAA pursuant to the Initial Order.

Tallinn Capital Mezzanine Partnership was authorized to, as initial debtor-in-possession lender, advance funds in the aggregate of up to \$1.25 million to be utilized for the ongoing care and maintenance of the Mine and to allow time for management of the Debtors to develop and implement this Plan. Pursuant to an Order granted on December 15, 2011 as amended by the Orders made on June 26, 2012 and May 28, 2014, the DIP Lender was authorized to assume the debt and the role of Tallinn Capital Mezzanine Partnership as the new debtor-in-possession lender to the Debtors. As at the date hereof, approximately \$11,000,000 is owing by the Debtors to the DIP Lender.

The LOA provides for the terms of a potential plan of arrangement for the Petitioners and, inter alia, provides for distribution of Purcell Shares to the CuVeras DIP Investors and the Lacey Group in certain proportions and such distributions will be made on the Effective Date.

Pursuant to the terms of the LOA, the DIP Lender formed Purcell to pursue the New Investment (as further described in Section 6.2) and as a vehicle to effect the restructuring of the Debtors in accordance with the terms of this Plan, including the issuance of the Purcell Notes.

The New Investment is an integral part of the Plan and the reorganization of the Debtors, to help ensure the successful implementation of the Plan and the payment of Affected Creditors hereunder and to provide evidence to the Court that reorganizing the Debtors into Purcell will result in a company that is sufficiently capitalized to enable it to be a going concern upon completion of the Plan.

As partial consideration for amounts owing to Highlands and the DIP Lender, Purcell will be issuing the Purcell Notes, with a term of two years commencing on the Effective Date and otherwise in

accordance with the terms and conditions of the notes issued by the DIP Lender in raising funds for the DIP Facility, and the holders of the Purcell Notes shall have the right, on or before the date that is ninety days following the maturity and full redemption of the Purcell Notes, to reinvest payouts of interest and principal of the Purcell Notes at the offering price of the New Investment.

#### 2.4 Affected Creditors

This Plan provides for a restructuring and compromise or assignment of Affected Claims against the Debtors. Each Affected Claim against the Debtors will be fully and finally compromised and extinguished in the manner and the sequence as set forth in this Plan. On the Effective Date, the Plan will be binding on each Debtor and all Affected Creditors to the extent of their Affected Claims.

Without limiting the generality of the foregoing, on the Effective Date, the Plan will be binding on all Preferred Share Claimants to the extent of their Equity Interests. Preferred Share Claimants shall receive Purcell Shares and a nominal amount of cash consideration in exchange for their Equity Interests, in the manner and the sequence set forth in this Plan.

#### 2.5 Equity Claims

All existing Equity Interests in the Debtors not transferred to Purcell in accordance with this Plan or to be held by a Debtor after the Effective Date, including without limitation all the Bul River Class E Shares and the Gallowai Class E Shares and the Class B Shares affected pursuant to Section 2.6, shall be cancelled and extinguished on the Effective Date.

#### 2.6 Class B Shares

The interest and rights of Class B Shareholders to any equity or assets of the Debtors are subordinate to the interest and rights of the holders of Preferred Shares and as such Class B Shareholders have no legal entitlement to any distribution under the Plan. However, the parties to the LOA wish to recognize the important contribution of the Class B Shareholders to the capitalization of the Debtors.

Pursuant to the terms of the LOA, Highlands Pacific Partners LLP (as manager of the DIP Lender, and party responsible to manage the negotiation and implementation of this Plan on behalf of the DIP Lender and Purcell) ("**Highlands**") is entitled to a fee upon completion of the Plan payable in Purcell Notes equal to 7% of the imputed enterprise value of Purcell and the Debtors plus such number of Purcell Shares as is equal to 7% of the issued and outstanding Purcell Shares upon implementation of the Plan, excluding Purcell Shares issuable in connection with the New Investment (the "**Highlands Entitlement**"). Each of Highlands, the Debtors, the DIP Lender and Purcell have agreed, or will have agreed effective the Effective Date, that Highlands will assign 3/7 of its entitlement to Purcell Shares and direct the issuance of the Class B Direction Shares to the DIP Lender for distribution to the holders of Class B Shares (the "**Highlands Assignment Agreement**").

In connection with the foregoing, Purcell will provide to each Class B Shareholder who has duly completed, executed and returned to Purcell a Class B Direction Form a nominal amount of cash consideration and the Class B Direction Shares, subject to and in accordance with the following procedure:

- (a) the Class B Direction Form shall be delivered to each Class B Shareholder prior to the Meeting Date, at the addresses set forth on the Creditors List;



- (b) each Class B Shareholder shall have until the Direction Deadline to deliver to Purcell a duly completed and executed Class B Direction Form, pursuant to which each Class B Shareholder shall provide Purcell with the registration and delivery instructions of such Class B Shareholder for the cash and Purcell Shares to which they will be entitled to receive under this Plan;
- (c) each Class B Shareholder who has delivered to Purcell a duly completed and executed Class B Direction Form shall be entitled to receive a nominal amount of cash consideration as set out in Section 6.1(g) and:
  - (i) their pro rata portion of the Class B Direction Shares, plus
  - (ii) any Surplus Shares pursuant to Section 3.2, plus
  - (iii) any Surplus Trade Shares pursuant to Section 3.2,up to a maximum number of Purcell Shares, representing 10% of the issued and outstanding Purcell Shares upon implementation of the Plan, excluding Purcell Shares issuable in connection with the New Investment.

For greater clarity, despite the gratuitous grant of consideration to Class B Shareholders under this Plan, as set out above, Class B Shareholders are not entitled to attend or vote on the resolution to approve the Plan.

#### Unaffected Persons

Holders of Unaffected Claims will not be affected, to the extent of their Unaffected Claims, by the compromises set out in the Plan.

Holders of Unaffected Claims will not be entitled to vote the amounts of their Unaffected Claims at the Meetings or receive any distributions pursuant to this Plan in respect of the portions of their Claims that are Unaffected Claims. Nothing in this Plan shall affect the defences, both legal and equitable, with respect to any Unaffected Claim including any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claim.

### **ARTICLE 3**

#### **CLASSIFICATION AND TREATMENT OF AFFECTED CLAIMS**

##### **3.1 Classification of Affected Claims**

All Affected Creditors are classified into two Voting Classes – Trade Creditor Class and Preferred Share Class.

The Trade Creditor Class consists of the Trade Creditors holding Trade Claims. The Preferred Share Class consists of Preferred Share Claimants holding Preferred Share Claims.

##### **3.2 Treatment of Affected Claims**

An Affected Claim shall receive distributions as set forth below only to the extent that such Claim is an Allowed Claim and has not been paid, released, or otherwise satisfied prior to the Effective Date.

### Trade Creditors

Each Trade Creditor with a Proven Claim shall be entitled to receive: (i) for Convenience Trade Creditors, an amount in cash in satisfaction of the full amount of the Proven Claim; and (ii) for the Trade Creditors who are not Convenience Trade Creditors, \$500 in cash and their pro rata share of 9% of the Purcell Shares issued on the Effective Date, exclusive of any Purcell Shares issued on account of the New Investment, after receipt of a duly and properly completed Trade Creditor Direction Form and in accordance with the provisions of this Plan.<sup>1</sup>

Each Trade Creditor (not including Convenience Trade Creditors) will be sent, prior to the Meeting Date, a Trade Creditor Direction Form at the addresses set forth on either the Proofs of Claim for the Trade Creditors who filed a Proof of Claim, or the Service List for those on the Service List, or failing the foregoing, the Creditors List, as applicable.

