

## **ARRANGEMENT AGREEMENT**

**THIS AGREEMENT** is made as of August 6, 2015

**BETWEEN:**

**OREX MINERALS INC.**, a company incorporated  
under the laws of British Columbia  
  
("Orex")

**AND:**

**BARSELE MINERALS CORP.**, a company  
incorporated under the laws of British Columbia  
  
("Spinco")

**RECITALS:**

- A. Orex intends to propose to the Orex Securityholders an arrangement involving, among other things, the reorganization of the capital of Orex and the exchange of: (i) New Common Shares and Spinco Shares for the Orex Shares held by the Orex Shareholders; (ii) New Orex Options and Spinco Options for the Orex Options held by the Orex Optionholders; and (iii) New Orex Warrants and Spinco Warrants for the Orex Warrants held by the Orex Warrantholders, in each case in accordance with the terms and subject to the conditions contained in this Agreement;
- B. The Parties intend to carry out the transactions contemplated herein pursuant to a plan of arrangement under section 288 of the BCBCA;
- C. The Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the Arrangement; and
- D. Each of the Parties has agreed to participate in and support the Arrangement and related transactions.

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the mutual covenants and agreements herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

### **ARTICLE 1 INTERPRETATION**

#### **1.1 Definitions**

In this Agreement, including the recitals, unless the context otherwise requires, the following terms have the following meanings:

**"1933 Act"** means the United States Securities Act of 1933, as amended.

**"AE Sweden"** means Agnico Eagle Sweden AB, a company incorporated under the laws of the Kingdom of Sweden.

**"Agnico Eagle"** means Agnico Eagle Mines Limited, a company existing under the laws of the Province of Ontario.

**"Agreement"**, **"herein"**, **"hereof"**, **"hereto"**, **"hereunder"** and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof.

**"Arrangement"** means the arrangement under section 288 of the BCBCA contemplated by the Plan of Arrangement.

**"Arrangement Resolution"** means the special resolution to be considered and voted on by Orex Securityholders at the Meeting approving the Arrangement, to be in substantially the form attached as Schedule E to the Arrangement Agreement.

**"Barsele Project"** means the Barsele Gold Project, which is 100% owned by Gunnarn and is comprised of mineral claims covering approximately 32,709 hectares located in Västerbottens Län, Sweden.

**"Barsele Project Interest"** means the 45% interest in the Barsele Project held by Orex as of the date of this Agreement, which is subject to the Gunnarn JV.

**"BCBCA"** means the *Business Corporations Act* (British Columbia), as amended, and the regulations thereunder.

**"Business Day"** means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in Vancouver, British Columbia for the transaction of banking business.

**"Court"** means the Supreme Court of British Columbia.

**"Dissent Rights"** has the meaning set out in Section 3.1 of the Plan of Arrangement.

**"Effective Date"** means the date selected by Orex as being the date upon which the Arrangement first becomes effective.

**"Effective Time"** means 12:01 a.m. on the Effective Date.

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

**"Former Orex Optionholders"** means the holders of unexercised Orex Options immediately before the Effective Time.

**"Gunnarn"** means Gunnarn Mining AB, a corporation incorporated under the laws of the Kingdom of Sweden.

**"Gunnarn JV"** means the joint venture between Orex and Agnico Eagle with respect to the development of the Barsele Project pursuant to the Gunnarn JV Agreement.

**"Gunnarn JV Agreement"** means the joint venture agreement dated June 11, 2015 among AE Sweden, Orex, Agnico Eagle and Gunnarn.

**"Gunnarn Shares"** means the 100,000 issued and outstanding common shares in the capital of Gunnarn.

**"Information Circular"** means, collectively, the notice of meeting and the management information circular of Orex, including all schedules thereto, to be sent to Orex Securityholders in connection with the Meeting.

**"Interim Order"** means the interim order of the Court in respect of the Arrangement providing for, among other things, the calling and holding of the Meeting, as the same may be amended, supplemented or varied by the Court.

**"Meeting"** means the annual and special meeting of the Orex Securityholders (including any adjournment or postponement thereof) to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution.

**"New Common Shares"** means common shares in the authorized share structure of Orex to be created in accordance with the Plan of Arrangement and which will have attached thereto the same rights and privileges as the Orex Shares immediately prior to the Effective Time.

**"New Orex Option Plan"** means the stock option plan to be adopted and approved in connection with the Arrangement that will replace the Orex Option Plan and pursuant to which New Orex Options will be granted.

**"New Orex Options"** means the stock options of Orex that will be granted to Former Orex Optionholders under the Arrangement and will be exercisable for New Common Shares pursuant to the New Orex Option Plan.

**"New Orex Warrants"** means the warrants of Orex to be exchanged for Orex Warrants under the Arrangement.

**"Orex"** means Orex Minerals Inc., a company incorporated under the laws of British Columbia.

**"Orex Board"** means the board of directors of Orex, as may be constituted from time to time.

**"Orex Optionholders"** means holders of Orex Options.

**"Orex Option Plan"** means the stock option plan of Orex dated September 19, 2014.

**"Orex Options"** means the outstanding options to purchase Orex Shares granted pursuant to the Orex Option Plan.

**"Orex Securities"** means, collectively, the Orex Shares, Orex Options and Orex Warrants.

**"Orex Securityholders"** means, collectively, the Orex Shareholders, Orex Optionholders and Orex Warrantholders.

**"Orex Shareholder"** means a holder of Orex Shares.

**"Orex Shares"** means the common shares in the authorized share structure of Orex as constituted immediately before the Effective Time.

**"Orex Warrantholder"** means a holder of Orex Warrants.

**"Orex Warrants"** means the warrants to purchase Orex Shares outstanding immediately before the Effective Time.

**"Parties"** means Orex and Spinco, and **"Party"** means any one of them.

**"Person"** means any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association.

**"Plan of Arrangement"** means the plan of arrangement attached as Schedule A hereto.

**"Registrar"** means the Registrar of Companies appointed under the BCBCA.

**"Spinco"** means Barsele Minerals Corp., a company incorporated under the laws of British Columbia.

**"Spinco Option Plan"** means the stock option plan of Spinco to be adopted and approved in connection with the Arrangement.

**"Spinco Options"** means the stock options of Spinco that will be granted to Former Orex Optionholders pursuant to the Arrangement and will be exercisable for Spinco Shares pursuant to the Spinco Option Plan.

**"Spinco Reorganization"** has the meaning given to it in Section 2.7.

"**Spinco Shares**" means the common shares in the capital of Spinco to be issued under the Arrangement to Former Orex Shareholders.

"**Spinco Warrants**" means the warrants to purchase Spinco Shares to be exchanged for Orex Warrants under the Arrangement.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, and the regulations thereunder.

"**TSX-V**" means the TSX Venture Exchange.

"**United States**" or "**U.S.**" means the United States of America and any territory or possession thereof.

"**Valuation Factor**" means 0.60.