Each applicable Trade Creditor shall have until the Direction Deadline to deliver to Purcell a duly completed and executed Trade Creditor Share Direction Form, pursuant to which each such Trade Creditor shall provide Purcell with the registration and delivery instructions of such Trade Creditor for the Purcell Shares to which they will be entitled to receive under this Plan. The Purcell Shares to be issued to Trade Creditors shall be allotted for issuance in accordance with this Section 3.2.

Each Trade Creditor who has delivered to Purcell a duly completed and executed Trade Creditor Share Direction Form shall be entitled to be issued, from such pool of Purcell Shares allotted or issuance pursuant to this Plan, such number of Purcell Shares.

If and to the extent the Purcell Shares issuable to the Trade Creditors pursuant to this Plan have not been duly and properly elected for in accordance with the procedure set forth in this Plan and the Trade Creditor Direction Form (the “**Surplus Trade Shares**”), Purcell shall issue the Surplus Trade Shares for distribution on a pro rata basis to the Class B Shareholders in accordance with Section 2.6, with the remainder, if any, for distribution to the Preferred Share Creditors in accordance with this Section 3.2.

### Preferred Share Class

A Preferred Share Direction Form will be sent, prior to the Meeting Date, to each Preferred Share Claimant, at the addresses set forth on either the Proofs of Claim for the Preferred Share Claimant who filed a Proof of Claim, or the Service List for those on the Service List, or failing the foregoing, the Creditors List, as applicable.

Each Preferred Share Claimant shall have until the Direction Deadline to deliver to Purcell a duly completed and executed Preferred Share Direction Form, pursuant to which each Preferred Share Claimant shall provide Purcell with the registration and delivery instructions of such Preferred Share Claimant for the nominal cash and Purcell Shares to which they will be entitled to receive under this Plan. The Purcell Shares to be issued to Preferred Share Creditors shall be allotted for issuance in accordance with this Section 3.2.

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<sup>1</sup> The Trade Creditors' entitlement at 9% of the Purcell Shares issued on the Effective Date is greater than the value of their respective claims payable in Purcell Shares in order to provide an illiquidity premium.

The pro rata entitlement of the Preferred Share Claimants to the Purcell Shares issued on the Effective Date shall be determined on the Effective Date after accounting for the following share distributions:

- (a) 15% of the Purcell Shares issued to the Lacey Group;
- (b) 4% of the Purcell Shares issued to Highlands;
- (c) 9% of the Purcell Shares issued to the Trade Creditors;
- (d) 3% of the Purcell Shares issued to the Class "B" Shareholders; and
- (e) that number of Purcell Shares issued to the DIP Lender to provide the DIP Lender with Purcell Shares equal in value to the percentage outstanding on the DIP Facility on the Effective Date.<sup>2</sup>

Each class of Preferred Share Claimants shall receive its class's pro rata share of the Purcell Shares issued on the Effective Date based on the following redemption value for each share (the **"Preferred Share Exchange Ratio"**):

- (a) Class "C" = \$40.00
- (b) Class "D" = \$25.00
- (c) Class "F" = \$50.00
- (d) Class "G" = \$75.00

If and to the extent the Purcell Shares issuable to the Preferred Share Creditors pursuant to this Plan have not been duly and properly elected for in accordance with the procedure set forth in Section 3.2 (the **"Surplus Shares"**):

- (a) Purcell shall issue such Surplus Shares for distribution on a pro rata basis to the Class B Shareholders in accordance with Section 2.6; and
- (b) the remainder, if any, of such Surplus Shares to be distributed on a pro rata basis, with reference to the Preferred Share Exchange Ratio, to the Preferred Share Creditors.

If and to the extent there are any Surplus Trade Shares after distribution on a pro rata basis to the Class B Shareholders in accordance with Section 2.6, such Surplus Trade Shares shall be distributed on a pro rata basis, with reference to the Preferred Share Exchange Ratio, to the Preferred Share Creditors.

### **3.3 Voting by Affected Creditors**

Affected Creditors with Disputed Claims shall be entitled to attend the Meeting and cast a vote in respect of the Plan.

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<sup>2</sup> See the illustrative calculation section below: assuming that the outstanding amount of the DIP Facility on the Effective Date is \$9.5 million the Preferred Share Claimants shall, together, receive 20.3% of the Purcell Shares issued on the Effective Date.

The Monitor shall keep a separate record and tabulation of any votes cast in respect of Disputed Claims. The Monitor shall report the result of the vote and the tabulation of votes of Allowed Claims and Disputed Claims to the Court, and if the decision by Affected Creditors whether to approve or reject the Plan is affected by the votes cast in respect of the Disputed Claims, the Debtors shall seek direction from the Court in respect of thereof. The fact that a Disputed Claim is allowed for voting purposes shall not preclude the Debtors or the Monitor from disputing the Disputed Claim for distribution purposes.

### **3.4 Approval by Affected Creditors**

In order to be approved by the Affected Creditors, the Plan must receive an affirmative vote, in accordance with the provisions of the Meeting Order, by the Required Majority in each Voting Class.

### **3.5 Unaffected Claims**

Notwithstanding anything to the contrary herein, other than the payment of administrative expenses secured by the Administration Charge on or before the Effective Date, no Creditor shall be entitled to vote or receive any distributions under the Plan in respect of an Unaffected Claim. Nothing in the Plan shall affect the Debtors' rights and defences with respect to any Unaffected Claim.

### **3.6 Disputed Claims**

Affected Creditors with Disputed Claims on the Effective Date shall not be entitled to receive any distribution hereunder with respect to such Disputed Claims until and to the extent that such Claim becomes an Allowed Claim. A Disputed Claim shall be referred for resolution in the manner set out in the Claims Process Order.

### **3.7 Extinguishment of Claims**

As of and from the Effective Time and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims under the Plan (including Allowed and Disputed Claims) shall be final and binding on the Debtors and all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and all Affected Claims shall be released and discharged as against the Debtors, and the Debtors shall thereupon be released from all Affected Claims, other than the obligation of the Debtors to make payments in the manner and to the extent provided for in the Plan; provided, however, that such discharge and release shall be without prejudice to the right of a holder of a Disputed Claim to receive any consideration that may be allowed under Section 3.6.

### **3.8 Government Priority Claims**

Within six (6) months after the date of the Sanction Order, each Debtor incorporated in Canada shall pay in full to any applicable Governmental Entities all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- (a) subsection 224(1.2) of the Tax Act;
- (b) any provisions of the *Canada Pension Plan* or the *Employment Insurance Act* that refers to subsection 224(1.2) of the Tax Act and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under the Act, and of any related interest, penalties, or other amounts;

- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Tax Act; or
  - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

### 3.9 Illustrative Calculation

The following is an illustrative calculation of the way in which the Plan would operate given an imputed enterprise value of \$33.4M and certain assumptions regarding the value of the principal interest, and fees under the DIP facility. If there is any difference between the amount or ratio of consideration expressed to be potentially received by the stakeholders implied by this illustrative calculation and the amounts or ratios specified by the Plan, the terms of the Plan shall govern.

The illustrative calculation is based upon an enterprise value of \$33.4M. That enterprise value derives from the October 29, 2013 Scoping Study prepared by Moose Mountain Technical Services Ltd. ("**Moose Mountain**") on behalf of the Petitioners as exhibited to the Affidavit #13 of Tim Hewison filed in the proceedings. The enterprise value relies upon the base case scenario provided by Moose Mountain adjusted to reflect the fact that the \$17M in income tax which Moose Mountain assumed was payable by the Debtors in its Scoping Study is unlikely to be paid.

Purcell's debt will be composed of Purcell Notes issued pursuant to the Plan in the gross amount of \$13,888,000. That amount is comprised of the Highlands Entitlement of \$2,338,000, being 7% of enterprise value on the Effective Date, and the principal and interest forecast to be owing to the DIP Lender on the Effective Date of \$11,550,000.

Based upon that debt, the equity value of Purcell on exit from the CCAA proceedings would be \$19,512,000. The following represents the distribution of that equity as among the various stakeholders.

The Lacey Group	15%	\$2,926,800
CuVeras Investors	48.7%	\$9,500,000
Highlands	4%	\$780,480
Class "B" Shareholders	3%	\$585,360
Trade Creditors	9%	\$1,756,080*
Preferred Share Claimants	20.3%	\$3,963,280

Trade Creditors are actually owed a total of \$1,439,492.73. The Trade Creditor participation in the Plan is at a premium to compensate Trade Creditors for the short term illiquidity of the Purcell Shares. That premium is approximately 20%.

This illustrative calculation will be affected by the actual amount due and owing to the DIP Lender as at the Effective Date. In the event that the amount actually owing is less than assumed in this illustrative calculation the percentage ownership of Purcell by the Preferred Share Claimants will

increase. If the amount owing to the DIP Lender on the Effective Date is more than assumed in the illustrative calculation the participation in the Preferred Share Claimants in Purcell will decrease.

The participation of the various classes of the Preferred Share Claimants is pro-rata of their shareholdings at the redemption value of their shares.

## **ARTICLE 4 SANCTION ORDER**

### **4.1 Application for Sanction Order**

As soon as reasonably practicable following the approval of the Plan by the Required Majorities, the Debtors shall bring a motion seeking the Sanction Order for prompt hearing by the Court.

### **4.2 Effect of Sanction Order**

In addition to approving and sanctioning the Plan, and subject to the discretion of the Court, the Sanction Order shall, among other things, and without limitation:

- (a) declare that:
  - (i) the Plan has been approved by the Required Majorities of Affected Creditors in conformity with the CCAA;
  - (ii) the Debtors have complied with the provisions of the CCAA and the Orders made in the CCAA Proceedings in all respects;
  - (iii) the Court is satisfied that the Debtors have not done or purported to do anything that is not authorized by the CCAA;
  - (iv) the Plan and transactions contemplated thereby are procedurally and substantive fair and reasonable to Affected Creditors, and this Plan and the transactions contemplated hereby are fair and reasonable, and in the best interests of the Debtors, the Affected Creditors and the other stakeholders of the Debtors (having considered, among other things, the composition of the vote, what creditors would receive in liquidation or sale as compared to this Plan, alternatives to this Plan or liquidation or sale, the treatment of shareholders and the public interest); and
  - (v) the Plan (including the settlements, compromises, arrangements, reorganizations, corporate transactions and releases set out herein) is sanctioned and approved pursuant to Section 6 of the CCAA and, as at the Effective Date, will be effective and will enure to the benefit of and be binding upon the Debtors and all other Persons named or referred to in this Plan or in the Sanction Order, if any;
- (b) direct and authorize Purcell, the Debtors and the Monitor to fulfill their obligations under the Plan, including to complete the transactions and distributions contemplated under the Plan;

- (c) authorize and direct the Debtors to issue, execute and deliver the agreements, documents, securities and instruments contemplated by this Plan, in the name of and on behalf of the Debtors, in order to effect all corporate actions contemplated by this Plan;
- (d) confirm the effect of the Claims Process Order including, without limitation, the effect of the Claims Bar Date and declare that all Proven Claims determined in accordance with the Claims Process Order and the Meeting Order are final and binding;
- (e) confirm the effect of the Meeting Order;
- (f) direct and authorize Zeus and Fort Steele to fulfill their obligations under the Plan, including the amalgamation of Zeus and Fort Steele with Purcell;
- (g) direct Purcell to fulfill its obligations under the Plan, including the amalgamation of Purcell with Zeus and Fort Steele;
- (h) effective on the Effective Date, declare that the compromises, waivers, releases and injunctions effected by the Plan are approved, binding, and effective as herein set out on all Affected Creditors, including all Trade Creditors, Preferred Share Claimants and Equity Claimants, and all other Persons affected by the Plan;
- (i) continue the stay of proceedings contained in the Initial Order until the CCAA Proceedings are terminated by Order of the Court;
- (j) confirm that the CCAA Charges as provided in the Initial Order and further Orders of the Court shall continue in effect until such time as the CCAA Proceedings are terminated and all obligations secured thereby are paid in full or as may be otherwise secured, satisfied or arranged;
- (k) order that all the CCAA Charges will be released and discharged upon the filing by the Monitor of a certificate with the Court confirming that all obligations secured thereby have been paid in accordance with this Plan or adequate alternate arrangements satisfactory to the Monitor and the parties in whose favour such charges operate have been made;
- (l) effective as of the Effective Date, release all Post-Filing Interest and Costs;
- (m) declare that no Person who is a party to a Non-Terminated Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of dilution or other remedy) or make any demand under or in respect of any such contract and no automatic termination will have any validity or effect, by reason of:
  - (i) any event that occurred on or prior to the Effective Date and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults, events of default, or termination events arising as a result of the insolvency of the Debtors);
  - (ii) the insolvency of the Debtors or the fact that the Debtors sought or obtained relief under the CCAA;

- (iii) any of the terms of this Plan or any action contemplated herein;
- (iv) any settlements, compromises or arrangements effected pursuant to this Plan or any action taken or transaction effected pursuant to this Plan; or
- (v) any change in the control of the Debtors arising from the implementation of this Plan and declare that any consent required under any such contracts, leases, agreements or other arrangements in respect of any such change of control be deemed satisfied;
- (n) effective on the Effective Date, except as otherwise provided in the Plan, declare that all shares, instruments, certificates and other documents or agreements evidencing any Preferred Share Claims and other Equity Interests, are deemed cancelled and are of no further force or effect, whether surrendered for cancellation or otherwise, including the single Class A common share of Fort Steele registered in the name of Lilieu Stanfield, a deceased person with no personal representative, and the obligations of the Debtors thereunder or in any way related thereto are satisfied and discharged, except to the extent expressly set forth in this Plan; and
- (o) effective on the Effective Date, permanently enjoin the commencement or prosecution, whether directly, derivatively or otherwise, of any demands, claims, actions, counterclaims, suits, judgments, or other remedy or recovery with respect to any indebtedness, liability, or obligation or cause of action released, discharged or terminated pursuant to the Plan.

## **ARTICLE 5**

### **CONDITIONS PRECEDENT TO PLAN IMPLEMENTATION**

#### **5.1 Conditions of Plan Implementation**

The implementation of this Plan is conditional on the satisfaction or waiver (subject to Section 5.2 hereof) on or before the Effective Date of the following conditions, in a manner satisfactory to Purcell, in consultation with the DIP Lender;

- (a) the following shall have occurred by the dates set forth below:
  - (i) the Meetings shall have occurred on the Meeting Date, and in any event no later than November 14, 2014; and
  - (ii) the Sanction Order, in form and substance satisfactory to the Debtors and the Monitor, shall have been obtained no later than November 17, 2014;

or such earlier or later date as may be agreed to among the Debtors and Purcell, in consultation with the DIP Lender;

- (b) the Plan shall have been approved by the Required Majorities of each Voting Class;
- (c) the Sanction Order shall become a Final Order;