## **1.2 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

## **1.3 Interpretation Not Affected by Headings**

The division of this Agreement into articles, sections, subsections, paragraphs and other portions and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement.

## **1.4 Date for Any Action**

If the date on which any action is required to be taken by a Party is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

## **1.5 Article References**

Unless the contrary intention appears, references in this Agreement (excluding the Plan of Arrangement) to an article, section, subsection, paragraph or schedule by number or letter or both refer to the article, section, subsection, paragraph or schedule, respectively, bearing that designation in this Agreement (excluding the Plan of Arrangement).

## **1.6 Extended Meanings**

Unless the context otherwise requires, words importing the singular number will include the plural and vice versa and words importing any gender will include all genders.

## **1.7 Schedules**

The following Schedules are incorporated by reference into this Agreement and form a part hereof:

Schedule A	Plan of Arrangement
Schedule B	Orex Options
Schedule C	Orex Warrants

## ARTICLE 2 THE ARRANGEMENT AND RELATED TRANSACTIONS

### 2.1 Arrangement

Orex and Spinco agree to achieve the following in connection with or as a result of the completion of the Plan of Arrangement:

- (a) Orex and Spinco will undertake the Spinco Reorganization immediately prior to the Effective Time; and
- (b) Pursuant to the Plan of Arrangement:
  - (i) Orex will undertake a reorganization of capital within the meaning of Section 86 of the Tax Act, involving: (A) the creation of a new class of shares consisting of an unlimited number of New Common Shares; (B) the exchange of each outstanding Orex Share for one (1) New Common Share and one (1) Spinco Share; (C) the elimination of the Orex Shares; and (D) the adjustment of the stated capital of Orex such that the New Common Shares will have a stated capital for the purposes of the Tax Act equal to the paid-up capital of Orex for the Orex Shares, less the fair value of the Spinco Shares distributed on the exchange set out in paragraph (B) herein as calculated in accordance with the terms of the Plan of Arrangement;
  - (ii) each Orex Option outstanding immediately before the Effective Time will be exchanged for: (A) one (1) fully-vested New Orex Option to purchase from Orex one (1) New Common Share for every Orex Share that could be purchased under the Orex Option, with the exercise price per New Common Share equal to the exercise price of the Orex Option for which such New Orex Option was exchanged multiplied by the Valuation Factor; and (B) one (1) Spinco Option to purchase from Spinco one (1) Spinco Share for every Orex Share that could be purchased under the Orex Option, with the exercise price per Spinco Share equal to the exercise price of the Orex Option for which such Spinco Option was exchanged multiplied by a number equal to one (1) minus the Valuation Factor.
  - (iii) each Orex Warrant outstanding immediately before the Effective Time will be exchanged for: (A) one (1) New Orex Warrant to purchase from Orex one (1) New Common Share for every Orex Share that could be purchased under the Orex Warrant, with the exercise price per New Common Share equal to the exercise price of the Orex Warrant for which such New Orex Warrant was exchanged; and (B) one (1) Spinco Warrant to purchase from Spinco one (1) Spinco Share for every Orex Share that

could be purchased under the Orex Warrant, with the exercise price per Spinco Share equal to the exercise price of the Orex Warrant for which such Spinco Warrant was exchanged.

## **2.2 Court Orders**

As soon as reasonably practicable, and subject to compliance with the terms and conditions contained herein, Orex will:

- (a) apply to the Court under section 291 of the BCBCA for an order approving the Arrangement, and in connection with such application will:
  - (i) forthwith file, proceed with and diligently prosecute an application for an Interim Order under section 291 of the BCBCA providing for, among other things, the calling and holding of the Meeting for the purpose of considering and, if deemed advisable, passing the Arrangement Resolution; and
  - (ii) subject to the passing of the Arrangement Resolution by the Orex Securityholders, as contemplated in the Interim Order, file, proceed with and diligently prosecute an application to the Court for the Final Order; and
- (b) subject to the satisfaction or waiver by Orex of the conditions set out in Section 2.9, file with the Registrar a copy of the Final Order, a notice of alteration and such other documents as may be required to give effect to the Arrangement.

## **2.3 Interim Order**

The Interim Order sought by Orex will provide:

- (a) that the only securities of Orex which will be entitled to vote on the Arrangement Resolution will be the Orex Shares, Orex Options and Orex Warrants;
- (b) that the record date for the Meeting will be the date determined by the Orex Board;
- (c) that each Orex Shareholder will be entitled to one vote for each Orex Share held;
- (d) that each Orex Optionholder will be entitled to one vote for each Orex Share such Orex Optionholder would be entitled to receive upon valid exercise of the Orex Options held by such Orex Optionholder as of the record date of the Meeting;
- (e) that each Orex Warrantholder will be entitled to one vote for each Orex Share such Orex Warrantholder would be entitled to receive upon valid exercise of the Orex Warrants held by such Orex Warrantholder as of the record date of the Meeting;

- (f) that the requisite majorities for the passing of the Arrangement Resolution will be: (i) at least two-thirds (66 2/3%) of the votes cast on the Arrangement Resolution by the registered Orex Shareholders and Orex Optionholders present in person or represented by proxy at the Meeting, voting together as a single class; and (ii) at least two-thirds (66 2/3%) of the votes cast on the Arrangement Resolution by the Orex Warrantholders present in person or represented by proxy at the Meeting, voting as a single class;
- (g) that in all other respects, the terms, conditions and restrictions of Orex's constating documents, including quorum requirements and other matters, will apply in respect of the Meeting;
- (h) that the Orex Securityholders will be granted Dissent Rights;
- (i) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (j) that the Meeting may be postponed or adjourned from time to time by the Orex Board, subject to the terms of this Agreement, without the need for additional approval of the Court;
- (k) that it is Orex's intention to rely upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act with respect to the New Common Shares, Spinco Shares, New Orex Options, Spinco Options, New Orex Warrants and Spinco Warrants to be issued, distributed and exchanged, as applicable, pursuant to the Arrangement, based on the Court's approval of the Arrangement; and
- (l) for such other matters as Orex may reasonably require.

## **2.4 Orex Meeting**

Subject to receipt of the Interim Order and the terms of this Agreement, Orex agrees to convene and conduct the Meeting for the purposes of considering the Arrangement Resolution in accordance with the Interim Order, Orex's constating documents and applicable laws as soon as reasonably practicable.

## **2.5 Orex Circular**

- (a) Orex will prepare the Information Circular in compliance with applicable securities laws and file the Information Circular on a timely basis in all jurisdictions where the same is required to be filed and mail the same as required by the Interim Order and in accordance with all applicable laws in all jurisdictions where the same is required.
- (b) Orex will ensure that the Information Circular complies with applicable securities laws, and, without limiting the generality of the foregoing, that the Information Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to



make the statements contained therein not misleading in light of the circumstances in which they are made and will provide Orex Securityholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Meeting.

## **2.6 Commitment to Effect**

Subject to termination of this Agreement pursuant to Section 4.2 or otherwise, the Parties agree to be bound by the Plan of Arrangement and each will use all reasonable efforts and do all things reasonably required to cause the Arrangement to become effective on such date as the Orex Board may determine.