- (d) the Highlands Assignment Agreement, in form and content satisfactory to the Debtors in consultation with Purcell and the DIP Lender, shall have been executed and delivered by each of the parties thereto;
- (e) the Trust Agreement shall have been executed and delivered by each of the parties thereto;
- (f) the Debtors and the DIP Lender shall have executed and delivered to Mr. George Timothy Hewison and the Estate a release from all Obligations;
- (g) all agreements and other documents and other instruments relating to the Plan shall be in form and content satisfactory to the Debtors in consultation with Purcell and the DIP Lender;
- (h) any applicable governmental, regulatory and judicial consents or orders, and other similar consents and approvals, and all filings with all governmental authorities, securities commissions and other regulatory authorities having jurisdictions, in each case to the effect necessary for the completion of the transactions contemplated by the Plan or any aspect thereof, shall have been made, obtained or received and are not subject to any reversal or stay;
- (i) the Debtors shall have taken all necessary corporate actions and proceedings in connection with the Plan, including the execution and filing of any articles of amendment or reorganization or other document to implement the Plan, which shall be in form and substance satisfactory to Debtors;
- (j) all agreements and documents necessary to implement and give effect to the Plan shall have been executed and delivered by all Parties;
- (k) all steps, conditions and any documents necessary to the implementation of the Plan (including without limitation those set out above) are capable of being implemented on or before the Effective Date;
- (l) all relevant Persons shall have executed, delivered and filed all documents and other instruments that, in the opinion of the Debtors, each acting reasonably, are necessary to implement the provisions of this Plan and/or the Sanction Order;
- (m) all applicable appeal periods in respect of the Sanction Order shall have expired and any appeals therefrom shall have been finally disposed of by the applicable appellate tribunal; and
- (n) no effective injunction, writ or preliminary restraining order or any order of any nature being issued by a competent authority prohibiting this Plan from being consummated as provided herein.

## **5.2 Waiver of Conditions**

Any Condition Precedent other than any statutory requirements regarding the voting, approval and sanctioning of the Plan pursuant to the provisions of the CCAA may only be waived by the Debtors with the written consent of Purcell, in consultation with the DIP Lender, and to the extent that any such

waiver implicates any right or duty of the DIP Lender under the DIP Credit Agreement, written consent of the DIP Lender.

### **5.3 Monitor's Certificate**

Upon being advised in writing by counsel for the Debtors, the DIP Lender and Purcell that the Conditions Precedent have been satisfied or waived in accordance with Section 5.1 hereof and that the Plan is capable of being implemented, the Monitor shall file with the Court the Monitor's Certificate, stating that all Conditions Precedent of the Plan have been satisfied or waived in accordance with the Plan and that the Plan is capable of being implemented forthwith.

### **5.4 Failure to Satisfy Conditions Precedent**

If the Conditions Precedent are not satisfied or waived in accordance with Section 5.1 hereof on or before the day which is 10 days after the date on which the Sanction Order is issued or such later date as may be specified by the Debtors with the consent of the Monitor, Purcell and the DIP Lender, the Plan shall not be implemented and the Plan and the Sanction Order shall cease to have any further force or effect.

## **ARTICLE 6 IMPLEMENTATION OF PLAN**

### **6.1 Plan Implementation**

Each of the following transactions contemplated by and provided for under this Plan will be consummated and effected and shall for all purposes be deemed to occur on the Effective Date, in the manner and the sequence as set forth below. Accordingly, all of the documents and agreements necessary to implement all such transactions must be in place and be final and irrevocable prior to the Effective Date to be held in escrow until their release without any further act or formality, except as provided in the Sanction Order.

- (a) in full and final satisfaction of all amounts owed to the DIP Lender pursuant to the DIP Facility, Purcell shall issue:
  - (i) to the DIP Lender, \$11,550,000.00 in Purcell Notes or such other amount as reflects the total principal interest and fees outstanding under the DIP Facility as at the Effective Date; and
  - (ii) to the CuVeras DIP Investors, their pro rata portion of such number of Purcell Shares that is equal in value to the principal outstanding amount under the DIP Facility as at the Effective Date,

and the DIP Facility shall be deemed to be terminated and the Debtors, and each of them, shall be fully, finally, irrevocable and forever released from any and all claims, liabilities or obligations of any kind to the DIP Lender under or in respect of the DIP Facility;

- (b) in full and final satisfaction of all amounts owing to the holders of the Administration Charge, Purcell shall pay \$550,000.00 to such holders or such other amount or other consideration as the holders of the Administration Charge may agree;

- (c) in full and final satisfaction of all amounts owed to Highlands pursuant to the LOA, Purcell shall issue to Highlands:
  - (i) \$2,338,000.00 in Purcell Notes or such amount as reflects 7% of the imputed enterprise value of Purcell and the Debtors, excluding the New Investment, on the effective date; and
  - (ii) Such number of Purcell Shares as is equal to 7% of the Purcell Shares to be issued as at the Effective Date;
- (d) in full and final satisfaction of all amounts owed to the Lacey Group pursuant to the LOA, Purcell shall issue to the Lacey Group such number of Purcell Shares as is equal to 15% of the Purcell Shares to be issued as at the Effective Date;
- (e) the Class B Direction Shares shall have been issued at the direction of Highlands to the DIP Lender, as set forth in Section 2.6, to be held in trust for the Class B Shareholders in accordance with the terms of the Trust Agreement;
- (f) all of the issued and outstanding Fort Steele Class A Shares and Zeus Class A Shares shall be, and shall be deemed to be, transferred by the holder thereof without any further action on the part of the holders thereof, free and clear of all liens, claims and encumbrances, to Purcell in exchange for \$0.000001 per Fort Steele Class A Share and Zeus Class A Share, and:
  - (i) any amount payable to a holder of Fort Steele Class A Share or Zeus Class A Shares that is in the aggregate less than \$1.00 for all such holder's securities shall be rounded up to \$1.00;
  - (ii) the holders of such Fort Steele Class A Shares and Zeus Class A Shares shall cease to be the holders of such securities and the names of such holders shall be removed from the register of holders of all such securities;
  - (iii) Purcell shall be deemed to be the legal and beneficial owner of such transferred Fort Steele Class A Shares and Zeus Class A Shares free and clear of any liens, claims or encumbrances, and
  - (iv) Purcell shall be added to the register of holders of each of Fort Steele Class A Shares and Zeus Class A Shares as the registered holder of all such securities;
- (g) all of the issued and outstanding Class B Shares shall be, and shall be deemed to be, transferred by the holder thereof without any further action on the part of the holders thereof, free and clear of all liens, claims and encumbrances, to Purcell in exchange for those numbers of Purcell Shares distributable to Class B Shareholders and \$0.000001 for each Class B Share, and:
  - (i) any amount payable to a holder of Class B Shares that is in the aggregate less than \$1.00 for all such holder's securities shall be rounded up to \$1.00;
  - (ii) the holders of such Class B Shares shall cease to be the holders of such securities and the names of such holders shall be removed from the register of holders of all such securities;

- (iii) Purcell shall be deemed to be the legal and beneficial owner of such transferred Class B Shares free and clear of any liens, claims or encumbrances, and
- (iv) Purcell shall be added to the register of holders of each of the applicable Debtors' securities as the registered holder of all such securities;
- (h) all of the issued and outstanding securities of Fort Steele and Zeus, other than the Fort Steele Class A Shares and the Zeus Class A Shares shall be cancelled and (other than in respect of the Class B Shares) no consideration therefor shall be issued, and upon such cancellation the holders of such Fort Steele and Zeus securities shall cease to be the holders of such securities and the names of such holders shall be removed from the register of holders of all such securities;
- (i) all of the issued and outstanding Bul River Class E Shares and the Gallowai Class E Shares shall be cancelled and no consideration therefore shall be issued, and the holders of such Bul River and Gallowai securities shall cease to be the holders of such securities and the names of such holders shall be removed from the register of holders of all such securities;
- (j) the Purcell Shares issuable to holders of Preferred Shares are hereby allotted for issuance and all of the issued and outstanding Preferred Shares shall be redeemed and cancelled by the applicable Debtor who was the issuer thereof, with each holder thereof entitled, in exchange for their Preferred Shares, to \$0.000001 and such number of Purcell Shares as determined in accordance with the Preferred Share Exchange Ratio, and the holders of such Preferred Shares shall cease to be the holders of such Preferred Shares and the names of such holders shall be removed from the register of holders of all such Preferred Shares;
- (k) all of the issued and outstanding shares of each of Fort Steele Metals Corporation, Fused Heat Ltd., Zeus Metals Corporation, Super Feldspars Corporation, Sullibin Mineral Corporation, Sullibin Multi Metal Corporation, Zeus Metal Mining Corporation and Grand Mineral Corporation (collectively, the "**Estate Companies**") shall be, and shall be deemed to be, transferred by the holder thereof without any further action on the part of the holders thereof, free and clear of all liens, claims and encumbrances, to Purcell in exchange for an aggregate of \$1.00, with each holder thereof entitled to their pro rata portion of such aggregate dollar amount, and:
  - (i) the holders of the Estate Companies' shares shall cease to be the holders of such shares and the names of such holders shall be removed from the register of holders of all such shares;
  - (ii) Purcell shall be deemed to be the legal and beneficial owner of such transferred shares of the Estate Companies free and clear of any liens, claims or encumbrances, and
  - (iii) Purcell shall be added to the register of holders of securities of each of the Estate Companies as the registered holder of all such securities;
- (l) in exchange for, and in full and final settlement of, the Trade Claims as at the Effective Date, Purcell shall issue (i) to each Convenience Trade Creditor, the amount of their Convenience Trade Claim; and (ii) to each Trade Creditor that is not a Convenience

Trade Creditor, \$500 in cash and such number of Purcell Shares to which they are entitled pursuant to the terms of this Plan, which Purcell Shares shall be distributed in the manner described in Section 7.6. Upon issuance of these Purcell Shares, the Trade Creditor's Allowed Claims shall and shall be deemed to be irrevocably and finally extinguished and such Affected Creditors shall have no further right, title or interest in and to the Allowed Claim or the securities or other assets of the Debtors other than the Purcell Shares;

- (m) Purcell, Fort Steele and Zeus shall amalgamate to form Amalco and shall continue as one corporation under the BCBCA and unless and until otherwise determined in the manner permitted or required by the BCBCA or otherwise by law, by Amalco or by its directors or shareholders with the following effects (except as otherwise provided in this Plan):
  - (i) the outstanding securities of each of Fort Steele and Zeus shall be cancelled without any repayment of capital in respect thereof;
  - (ii) the articles of Amalco shall be the same as the articles of Purcell;
  - (iii) the outstanding share capital and the stated capital of Amalco shall be the same as the outstanding share capital and stated capital of Purcell;
  - (iv) the name of Amalco shall be "Purcell Basin Minerals Inc.";
  - (v) the property of each of Purcell, Fort Steele and Zeus will continue to be the property of Amalco;
  - (vi) Amalco will continue to be liable for the obligations of Fort Steele and Zeus, including without limitation any expenses associated with the transactions contemplated herein;
  - (vii) an existing cause of action, claim or liability to prosecution relating to Purcell, Fort Steele and Zeus will be unaffected; and
  - (viii) a civil, criminal or administrative action or proceeding pending by or against Purcell, Fort Steele and Zeus may be continued or prosecuted by or against Amalco;
- (n) all of the issued and outstanding Bul River Class A Shares and Gallowai Class A Shares shall be registered in the name of Amalco;

## **6.2 New Investment**

- (a) Any Subscriber who has duly executed and returned a Subscription Agreement, in accordance with the instructions therein shall have the right to participate in the New Investment in accordance with the terms of the Subscription Agreement, conditional upon the implementation of this Plan and effective on the Plan Effective Date.
- (b) At or before 4:30 p.m. (Pacific Time) on November 30, 2014 (or such other date as Purcell and the Debtors may agree), each Subscriber shall have deposited its respective subscription amount in escrow with Computershare Trust Company of Canada as escrow agent (the "Escrow Agent").

- (c) It is a condition of closing of the New Investment that (i) the transactions to be completed pursuant to this Plan have been completed to the satisfaction of the Monitor, as a result of which (A) all the assets of the Debtors are, directly or indirectly, the assets of Purcell, (B) the issued and outstanding share capital of Purcell upon completion of the transactions to be completed pursuant to this Plan, other than in connection with the New Investment, shall be comprised of no greater than 2,500,000 Purcell Shares, (C) Purcell will have no more than \$15,000,000 in principal amount of secured debt; and (ii) Purcell sells a minimum of \$1,700,000 of Purcell Shares in connection with the New Investment (the “**New Investment Conditions**”). Should the New Investment Conditions not be satisfied prior to the Effective Date, the New Investment will not be completed. If the New Investment Conditions have been satisfied, Purcell shall deliver a notice and direction to the Escrow Agent confirming that the New Investment Conditions have been satisfied, in accordance with the terms of the Subscription Agreement.

### 6.3 Treatment of Securities for the Purposes of the Plan

- (a) notwithstanding the issuer thereof, the Class B Shares shall be treated equally, and as being of equal value, and Class B Shareholders shall be entitled to participate pro rata in any consideration granted to holders of Class B Shares pursuant to Section 2.6 based on the number of such Class B Shares held by each such Class B Shareholder; and
- (b) each class of Bul River Preferred Share shall be treated equally, and as being of equal value, with each class of Gallowai Preferred Shares with the same name, and each holder of a Bul River Preferred Share and a Gallowai Preferred Share shall be entitled to participate pro rata in any consideration payable to holders of Bul River Preferred Shares and Gallowai Preferred Shares based on the number and class of such Bul River Preferred Shares and Gallowai Preferred Shares held by each such holder and with reference to the Preferred Share Exchange Ratio.

### 6.4 Corporate Actions

As of the Effective Date, all corporate actions contemplated by this Plan shall be deemed to have been authorized and approved in all respects (subject to the provisions of this Plan). All matters provided for in this Plan shall be deemed to have timely occurred, in accordance with applicable Law, and shall be effective, without any requirement of further action by any creditors, security holders, shareholders, directors, officers or managers of the Debtors. On the Effective Date, the Debtors shall be authorized and directed to issue, execute and deliver the agreements, documents, securities and instruments contemplated by this Plan in the name of and on behalf of the Debtors.

### 6.5 Securities Law Matters

The Debtors intend that the issuance and distribution, pursuant to this Plan, of all new Purcell Shares will be exempt from the prospectus requirements of Canadian securities legislation, to the extent applicable, pursuant to Section 2.11 of National Instrument 45-106 – *Prospectus and Registration Exemptions* of the Canadian Securities Administrators. The certificates for the Purcell Shares will bear such legends regarding resale restrictions as are required by applicable Canadian securities legislation, including:

**“Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of [THE DISTRIBUTION**

**DATE OF THE PURCELL SHARES ON CLOSING OF THE NEW INVESTMENT] and the date the issuer became a reporting issuer in any province or territory.”**

Upon the granting of the Sanction Order, any Person named or referred to in this Plan, and the heirs, administrators, executors, legal representatives, successors and assigns of any such Person, shall act in good faith to ensure the intended treatment of the issuance and distribution of the Purcell Shares set forth in this Section 6.5.