## **2.7 Effect of the Arrangement and Effective Date**

Subject to the satisfaction or, where not prohibited by applicable law, the waiver of the conditions set forth in Section 2.9 by the applicable Party for whose benefit such conditions exist (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited by applicable law, the waiver of those conditions as of the Effective Date by the applicable Party for whose benefit such conditions exist), upon the Arrangement Resolution having been approved and adopted by the Orex Securityholders at the Meeting in accordance with the Interim Order and Orex obtaining the Final Order, the Arrangement will be effective at the Effective Time on the Effective Date.

## **2.8 Spinco Reorganization**

- (a) Immediately before the Effective Time, Orex and Spinco will effect a transaction whereby Orex will transfer to Spinco: (i) all of the Gunnarn Shares held by Orex, on an "as is, where is" basis, (ii) all of Orex's right, title and interest in and to, and all of Orex's benefits and obligations under, the Gunnarn JV Agreement, and (iii) \$500,000 in cash, in exchange for Spinco Shares, in accordance with the terms of an agreement of purchase and sale to be entered into by Orex and Spinco (the "**Spinco Reorganization**").
- (b) Following the completion of the Spinco Reorganization, the total number of outstanding Spinco Shares will equal the total number of outstanding Orex Shares immediately before the Effective Time.
- (c) In connection with the Spinco Reorganization, Orex and Spinco will file an election under subsection 85(1) of the Tax Act in the prescribed manner and within the time prescribed by the Tax Act, and the corresponding provisions of any applicable provincial or territorial tax legislation. In such election, Orex and Spinco will elect an amount determined by Orex within the limits set by the Tax Act.

## **2.9 Conditions Precedent**

The respective obligations of the Parties to complete the transactions contemplated by this Agreement, and to file with the Registrar a copy of the Final Order, a notice of alteration and such other documents as may be required to give effect to the Arrangement, will be subject to the satisfaction of the following conditions:

- (a) the Interim Order will have been granted in form and substance satisfactory to Orex;
- (b) the Arrangement Resolution will have been passed by the Orex Securityholders in accordance with the Interim Order;
- (c) the Final Order will have been granted in form and substance satisfactory to Orex;
- (d) the TSX-V will have conditionally approved the listing of the New Common Shares and Spinco Shares issuable, distributable and exchangeable, as applicable, under the Arrangement, subject to compliance with the listing requirements of the TSX-V;
- (e) the New Common Shares, Spinco Shares, New Orex Options, Spinco Options, New Orex Warrants and Spinco Warrants issuable, distributable and exchangeable, as applicable, pursuant to the Arrangement will be exempt from registration requirements of the 1933 Act pursuant to Section 3(a)(10) thereof;
- (f) Orex will have received satisfactory advice from its counsel as to the Canadian tax consequences of the Arrangement to Orex and the Orex Securityholders;
- (g) all other material consents, orders and approvals, including any regulatory or judicial approvals or orders, that Orex considers necessary or desirable to effect the Arrangement will have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances on terms and conditions that are acceptable to Orex;
- (h) no order or decree restraining or enjoining the consummation of the Arrangement or any of the other transactions contemplated by this Agreement will be in force immediately before the Effective Time;
- (i) the Orex Board will have determined to proceed with the Arrangement having considered the number of Orex Securities in respect of which Dissent Rights have been exercised;
- (j) the Spinco Reorganization will have been completed; and
- (k) this Agreement will not have been terminated under Section 4.2 or otherwise.

## **2.10 Merger of Conditions**

The conditions set out in Section 2.9 will be conclusively deemed to have been satisfied on the filing with the Registrar of a copy of the Final Order, a notice of alteration and such other documents as may be required to give effect to the Arrangement.

## **2.11 U.S. Securities Law Matters**

The Parties agree that the Arrangement will be carried out with the intention that all of the New Common Shares, Spinco Shares, New Orex Options, Spinco Options, New Orex

Warrants and Spinco Warrants issued, distributed and exchanged, as applicable, in the course of and on completion of the Arrangement will be delivered by Orex or Spinco, as applicable, to the relevant Orex Securityholders in reliance on the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereunder. In order to ensure the availability of the exemption under Section 3(a)(10) of the 1933 Act, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the Parties to rely on the exemption under Section 3(a)(10) of the 1933 Act before the hearing required to approve the Arrangement;
- (c) the Court will be required to satisfy itself as to the fairness of the Arrangement to the Orex Securityholders;
- (d) Orex will ensure that each Orex Securityholder entitled to receive New Common Shares, Spinco Shares, New Orex Options, Spinco Options, New Orex Warrants and Spinco Warrants, as applicable, on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to approve the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (e) the Orex Securityholders entitled to receive New Common Shares, Spinco Shares, New Orex Options, Spinco Options, New Orex Warrants and Spinco Warrants, as applicable, will be advised that the same will be issued, distributed and exchanged, as applicable, pursuant to the Arrangement, have not been and will not be registered under the 1933 Act and will be issued, distributed and exchanged by Orex or Spinco, as applicable, in reliance on the exemption under Section 3(a)(10) of the 1933 Act;
- (f) the Interim Order will specify that each Orex Securityholder will have the right to appear before the Court at the hearing to approve the Arrangement as long as they enter an appearance within the time prescribed by the Interim Order;
- (g) the Final Order will contain a statement to the effect that the Arrangement is fair to the Orex Securityholders; and
- (h) the Final Order will include a statement to substantially the following effect:

"This Order will serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of Orex and Spinco, pursuant to the Plan of Arrangement."

## **2.12 U.S. Tax Matters**

Orex will advise the Orex Securityholders who are resident in, or citizens of, the United States to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction. No rulings from the Internal Revenue Service or legal opinions have been or will be sought with respect to any of the tax consequences relating to the transactions described herein including, without limitation, with respect to income, estate, gift or other tax consequences.

## **ARTICLE 3 REPRESENTATIONS, WARRANTIES & COVENANTS**

### **3.1 Representations and Warranties of Orex**

Orex represents and warrants to and in favor of Spinco as follows and acknowledges that Spinco is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) Orex is a company duly incorporated and validly subsisting under the laws of the Province of British Columbia and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder.
- (b) This Agreement has been duly executed and delivered by Orex.
- (c) Neither the execution and delivery of this Agreement nor the performance of any of Orex's covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of:
  - (i) any provision of its constituting documents;
  - (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it; or
  - (iii) any agreement or instrument to which it is a party or by which it is bound.
- (d) No dissolution, winding-up, bankruptcy, liquidation or similar proceedings have been commenced or to Orex's knowledge, are pending or proposed in respect of Orex.
- (e) the Gunnarn Shares held by Orex constitute 45% of the issued and outstanding Gunnarn Shares.
- (f) Schedule B sets out the particulars of all of the Orex Options outstanding as at the date hereof, including:
  - (i) the names of the holders and the number of Orex Shares issuable on exercise of each Orex Option held by them;

- (ii) the date of expiry; and
  - (iii) the exercise price.
- (g) Schedule C sets out the particulars of all of the Orex Warrants outstanding as at the date hereof, including:
  - (i) the names of the holders and the number of Orex Shares issuable on exercise of each Orex Warrant held by them;
  - (ii) the date of expiry; and
  - (iii) the exercise price.