**6.6 Cancellation of Certificates and Notes**

Following completion of the steps in the sequence set forth in Section 6.1, all notes, debentures, certificates, agreements, indentures, statements, bills, invoices, instruments or other documents representing or evidencing (or purporting to represent or evidence) Affected Claims will not entitle any holder thereof or party thereto to any compensation or participation other than as expressly provided for in this Plan and will be, and will be deemed to be, cancelled and be null and void. For greater certainty, Purcell shall not assume any of the Petitioner's liabilities other than pursuant to the issuance of the Purcell Notes.

**ARTICLE 7  
EFFECT OF THE PLAN**

**7.1 Binding Effect of the Plan**

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order, shall be binding as of the Effective Date on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall constitute:

- (a) a full, final and absolute settlement of all rights of the Affected Creditors;
- (b) cancellation of the Equity Interests of Equity Claimants in the Debtors;
- (c) an absolute release, satisfaction and discharge of all indebtedness, liabilities and obligations of the Debtors of or in respect of the Affected Claims.

**7.2 Consents, Waivers and Agreements**

From and after the Effective Date, each Affected Creditor and other Persons shall be deemed to have consented to and have agreed to all of the provisions of the Plan in its entirety. In particular, each Affected Creditor and other Person shall be deemed:

- (a) to have executed and delivered to the Monitor and the Debtors all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (b) to have waived any and all defaults than existing or previously committed by the Debtors in any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, agreement, mortgage, security, agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto, existing between any such Affected Creditor and other Person and the debtors and any

and all notices of default and demands for payments under any instrument, including without limitation any guaranty, shall be deemed to have been rescinded.

### 7.3 Release of Released Parties

The following releases will become effective at the Effective Time:

#### (a) Releases by the Debtors

As at the Effective Time and subject to the provisions of Section 5.1(2) of the CCAA, the Debtors will be deemed to forever release, waive and discharge any and all demands, claims, actions, causes of action, counterclaims, suits, rights, obligations, debts, sums of money, accounts, covenants, damages, judgments, expenses, liabilities, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature, including interest thereon and costs, fees or other amounts in respect thereof (collectively, the “**Obligations**”) (other than the rights of the Debtors to enforce this Plan and the contracts, instruments, and other agreements or documents delivered hereunder) whether reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, direct, indirect or derivative, then existing or hereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other circumstance or occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of or in connection with the business and affairs of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claims or Restructuring Claims, this Plan, the CCAA Proceedings that could be asserted by or on behalf of the Debtors against: (i) the agents, legal counsel, financial advisors and other professionals of the Debtors, in each case in their respective capacities as of the Effective Time; (ii) the Monitor and its legal counsel; and (iii) where applicable, with respect to each of the above named Persons, such Person’s present and former advisors, principals, employees, officers, directors, representatives, financial advisors, legal counsel, accountants, investment bankers, consultants, agents, predecessors, affiliates, subsidiaries, related companies, heirs, spouses, dependants, administrators and executors.

#### (b) Releases by Others

As at the Effective Time, (i) the Debtors, (ii) the Monitor, (iii) the DIP Lender, and (iv) with respect to each of the above named Persons, such Person’s present and former advisors, principals, employees, officers, directors, representatives, financial advisors, legal counsel, accountants, investment bankers, consultants, agents, predecessors, affiliates, subsidiaries, related companies, heirs, spouses, dependants, administrators and executors (collectively, the “**Released Parties**”) will be released and discharged from any and all Obligations, whether reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, direct, indirect or derivative, then existing or hereafter arising, in law, equity or otherwise, that any Person (including the Affected Creditors and the Debtors, and any Person who may claim contribution or indemnification against or from them) may be entitled to assert based in whole or in part on any act, omission, transaction, event or other circumstance or occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of or in connection with the business and affairs of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claims or Restructuring Claims, this Plan and the CCAA Proceedings (collectively, the “**Released Claims**”), provided, however, that



nothing herein will release or discharge (x) either (A) former directors and officers of the Debtors, or (B) any Released Party, if the former director, officer or Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct or to have been grossly negligent, or (y) the obligations of any Released Party under the Plan, the Sanction Order, or any contract, agreement or instrument entered into pursuant to, or otherwise delivered under, this Plan or the Sanction Order.

**(c) Release of the Estate**

As at the Effective Time, the Debtors, Purcell, all Affected Creditors (including Class B Shareholders, Preferred Shares Claimants and Trade Creditors and Convenience Trade Creditor) for and in consideration of (i) the sum of \$1.00 and all of the issued and outstanding Class A common shares in the capital of Fort Steele and all of the issued and outstanding Class A common shares in the capital of Zeus (less all appropriate deductions) and (ii) the sum of \$1.00 and all of the issued and outstanding shares in the Estate Companies (less all appropriate deductions) and good and valuable consideration by the Estate, hereby remises, releases and forever discharges the Estate from any and all Obligations, whether reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, direct, indirect or derivative, then existing or hereafter arising, in law, equity or otherwise, that any Person (including the Affected Creditors and the Debtors, and any Person who may claim contribution or indemnification against or from them) may be entitled to assert based in whole or in part on any act, omission, transaction, event or other circumstance or occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of or in connection with the business and affairs of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claims or Restructuring Claims, this Plan and the CCAA Proceedings.

**7.4 Injunction**

All Persons, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Date, with respect to claims against the Released Parties, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any actions, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;
- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;
- (c) commencing, conducting or continuing in any manner, directly or indirectly, any actions, suits or demands, including, without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against

any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties;

- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Lien or encumbrance of any kind; or
- (e) taking any actions to interfere with the implementation or consummation of this Plan or the transactions contemplated herein.

This Section 7.4 does not apply to the Unaffected Claims or to the enforcement of any obligation of the Unaffected Claims under the Plan.

#### **7.5 Responsibilities of the Monitor**

The Monitor is acting in its capacity as Monitor in the CCAA proceedings and the Monitor will not be responsible or liable for any obligations of the Debtors hereunder. The Monitor will have only those powers granted to it by this Plan, by the CCAA and by any Order of the Court in the CCAA Proceedings, including the Initial Order.

#### **7.6 Distributions of Purcell Shares**

This Section 7.6 sets forth the distribution mechanics with respect to the allotment and issuance of the Purcell Shares pursuant to the Plan and that are to be distributed to Trade Creditors who have submitted a valid Trade Creditor Share Direction, Preferred Share Creditors, and Class B Shareholders who have made a valid Class B Direction.

##### Trade Creditors

If a Trade Creditor submits to Purcell a Trade Creditor Share Direction Form prior to the Direction Deadline, upon receipt of and in accordance with the information received by Purcell in respect of the security holdings and entitlements of such Trade Creditor, and in addition to the cash consideration payable to any such Trade Creditor, Purcell shall register and deliver to the Trade Creditor certificate(s) representing the applicable number of Purcell Shares to be distributed to such Trade Creditor.

If a Trade Creditor does not return to Purcell a Trade Creditor Share Direction Form on or before the Direction Deadline, such Trade Creditors entitlement to Purcell Shares and cash in accordance with Section 6.1 shall cease to represent a claim or right of any kind or nature whatsoever against the Debtors and Purcell in respect of such Purcell Shares, cash and other consideration to which such Trade Creditor was otherwise entitled, and any Surplus Trade Shares will be treated in accordance with Section 2.6 and 3.2.

##### Preferred Share Claimants

If a Preferred Share Claimant submits to the Monitor a Preferred Share Direction Form prior to the Direction Deadline, each such Preferred Share Claimant a Preferred Share Creditor, upon receipt of and in accordance with a written direction of the Monitor prepared based on the information received by the Monitor in respect of the security holdings and entitlements of such Preferred Share Creditor, and as so directed by the Monitor, Purcell shall issue, register and deliver to the Preferred Share Creditor certificate(s) representing the applicable number of Purcell Shares to be distributed to such Preferred Share Creditor.