### **3.2 Representations and Warranties of Spinco**

Spinco represents and warrants to and in favor of Orex as follows and acknowledges that Orex is relying on such representations and warranties in connection with the entering into of this Agreement:

- (a) Spinco is a company duly incorporated and validly subsisting under the laws of the Province of British Columbia and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder.
- (b) This Agreement has been duly executed and delivered by Spinco.
- (c) Neither the execution and delivery of this Agreement nor the performance of any of Spinco's covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of:
  - (i) any provision of its constating documents;
  - (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it; or
  - (iii) any agreement or instrument to which it is a party or by which it is bound.
- (d) No dissolution, winding-up, bankruptcy, liquidation or similar proceedings have been commenced or to Spinco's knowledge, are pending or proposed in respect of Spinco.

### **3.3 Survival of Representations and Warranties**

The representations and warranties of the Parties contained in this Agreement will not survive the completion of the Arrangement and will expire and be terminated on the earlier of the Effective Time and the date of which this Agreement is terminated in accordance with its terms.

### 3.4 Covenants

- (a) Each of the Parties covenants with the other Party that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.
- (b) Each of the Parties covenants and agrees with the other Party that all of the right, title and interest in all of the Gunnarn Shares held by Orex as of the date of this Agreement, including without limitation, the Barsele Project Interest, will be transferred pursuant to the Spinco Reorganization on an "as is, where is" basis and Orex will not make any further or other representations, warranties, or assurances, expressed or implied, concerning the Gunnarn Shares, the Barsele Project Interest, Gunnarn or its business, prospects, employees, customers operations or liabilities.
- (c) Spinco and Orex covenant that they will take all reasonable steps to list the Spinco Shares for trading on the TSX-V as soon as possible after the Effective Time.
- (d) Spinco covenants that it will ensure that the information provided by it for the preparation of the Information Circular will:
  - (i) be complete and accurate in all material respects;
  - (ii) comply with applicable laws; and
  - (iii) without limiting the generality of the foregoing, will not include any misrepresentation concerning Spinco, its affiliates or the Spinco Shares.
- (e) Spinco covenants that it will take all reasonable steps to preserve and keep the records of Orex delivered to it in connection with the completion of the transactions contemplated by this Agreement for a period of six (6) years from the Effective Date, or for such longer period as may be required by any applicable laws, and will make such records available to Orex on a confidential basis as may be reasonably required by it for any purpose, including, in connection with a claim by Spinco against Orex under this Agreement. Orex acknowledges that Spinco will not be liable to Orex in the event of any destruction of such records caused otherwise than by the gross negligence or willful misconduct of Spinco.
- (f) Orex will, with the co-operation of Spinco, jointly make and file an election under Subsection 85(1) of the Tax Act (the "**Election**") in the prescribed form and within the time required by Subsection 85(6) of the Tax Act in respect of the Spinco Reorganization, and will elect such amount directed by Orex (the "**Elected Amount**"), which will be deemed to be Orex's respective proceeds of disposition and Spinco's cost of the Gunnarn Shares transferred to

Spinco under the Spinco Reorganization, which Elected Amount may be amended in the sole discretion of Orex.

## **ARTICLE 4 AMENDMENT AND TERMINATION**

### **4.1 Amendment**

Subject to any mandatorily applicable restrictions under the BCBCA or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the Meeting be amended, modified or supplemented by Orex in its sole discretion without further notice to or authorization of the Orex Securityholders, provided that any such amendment, modification or supplement is filed with the Court before the Court approves the Final Order and, if made following the Meeting, approved by the Court and, if required by the Court, communicated to the Orex Securityholders.

### **4.2 Termination**

This Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, be terminated and the Plan of Arrangement withdrawn by direction of the Orex Board without further action on the part of the Orex Securityholders, and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion of the Orex Board to elect to terminate this Agreement and discontinue efforts to effect the Plan of Arrangement for whatever reason it may consider appropriate.

## **ARTICLE 5 GENERAL**

### **5.1 Expenses**

All expenses relating to the Arrangement will be borne by Orex.

### **5.2 Binding Effect**

This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

### **5.3 Assignment**

No Party may assign its rights or obligations under this Agreement.

### **5.4 Waiver**

No waiver or release by any Party will be effective unless in writing signed by the Party granting the same.

### **5.5 Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and will be treated in all respects as a British Columbia contract.

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first written above.

**OREX MINERALS INC.**

**BARSELE MINERALS CORP.**

By: "Gary Cope" (signed)

Gary Cope  
Chief Executive Officer

By: "N. Ross Wilmot" (signed)

Ross Wilmot  
Chief Financial Officer



**SCHEDULE A  
PLAN OF ARRANGEMENT**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement, unless the context requires, the following terms will have the respective meanings set out below:

"**Arrangement**" means the arrangement under section 288 of the BCBCA contemplated by this Plan of Arrangement.

"**Arrangement Agreement**" means the arrangement agreement dated August 6, 2015 between Orex and Spinco.

"**Arrangement Resolution**" means the special resolution to be considered and voted on by Orex Securityholders at the Meeting to approve the Arrangement, to be in substantially the form attached as Schedule E to the Arrangement Agreement.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, and the regulations thereunder.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Court**" means the Supreme Court of British Columbia.

"**Depository**" means Computershare Investor Services Inc. or such other institution as Orex may select.

"**Direct Registration Advice**" means, in relation to Orex Shares, written evidence of the book entry issuance or holding of such shares issued to the holder by the transfer agent of such shares.

"**Dissent Rights**" has the meaning set out in Section 3.1 of this Plan of Arrangement.

"**Dissent Securities**" means the Orex Securities held by a Dissenting Securityholder in respect of which the Dissenting Securityholder has duly and validly exercised the Dissent Rights.

"**Dissenting Securityholder**" means a registered Orex Securityholder who has duly and validly exercised the Dissent Rights.

"**Effective Date**" means the date selected by Orex as being the date upon which the Arrangement first becomes effective.

"**Effective Time**" means 12:01 a.m. on the Effective Date.

**"Encumbrance"** includes, with respect to any property or asset, any mortgage, pledge, assignment, hypothec, charge, lien, security interest, adverse right or claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing.

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

**"Former Orex Optionholder"** means a holder of unexercised Orex Options immediately before the Effective Time.

**"Former Orex Shareholder"** means a holder of Orex Shares immediately before the Effective Time.

**"Information Circular"** means, collectively, the notice of meeting and the management information circular of Orex, including all schedules thereto, to be sent to Orex Securityholders in connection with the Meeting.

**"Interim Order"** means the interim order of the Court in respect of the Arrangement providing for, among other things, the calling and holding of the Meeting, as the same may be amended, supplemented or varied by the Court.

**"Letter of Transmittal"** means the letter of transmittal for use by registered Orex Shareholders in connection with the Meeting.

**"Meeting"** means the annual and special meeting of the Orex Securityholders (including any adjournment or postponement thereof) to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution.

**"New Common Shares"** means common shares in the authorized share structure of Orex to be created in accordance with this Plan of Arrangement and which will have attached thereto the same rights and privileges as the Orex Shares immediately prior to the Effective Time.

**"New Orex Option Plan"** means the stock option plan to be adopted and approved in connection with the Arrangement that will replace the Orex Option Plan and pursuant to which New Orex Options will be granted.

**"New Orex Options"** means the stock options of Orex that will be granted to Former Orex Optionholders under the Arrangement and will be exercisable for New Common Shares pursuant to the New Orex Option Plan.

**"New Orex Warrant Certificate"** means the form of warrant certificate attached as Schedule D to the Arrangement Agreement in respect of the New Orex Warrants.

**"New Orex Warrants"** means the warrants of Orex to be exchanged for Orex Warrants under the Arrangement.

**"Orex"** means Orex Minerals Inc., a company incorporated under the laws of British Columbia.

**"Orex Board"** means the board of directors of Orex, as may be constituted from time to time.

**"Orex Optionholder"** means a holder of Orex Options.

**"Orex Option Plan"** means the stock option plan of Orex dated September 19, 2014.

**"Orex Options"** means the outstanding options to purchase Orex Shares granted pursuant to the Orex Option Plan.

**"Orex Shareholder"** means a holder of Orex Shares.

**"Orex Securityholders"** means, collectively, the Orex Shareholders, Orex Optionholders and Orex Warrantholders.

**"Orex Shares"** means the common shares in the authorized share structure of Orex as constituted immediately before the Effective Time.

**"Orex Warrant Certificates"** means the certificates in respect of the Orex Warrants.

**"Orex Warrantholder"** means a holder of Orex Warrants.

**"Orex Warrants"** means the warrants to purchase Orex Shares outstanding immediately before the Effective Time.

**"Parties"** means Orex and Spinco, and **"Party"** means any one of them.

**"Person"** means any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association.

**"Plan of Arrangement", "hereof", "herein", "hereunder"** and similar expressions mean this plan of arrangement and any amendments, variations or supplements hereto made in accordance with the terms hereof or the Arrangement Agreement or at the direction of the Court in the Final Order.

**"Registrar"** means the Registrar of Companies appointed under the BCBCA.

**"Spinco Option Plan"** means the stock option plan of Spinco to be adopted and approved in connection with the Arrangement.

"**Spinco Options**" means the stock options of Spinco that will be granted to Former Orex Optionholders pursuant to the Arrangement and will be exercisable for Spinco Shares pursuant to the Spinco Option Plan.

"**Spinco Shares**" means the common shares in the capital of Spinco to be issued under the Arrangement to Former Orex Shareholders.

"**Spinco Warrants**" means the warrants to purchase Spinco Shares to be exchanged for Orex Warrants under the Arrangement.

"**Spinco Warrant Certificate**" means the form of warrant certificate attached as Schedule D to the Arrangement Agreement in respect of the Spinco Warrants.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, and the regulations thereunder.

"**TSX-V**" means the TSX Venture Exchange.

"**United States**" or "**U.S.**" means the United States of America and any territory or possession thereof.

"**Valuation Factor**" means 0.60.

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and other portions and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article", "Section", "Subsection" or "Paragraph" followed by a number and/or a letter refer to the specified Article, Section, Subsection or Paragraph of this Plan of Arrangement.

## **1.3 Number and Gender**

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa. Words importing gender include all genders.

## **1.4 Time**

Time will be of the essence in every matter or action contemplated in this Plan of Arrangement. All times expressed herein are local time (Vancouver, British Columbia) unless otherwise stipulated.

## **1.5 Currency**

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

## **ARTICLE 2 ARRANGEMENT**

### **2.1 Arrangement Agreement**

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which will occur in the order set forth herein. If there is any conflict or inconsistency between the provisions of this Plan of Arrangement and the Arrangement Agreement, the provisions of this Plan of Arrangement will govern.

### **2.2 Binding Effect**

At the Effective Time, the Arrangement will be binding on:

- (a) Orex;
- (b) Spinco;
- (c) all Orex Shareholders;
- (d) all Orex Optionholders;
- (e) all Orex Warrantholders;
- (f) all Dissenting Securityholders;
- (f) the registrar and transfer agent in respect of the Orex Shares and the Spinco Shares;
- (g) the Depositary; and
- (h) all other Persons served with the Final Order.

### **2.3 The Arrangement**

Commencing at the Effective Time, except as otherwise noted herein, the following will occur and will be deemed to occur in the following order without any further act or formality on the part of any Person:

- (a) all Dissent Securities held by Dissenting Securityholders will be deemed to have been transferred to Orex, and:
  - (i) each Dissenting Securityholder will cease to have any rights as an Orex Securityholder other than the right to be paid by Orex, in accordance with the Dissent Rights, the fair value of such Dissent Securities;

- (ii) the Dissenting Securityholder's name will be removed as the holder of such Dissent Securities from the applicable securities register(s) of Orex;
  - (iii) the Dissent Securities will be cancelled; and
  - (iv) the Dissenting Securityholder will be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such Dissent Securities;
- (b) five (5) minutes after the Effective Time, Orex will undertake a reorganization of capital within the meaning of Section 86 of the Tax Act, which organization will occur in the following order:
- (i) the identifying name of the Orex Shares will be changed from "Common" shares to "Class A Common" shares, there will be created and attached to the Orex Shares the special rights set out in Appendix "A" to this Plan of Arrangement, the New Common Shares, being shares without par value, will be created as a class, the identifying name of the New Common Shares will be "Common" shares, the maximum number of New Common Shares which Orex will be authorized to issue will be unlimited, there will be added to Orex's articles Part 27 thereof as set out in Appendix "A" and Orex's notice of articles will be altered accordingly;
  - (ii) each outstanding Orex Share will be exchanged (without any further act or formality on the part of the Orex Shareholder), free and clear of all Encumbrances, for one (1) New Common Share and one (1) Spinco Share, and the Orex Shares will thereupon be cancelled, and:
    - (A) the holders of Orex Shares will cease to be the holders thereof and cease to have any rights or privileges as holders of Orex Shares;
    - (B) the holders' names will be removed from the securities register of Orex; and
    - (C) each Orex Shareholder will be deemed to be the holder of the New Common Shares and the Spinco Shares, in each case, free and clear of any Encumbrances, exchanged for the Orex Shares and will be entered into the securities register of Orex and Spinco, as the case may be, as the registered holder thereof;
  - (iii) the authorized share capital of Orex will be amended by the elimination of the Orex Shares, the special rights attached to such shares and Part 27 of Orex's articles will be deleted and the notice of articles and articles of Orex will be deemed to be amended accordingly; and

- (iv) the stated capital of Orex for the outstanding New Common Shares will be an amount equal to the paid-up capital for the purposes of the Tax Act of Orex for the Orex Shares, less the fair value of the Spinco Shares distributed on such exchange as determined by the Orex Board;
- (c) ten (10) minutes after the Effective Time, notwithstanding the terms of the Orex Option Plan, including any agreement made thereunder:
  - (i) each Orex Option exercisable for an Orex Share that is outstanding immediately before the Effective Time which has not been duly exercised or cancelled will be and will be deemed to be exchanged for:
    - (A) one (1) fully-vested New Orex Option to purchase from Orex one (1) New Common Share for every Orex Share that could be purchased under the Orex Option. Each New Orex Option will be governed by the terms of the New Orex Option Plan and will have:
      - (1) an exercise price per New Common Share (rounded up to the nearest whole cent) equal to the exercise price of each Orex Option so exchanged immediately before the Effective Time multiplied by the Valuation Factor; and
      - (2) the same expiry date as the expiry date of the Orex Option for which such New Orex Option was exchanged; and
    - (B) one (1) fully-vested Spinco Option to purchase from Spinco one (1) Spinco Share for every Orex Share that could be purchased under the Orex Option. Each Spinco Option will be governed by the terms of the Spinco Option Plan and will have:
      - (1) an exercise price per Spinco Share (rounded up to the nearest whole cent) equal to the exercise price of each such Orex Option so exchanged immediately before the Effective Time multiplied by a number which is equal to one (1) minus the Valuation Factor; and
      - (2) the same expiry date as the expiry date of the Orex Option for which such Spinco Option was exchanged; and
  - (ii) the Orex Option Plan will be terminated, and neither Orex nor any Orex Optionholder will have any rights, liabilities or obligations with respect to the Orex Option Plan, any Orex Option or any agreements made in connection therewith; and

- (iii) the respective option registers of Orex and Spinco will be deemed to be amended accordingly; and
- (d) fifteen (15) minutes after the Effective Time, notwithstanding the terms of any Orex Warrant Certificate:
  - (i) each Orex Warrant exercisable for an Orex Share that is outstanding immediately before the Effective Time which has not been duly exercised or cancelled will be and will be deemed to be exchanged for:
    - (A) one (1) New Orex Warrant to purchase from Orex one (1) New Common Share for every Orex Share that could be purchased under the Orex Warrant. Each New Orex Warrant will be governed by the terms of the New Orex Warrant Certificate and will have:
      - (1) an exercise price per New Common Share equal to the exercise price of the Orex Warrant for which such New Orex Warrant was exchanged; and
      - (2) the same expiry date as the expiry date of the Orex Warrant for which such New Orex Warrant was exchanged; and
    - (B) one (1) Spinco Warrant to purchase from Spinco one (1) Spinco Share for every Orex Share that could be purchased under the Orex Warrant. Each Spinco Warrant will be governed by the terms of the Spinco Warrant Certificate and will have:
      - (1) an exercise price per Spinco Share equal to the exercise price of the Orex Warrant for which such Spinco Warrant was exchanged; and
      - (2) the same expiry date as the expiry date of the Orex Warrant for which such Spinco Warrant; and
  - (ii) each of the Orex Warrant Certificates representing the Orex Warrants so exchanged will be cancelled, and neither Orex nor any Orex Warrantholder will have any rights, liabilities or obligations with respect to the Orex Warrant Certificates or any other agreements made in connection therewith; and
  - (iii) the respective warrant registers of Orex and Spinco will be deemed to be amended accordingly,



provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs or is deemed to occur.

### **ARTICLE 3 DISSENT RIGHTS**

#### **3.1 Dissent Rights**

- (a) A registered Orex Shareholder, Orex Optionholder or Orex Warrantholder may exercise dissent rights in connection with the Arrangement Resolution in the manner set out in the BCBCA (the "**Dissent Rights**"), as modified by the Interim Order.
- (b) Without limiting the generality of the foregoing, Dissenting Securityholders who duly exercise Dissent Rights and who:
  - (i) are ultimately paid fair value for their Dissent Securities will be paid by Orex and will be deemed to have transferred their Dissent Securities in accordance with Subsection 2.3(a); or
  - (ii) are ultimately not entitled, for any reason, to be paid fair value for the Dissent Securities will be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as non-dissenting holders of Orex Securities and will be entitled to receive the shares, options and warrants, as applicable, that such holders would have received pursuant to Subsections 2.3(b), (c) and (d), as applicable, if such holders had not exercised Dissent Rights.
- (c) In no circumstances will Orex, Spinco or any other Person be required to recognize a Person as a Dissenting Securityholder unless such Person is a registered holder of those Orex Securities in respect of which such rights are sought to be exercised.
- (d) For greater certainty, in no case will Orex, Spinco or any other Person be required to recognize Dissenting Securityholders as holders of New Common Shares, Spinco Shares, New Orex Options, Spinco Options, New Orex Warrants or Spinco Warrants, as applicable, after the Effective Time, and the names of all Dissenting Securityholders will be deleted from the applicable securities registers of Orex as of the Effective Time.
- (e) For greater certainty, in addition to any other restrictions in the BCBCA and the Interim Order, none of the following Persons will be entitled to exercise Dissent Rights:
  - (i) Orex Shareholders who vote, have voted or have instructed a proxyholder to vote in favor of the Arrangement Resolution;

- (ii) Orex Optionholders who vote, have voted or have instructed a proxyholder to vote in favor of the Arrangement Resolution; or
- (iii) Orex Warrantholders who vote, have voted or have instructed a proxyholder to vote in favor of the Arrangement Resolution.

#### **ARTICLE 4**

#### **SECURITIES AND RELATED CERTIFICATES**

##### **4.1 Right to New Common Shares and Spinco Shares**

- (a) Subject to Section 4.6 hereof, as soon as practicable following the later of the Effective Time and the date of surrender to the Depositary for cancellation of certificate(s) (if any) that immediately before the Effective Time represented one or more outstanding Orex Shares that were exchanged for New Common Shares and Spinco Shares in accordance with Subsection 2.3(b) hereof, together with such other documents and instruments contemplated by the Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Former Orex Shareholder of such surrendered certificate(s) (if any) will be entitled to receive in exchange therefor, and the Depositary will, and Orex will cause the Depositary to, deliver to such Former Orex Shareholder share certificates or Direct Registration Advices representing the New Common Shares and the Spinco Shares that such Former Orex Shareholder is entitled to receive, in accordance with this Plan of Arrangement.
- (b) Subject to Article 3 and Section 4.6, after the Effective Time and until surrendered for cancellation as contemplated by Subsection 4.1(a) hereof, each certificate that immediately before the Effective Time represented one or more Orex Shares will be deemed at all times to represent only the right to receive in exchange therefor the New Common Shares and Spinco Shares that the holder of such certificate (if any) is entitled to receive in accordance with Subsection 2.3(b) hereof.

##### **4.2 Lost Certificates**

If any certificate that immediately before the Effective Time represented one or more outstanding Orex Shares that were exchanged for the New Common Shares and Spinco Shares in accordance with Subsection 2.3(b) hereof, has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver in exchange for such lost, stolen or destroyed certificate, the New Common Shares and Spinco Shares that such holder is entitled to receive in accordance with Section 4.1 hereof. When authorizing such delivery of New Common Shares and Spinco Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such New Common Shares and Spinco Shares is to be delivered will, as a condition precedent to the delivery of such New Common Shares and Spinco Shares, give an indemnity bond satisfactory to Orex and the Depositary in such amount as Orex and the Depositary may direct, or otherwise

indemnify Orex and the Depositary in a manner satisfactory to Orex and the Depositary, against any claim that may be made against Orex or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and will otherwise take such actions as may be required by the articles of Orex.

#### **4.3 Distributions with Respect to Unsurrendered Certificates**

No dividend or other distribution declared or made after the Effective Time with respect to New Common Shares or Spinco Shares with a record date after the Effective Time will be delivered to the holder of any unsurrendered certificate that, immediately before the Effective Time, represented outstanding Orex Shares unless and until the holder of such certificate will have complied with the provisions of Sections 4.1 or 4.2 hereof. Subject to applicable law and to Section 4.6 hereof, at the time of such compliance, there will, in addition to the delivery of New Common Shares and Spinco Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of all dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such New Common Shares or Spinco Shares.

#### **4.4 Withholding Rights**

Orex, Spinco and the Depositary will be entitled to deduct and withhold from all dividends, distributions or other amounts otherwise payable to any Former Orex Shareholder such amounts as Orex, Spinco or the Depositary is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the Code or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Former Orex Shareholder in respect of which such deduction and withholding was made, provided, however, that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that any shares or other non-cash consideration is required to be deducted or withheld from any payment to a holder, any of Orex, Spinco or the Depositary is hereby authorized to sell or otherwise dispose of shares or other consideration as is necessary to provide sufficient funds to enable Orex, Spinco or the Depositary to comply with all deduction or withholding requirements applicable to it, and Orex, Spinco or the Depositary will notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.

#### **4.5 Withholding relating to Former Orex Optionholders**

Orex will be entitled to deduct and withhold from any amount payable to any Former Orex Optionholder, such amount as is required or permitted to be deducted or withheld under the Tax Act, the Code or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty including the right to withhold New Orex Options if required (the "**Withholding Obligations**").

Orex shall have the right, in its discretion, to satisfy any Withholding Obligations by:

- (a) causing to be exercised, such number of New Orex Options as is sufficient to fund the Withholding Obligations;

- (b) selling or causing to be sold, on behalf of any Former Orex Optionholder, such number of New Common Shares issued to the Former Orex Optionholder on the exercise of New Orex Options as is sufficient to fund the Withholding Obligations;
- (c) retaining the amount necessary to satisfy the Withholding Obligations from any amount which would otherwise be delivered, provided or paid to the Former Orex Optionholder by Orex; and
- (d) making such other arrangements as Orex may reasonably require.

The sale of New Common Shares by Orex, or by a broker engaged by Orex (the "**Broker**"), will be made on the TSX-V. The Former Orex Optionholder consents to such sale and grants to Orex an irrevocable power of attorney to effect the sale of such New Common Shares on his or her behalf and acknowledges and agrees that (i) the number of New Common Shares sold shall, at a minimum, be sufficient to fund the Withholding Obligations net of all selling costs, which costs are the responsibility of the Former Orex Optionholder and which the Former Orex Optionholder hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such New Common Shares, Orex or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither Orex nor the Broker will be liable for any loss arising out of any sale of such New Common Shares including any loss relating to the pricing, manner or timing of such sales or any delay in transferring any New Common Shares to the Former Orex Optionholder or otherwise. The Former Orex Optionholder further acknowledges that the sale price of such New Common Shares will fluctuate with the market price of the New Common Shares and no assurance can be given that any particular price will be received upon any sale.

#### **4.6 Limitation and Proscription**

Subject to Article 3, to the extent that a Former Orex Shareholder will not have complied with the provisions of Sections 4.1 or 4.2 hereof on or before the date that is six (6) years after the Effective Date (the "**Final Proscription Date**"), then the New Common Shares and Spinco Shares that such Former Orex Shareholder was entitled to receive will be automatically cancelled without any repayment of capital in respect thereof and such New Common Shares and Spinco Shares, will be delivered to Orex by the Depositary and the share certificates or Direct Registration Advices representing such New Common Shares and Spinco Shares will be cancelled, and the interest of the Former Orex Shareholder in such New Common Shares and Spinco Shares will be terminated as of the Final Proscription Date.

#### **4.7 New Orex Options and Spinco Options**

Immediately after the Effective Time, any document or instrument previously evidencing outstanding Orex Options will be, and will be deemed to be, terminated and of no force or effect. After the Effective Time, a former holder of Orex Options will be entitled to receive from each of Orex and Spinco, and Orex and Spinco will deliver, within a reasonable period of time, the certificates or other documents or agreements evidencing the New Orex Options

and the Spinco Options to which such holder is entitled pursuant to the New Orex Option Plan and the Spinco Option Plan, as the case may be, each of which will reflect the terms of this Plan of Arrangement and the New Orex Options and Spinco Options, as the case may be.

#### **4.8 New Orex Warrants and Spinco Warrants**

Immediately after the Effective Time, any document or instrument previously evidencing outstanding Orex Warrants will be, and will be deemed to be, terminated and of no force or effect. After the Effective Time, a former holder of Orex Warrants will be entitled to receive from each of Orex and Spinco, and Orex and Spinco will deliver, within a reasonable period of time, the certificates or other documents or agreements evidencing the New Orex Warrants and the Spinco Warrants to which such holder is entitled, including but not limited to a New Orex Warrant Certificate and a Spinco Warrant Certificate, each of which will reflect the terms of this Plan of Arrangement and the New Orex Warrants and Spinco Warrants, as the case may be.

#### **4.9 No Encumbrances**

Any exchange or transfer of securities pursuant to this Plan of Arrangement will be free and clear of any Encumbrances of any kind.

#### **4.10 Paramountcy**

From and after the Effective Time:

- (a) this Plan of Arrangement will take precedence and priority over any and all Orex Shares, Orex Options and Orex Warrants issued before the Effective Time;
- (b) the rights and obligations of the registered holders of Orex Shares, Orex Options and Orex Warrants, and Orex, Spinco, the Depositary and any transfer agent or other depositary in relation thereto, will be solely as provided for in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Orex Shares, Orex Options or Orex Warrants outstanding as at the Effective Time will be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

### **ARTICLE 5 AMENDMENT AND WITHDRAWAL**

#### **5.1 Amendment of Plan of Arrangement**

- (a) Orex reserves the right to amend, modify and supplement this Plan of Arrangement at any time and from time to time, provided that any amendment, modification or supplement must be contained in a written

document which is filed with the Court and, if made following the Meeting, approved by the Court and communicated to Orex Securityholders in the manner required by the Court (if so required).

- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Orex at any time before or at the Meeting with or without any other prior notice or communication and if so proposed and accepted by the Orex Securityholders voting at the Meeting will become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting will be effective only if it is consented to by Orex (acting reasonably).
- (d) Notwithstanding the above, any amendment that concerns a matter that is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Person in his, her or its capacity as an Orex Securityholder, will not require Court approval or communication to the Orex Securityholders.

## **5.2 Withdrawal of Plan of Arrangement**

This Plan of Arrangement may be withdrawn before the Effective Time in accordance with the terms of the Arrangement Agreement.

## **ARTICLE 6 FURTHER ASSURANCES**

### **6.1 Further Assurances**

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties to the Arrangement Agreement will 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 any of them in order further to document or evidence any of the transactions or events set out therein.

## **APPENDIX A**

### **Special Rights attached to Class A Common Shares of Orex Minerals Inc.**

The holders of the Class A Common shares of the Company are entitled to receive notice of, and to attend and vote in person or by proxy at, meetings of the Company and to cast two votes for each Class A Common share held.

**SCHEDULE B  
OREX OPTIONS**

<b>SET</b>	<b>Optionholder Name</b>	<b>Number of Orex Shares Issuable</b>	<b>Exercise Price (per share)</b>	<b>Expiry Date</b>
W1	████████	350,000	\$0.74	17-Feb-17
W2	████████	239,000	\$0.74	17-Feb-17
W3	████████	250,000	\$0.74	17-Feb-17
W4	████████	250,000	\$0.74	17-Feb-17
W5	████████	100,000	\$0.74	17-Feb-17
W6	████████	250,000	\$0.74	17-Feb-17
W8	████████	150,000	\$0.74	17-Feb-17
W10	████████	75,000	\$0.74	17-Feb-17
W14	████████	25,000	\$0.74	17-Feb-17
W15	████████	50,000	\$0.74	17-Feb-17
Z1	████████	200,000	\$0.25	17-Jan-19
Z2	████████	200,000	\$0.25	17-Jan-19
Z3	████████	150,000	\$0.25	17-Jan-19
Z4	████████	400,000	\$0.25	17-Jan-19
Z5	████████	100,000	\$0.25	17-Jan-19
Z9	████████	150,000	\$0.25	17-Jan-19
Z10	████████	100,000	\$0.25	17-Jan-19
Z11	████████	100,000	\$0.25	17-Jan-19
Z12	████████	200,000	\$0.25	17-Jan-19
Z14	████████	50,000	\$0.25	17-Jan-19
Z16	████████	50,000	\$0.25	17-Jan-19
Z18	████████	10,000	\$0.25	17-Jan-19
Z19	████████	20,000	\$0.25	17-Jan-19
























AA1	[REDACTED]	50,000	\$0.25	9-May-19
AA2	[REDACTED]	50,000	\$0.25	9-May-19
AA3	[REDACTED]	100,000	\$0.25	9-May-19
AB1	[REDACTED]	250,000	\$0.365	2-Jul-19
AC1	[REDACTED]	250,000	\$0.37	10-Sep-19
AD1	[REDACTED]	200,000	\$0.25	26-Jun-20
AD2	[REDACTED]	200,000	\$0.25	26-Jun-20
AD3	[REDACTED]	200,000	\$0.25	26-Jun-20
AD4	[REDACTED]	400,000	\$0.25	26-Jun-20
AD5	[REDACTED]	150,000	\$0.25	26-Jun-20
AD6	[REDACTED]	150,000	\$0.25	26-Jun-20
AD7	[REDACTED]	150,000	\$0.25	26-Jun-20
AD8	[REDACTED]	100,000	\$0.25	26-Jun-20
AD9	[REDACTED]	200,000	\$0.25	26-Jun-20
AD11	[REDACTED]	25,000	\$0.25	26-Jun-20
AD12	[REDACTED]	50,000	\$0.25	26-Jun-20
AD13	[REDACTED]	100,000	\$0.25	26-Jun-20
AD14	[REDACTED]	150,000	\$0.25	26-Jun-20
AD15	[REDACTED]	50,000	\$0.25	26-Jun-20
AD16	[REDACTED]	25,000	\$0.25	26-Jun-20
AD17	[REDACTED]	25,000	\$0.25	26-Jun-20

[Redacted for confidentiality purposes]

**SCHEDULE C  
OREX WARRANTS**

<b>SET</b>	<b>Warrantholder Name</b>	<b>Number of Orex Shares Issuable</b>	<b>Exercise Price (per share)</b>	<b>Expiry Date</b>
16-1	████████	500,000	\$0.30	13-Sept-17
16-2	████████████████	72,500	\$0.30	13-Sept-17
16-3	████████	40,000	\$0.30	13-Sept-17
16-4	████████	37,000	\$0.30	13-Sept-17
16-5	████████	50,000	\$0.30	13-Sept-17
16-6	████████	50,000	\$0.30	13-Sept-17
16-7	████████████████	20,000	\$0.30	13-Sept-17
16-8	████████	111,400	\$0.30	13-Sept-17
16-9	████████████████	21,000	\$0.30	13-Sept-17
16-10	████████████████	26,250	\$0.30	13-Sept-17
16-11	████████	4,000	\$0.30	13-Sept-17
16-12	████████	108,200	\$0.30	13-Sept-17
16-13	████████████████	100,000	\$0.30	13-Sept-17
16-14	████████	200,000	\$0.30	13-Sept-17
FT16-1	████████	500,000	\$0.30	13-Sept-17
FT16-2	████████	72,500	\$0.30	13-Sept-17
FT16-3	████████	20,000	\$0.30	13-Sept-17
FT16-4	████████	37,000	\$0.30	13-Sept-17
FT16-5	████████	50,000	\$0.30	13-Sept-17
FT16-6	████████	50,000	\$0.30	13-Sept-17
FT16-7	████████	600,000	\$0.30	13-Sept-17
FT16-8	████████████████	20,000	\$0.30	13-Sept-17
FT16-9	████████	50,000	\$0.30	13-Sept-17

FT16-10	████████	1,200,000	\$0.30	13-Sept-17
FT16-11	██████████	15,000	\$0.30	13-Sept-17
FT16-12	████████	21,000	\$0.30	13-Sept-17
FT16-13	██████████	26,250	\$0.30	13-Sept-17
FT16-14	████████	4,000	\$0.30	13-Sept-17
FT16-15	██████████	108,200	\$0.30	13-Sept-17
17-1	██████████	67,200	\$0.30	21-Nov-15
17-2	██████████	21,000	\$0.30	21-Nov-15
17-3	██████████	100,000	\$0.30	21-Nov-15
17-4	████████	180,000	\$0.30	21-Nov-15
17-5	██████████	500,000	\$0.30	21-Nov-15
17