If a Preferred Share Claimant does not return to the Monitor a Preferred Share Direction Form on or before the Direction Deadline, such Preferred Share Claimant's Equity Interest shall cease to represent a claim or right of any kind or nature whatsoever against the Debtors and Purcell and Purcell Shares or other consideration to which such Preferred Share Claimant was otherwise entitled, and any Surplus Shares will be treated in accordance with Section 2.6 and Section 3.2.

#### Class B Shareholders

If a Class B Shareholder delivers to the Monitor a Class B Direction Form prior to the Direction Deadline, upon receipt of and in accordance with a written direction of the Monitor prepared based on the information received by the Monitor in respect of the security holdings and entitlements of such Class B Shareholder, and as so directed by the Monitor, the DIP Lender shall transfer and deliver, and shall direct Purcell to register, to the Class B Shareholder certificate(s) representing the applicable number of Purcell Shares to be distributed to such Class B Shareholder.

If a Class B Shareholder does not return to the Monitor a Class B Direction Form on or before the Direction Deadline, such Class B Shareholder's Equity Interest shall cease to represent a claim or right of any kind or nature whatsoever against the Debtors and Purcell and Purcell Shares or other consideration to which such Class B Shareholder was otherwise entitled, and any unallocated Purcell Shares will be treated in accordance with Section 2.6 and Section 3.2.

#### **7.7 Assignment of Affected Claims**

For purposes of determining entitlement to receive any distribution pursuant to the Plan, the Debtors and the Monitor, and each of their respective agents, successors and assigns, shall have no obligation to recognize any transfer or assignment of any Affected Claim unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with evidence showing ownership, in whole or in part, of such Affected Claim and that such transfer or assignment was valid at Law, has been received by the Monitor at least five (5) Business Days prior to the Distribution Date.

#### **7.8 Interest on Affected Claims**

Interest shall not accrue or be paid on any Affected Claim after or in respect of the period following the Filing Date.

To the extent that any Allowed Claim to which a distribution under this Plan consists of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable Law, be allocated to the principal amount of the Proven Claim first and then, to the extent that the consideration exceeds the principal amount of the Proven Claim, to the portion of such Proven Claim representing accrued but unpaid interest.

#### **7.9 Undeliverable Distributions**

If any distribution to a Person under this Plan is returned as undeliverable, no further distributions to such Person shall be made unless and until Amalco is notified of the current address of such Person, at which time all missed distributions shall be made to such Person without interest. Undeliverable distributions shall be retained by Amalco until such distributions are claimed. Amalco shall make reasonable efforts to locate holders of Allowed Claims and other Persons for whom a distribution is to be made under this Plan and for which distributions were undeliverable. Notwithstanding the foregoing, all claims for undeliverable distributions must be made on or before the date that is 180 days after the

Distribution Date as applicable, after which date all unclaimed distributions shall revert to Amalco free of any restrictions or claims thereon and the Claim of any person holding such property shall be discharged and forever barred.

#### **7.10 Withholding Taxes**

In connection with this Plan, all distributions made pursuant to the Plan shall be made net of all applicable levies in accordance with the CCAA. Notwithstanding any other provision of this Plan, each Affected Creditor with a Proven Claim that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Taxes or Tax obligations imposed by any Governmental Entity (including income, withholding and other Tax obligations on account of such distribution). Amalco shall be authorized but not required to take any and all actions as may be necessary or appropriate to comply with such withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Creditor in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Governmental Entity.

#### **7.11 Fractional Interests**

- (a) No fractional Purcell Shares will be issued in connection with the transactions contemplated pursuant to this Plan. In the event that a Person would otherwise be entitled to a fractional Purcell Share hereunder, the number of Purcell Shares issued to such Person shall be rounded up to the next whole number of Purcell Shares, as applicable, if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next whole number of Purcell Shares, as applicable, if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Purcell Shares to be issued to or on behalf of a Person shall be aggregated.
- (b) Notwithstanding anything to the contrary provided herein, no consideration will be issued in connection with the transactions contemplated pursuant to this Plan unless such consideration is, in the aggregate, equal to or greater than one cent (\$0.01) and no fraction of a cent shall be issued. Except as provided in Section 6.1(f), in the event that a Person would otherwise be entitled to a fraction of a cent hereunder, the amount of consideration issued to such Person shall be rounded up to the next whole cent, as applicable, if the fractional entitlement is equal to or greater than \$0.005 and shall, without any additional compensation, be rounded down to the next whole cent, as applicable, if the fractional entitlement is less than \$0.005. In calculating such fractional interests, all consideration to be issued to or on behalf of a Person shall be aggregated.

### **ARTICLE 8 GENERAL**

#### **8.1 Amendment**

The Debtors shall be entitled, in consultation with the DIP Lender, at any time and from time to time, to amend, restate, modify or supplement the Plan, provided that:

- (a) if made prior to the Meetings, the Debtors:
  - (i) obtain the prior consent of Purcell;

- (ii) file the amended Plan with the Court;
  - (iii) serve the amended Plan on the parties listed on the Service List to these CCAA Proceedings and the Creditors List;
  - (iv) provide reasonable notice of the amended Plan to creditors that have filed proxies with the Monitor to the extent that such creditors are not on the Service List; and
  - (v) request the Monitor to post the amended Plan on the Monitor's Website.
- (b) if made during the Meetings;
- (i) the prior written consent of Purcell is obtained;
  - (ii) the amendment would not be materially prejudicial to the interests of any of the creditors under the Plan; and
  - (iii) notice of the amendment is given to all Creditors eligible to vote and present at the Meetings prior to the vote being taken; in which case the amended Plan shall be promptly posted on the Monitor's Website;
- (c) if made after the Meetings and, without further order of the Court or notice to any Creditor, the Debtors and the Monitor, acting reasonably and in good faith, determine the variation, amendment, modification or supplement in the amended Plan to be (i) of a technical or administrative nature that would not prejudice the interest of any of the Creditors under the Plan and (ii) necessary in order to give effect to the substance of the Plan or the Sanction Order;

provided, however, that the Plan may not be modified, amended or supplemented in any manner without the express written consent of the DIP Lender and to the extent of any modification, amendment or supplement materially inconsistent with the DIP Credit Agreement, without the express written consent of the DIP Lender.

## **8.2 Paramountcy**

From and after the Effective Date, if there is any conflict between the provision(s) of the Plan or Sanction Order, and any provision of the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, purchase order, mortgage, security agreement, indenture, trust indenture, loan or other agreement, commitment letter, by-laws of the Debtors, lease or other arrangement or undertaking, written or oral (including any and all amendments or supplements thereto) existing with, between or among one or more of the Affected Creditors and the Debtors the provision(s) of the Plan and Sanction Order shall govern, take precedence and priority.

## **8.3 Termination**

At any time prior to the Effective Date, the Debtors, with the written consent of Purcell and the DIP Lender, may determine not to proceed with this Plan notwithstanding the obtaining of the Sanction Order. If the Conditions Precedent are not satisfied or waived as provided for in this Plan, if the Debtors determine not to proceed with this Plan, with the written consent of Purcell and the DIP Lender, or if the Sanction Order is not issued by the Court:

- (a) this Plan shall be null and void in all respects;
- (b) any settlement or compromise embodied in this Plan, or any document or agreement executed pursuant to the Plan shall be deemed null and void; and
- (c) nothing contained in this Plan, and no act taken in preparation of the consummation of this Plan, shall:
  - (i) constitute or be deemed to constitute a waiver or release of any Claims or any defences thereto by or against any of the Affected Creditors or any other Person;
  - (ii) prejudice in any manner the rights of any of the Affected Creditors or any other Person in any further proceedings involving the debtor; or
  - (iii) constitute an admission of any sort by the Debtors, the Affected Creditors or any other Person.

#### **8.4 Severability**

If, prior to the Effective Date, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Debtors and with the consent of Purcell, in consultation with the DIP Lender, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Sanction Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable.

#### **8.5 Guarantees and Similar Covenants**

No Person who has a Claim under any guarantee, surety, indemnity, solidary or joint and several obligations or otherwise in respect of any Claim that is settled, compromised, released or otherwise dealt with under this Plan or who has any right in respect of, or to be subrogated to, the rights of any Person in respect of a Claim that is compromised under this Plan shall be entitled to any greater rights than the Affected Creditor whose Claim is settled, compromised, released, or otherwise dealt with under this Plan.

#### **8.6 Successors and Assigns**

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal representatives, successors (including by merger, amalgamation, consolidation, conversion or reorganization or following any winding-up, liquidation or dissolution) and permitted assigns of any Person named or referred to in this Plan.

#### **8.7 Further Assurances**

Notwithstanding that the transactions and events set out in the Plan shall occur and be deemed to occur in the order set out herein without any other additional act or formality, each of the Persons affected

hereby 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 the Debtors in order to better implement the Plan.

### **8.8 Entire Agreement**

Except as otherwise indicated, upon the Effective Date, the Plan supersedes all previous contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

### **8.9 Exhibits and Related Documents**

All schedules, exhibits and documents filed in relation to the Plan are incorporated into and are a part of the Plan as if set forth in full in the Plan.

### **8.10 Notices**

Any notices or communication to be made or given hereunder shall be in writing and shall reflect this Plan and may, subject as hereinafter provided, be made or given by the Person making or giving it or by an agent of such Person authorized for that purpose by personal delivery, by prepaid mail, facsimile or e-mail addressed to the respective parties as follows:

(a) if to the Debtors:

Box 845  
Cranbrook, B.C. V1C 4J6  
Attention: Tim Hewison

with a copy to:

Gowling Lafleur Henderson LLP  
2600 - 550 Burrard Street  
Vancouver, B.C. V6C 2B5  
Attention: Colin Brousson/Jonathan Ross  
Fax: 604-683-3558  
E-mail: colin.brousson@gowlings.com; jonathan.ross@gowlings.com

(b) if to the Monitor:

Deloitte Restructuring Inc.  
2800 - 1055 Dunsmuir Street  
4 Bentall Centre  
Vancouver, B.C. V7X 1P4  
Attention: Melinda McKie/Allison Burton  
Fax: 604-602-1583  
E-mail: stanfield@deloitte.ca

with a copy to:

Dentons Canada LLP

250 Howe Street  
Vancouver, B.C. V6C 3R8  
Attention: John Sandrelli/Tevia Jeffries  
Fax: 604-683-5214  
E-mail: john.sandrelli@dentons.com; tevia.jeffries@dentons.com

(c) if to the DIP Lender:

CuVeras, LLC

150A Manchester Street  
San Francisco, CA 94110  
Attention: Brendan MacMillan  
Fax: 415-480-7941  
E-mail: bmacmillan@highpacmanagement.com

with a copy to:

Blake, Cassels & Graydon LLP  
Suite 2600, 595 Burrard Street  
Vancouver, B.C. V7X 1L3  
Attention: Bill Kaplan/Helen Sevenoaks  
Fax: 604-631-3309  
E-mail: bill.kaplan@blakes.com; helen.sevenoaks@blakes.com

(d) if to Purcell:

Purcell Basin Minerals Inc.

150A Manchester Street  
San Francisco, CA 94110  
Attention: Brendan MacMillan  
Fax: 415-480-7941  
E-mail: bmacmillan@purcellbasin.com

or to such other fax or e-mail as any party may from time to time notify the others in accordance with this Section 8.10. All such notices and communications shall be deemed to have been received, in the case of notice by fax or e-mail prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day.

The unintentional failure by the Debtors or the Monitor to give any notice contemplated hereunder to any particular Affected Creditor shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

Any notices or communications to be made or given hereunder by the Monitor or the Debtors to an Affected Creditor may be sent by fax, e-mail, ordinary mail, registered mail or courier. An Affected Creditor shall be deemed to have received any document sent pursuant to this Plan two (2) Business Days after the document is sent by ordinary or registered mail, and on the Business Day immediately following the day on which the document is sent by courier, e-mail or fax transmission. Documents shall not be sent by ordinary or registered mail during a postal strike or work stoppage of general application.



Notices or communications may be mailed to an Affected Creditor as follows: (i) at the addresses set forth in the Proofs of Claim filed by such Affected Creditor or as set out on the Creditor List; or (ii) to the address set forth on the Service List maintained by the Monitor in these CCAA proceedings.

#### **8.11 Non-Consummation**

If the Sanction Order is not issued, (i) this Plan shall be null and void in all respects, (ii) any Claim or Restructuring Claim, any settlement, compromise or release embodied in this Plan (including the fixing or limiting of any Claim or Restructuring Claim to a certain amount), assumption or termination, repudiation of executory contracts or leases effected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (iii) nothing contained in this Plan, and no act taken in preparation for consummation of this Plan, shall:

- (a) constitute or be deemed to constitute a waiver or release of any Claims or Restructuring Claims by or against the Debtors or any other Person;
- (b) prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors; or
- (c) constitute an admission of any sort by the Debtors or any other Person.

**DATED** at Vancouver, British Columbia, as of the 25<sup>th</sup> day of September, 2014.

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**SCHEDULE "A"**  
**MONITOR'S CERTIFICATE**

No. S113459  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,

R.S.C. 1985, c. C – 36 as amended

- AND -

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57  
and THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9

- AND -

IN THE MATTER OF  
**BUL RIVER MINERAL CORPORATION, BIG BEAR METAL MINING CORPORATION,  
EARTH'S VITAL EXTRACTORS LIMITED, FORT STEELE MINERAL CORPORATION,  
FORT STEELE METALS CORPORATION, FUSED HEAT LTD., GALLOWAI METAL  
MINING CORPORATION, GIANT STEEPLES MINERAL CORPORATION, GRAND  
MINERAL CORPORATION, INTERNATIONAL FELDSPAR LTD., JAO MINE DEVELOPERS  
LTD., KUTTENI DIAMONDS LTD., STANFIELD MINING GROUP OF CANADA LTD.,  
SULLIBIN MINERAL CORPORATION, SULLIBIN MULTI METAL CORPORATION, SUPER  
FELDSPARS CORPORATION, WHITE CAT METAL MINING CORPORATION, ZEUS  
METAL MINING CORPORATION, ZEUS METALS CORPORATION and ZEUS MINERAL  
CORPORATION**

PETITIONERS

**MONITOR'S CERTIFICATE**

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan of Compromise and Arrangement concerning, affecting and involving the Debtors dated as of [●] 2014, (the “**Plan**”), as the Plan may be amended, varied or supplemented from time to time in accordance with the terms thereof.

Pursuant to Section [●] of the Plan, Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of the Debtors, hereby certifies that it has been informed in writing by the Debtors, Purcell and the DIP Lender that all of the Conditions Precedent as set out in Section [●] of the Plan have been satisfied or (to the extent permitted by law) waived in accordance with the Plan.

Pursuant to the terms of the Plan, the Effective Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

**DATED** at the City of Vancouver, in the Province of British Columbia, this \_\_\_\_ day of \_\_\_\_\_, 2014.

**DELOITTE RESTRUCTURING INC.**, in its capacity as Court-appointed Monitor of the Petitioners, not in its personal capacity

By:

\_\_\_\_\_  
Name:

Title: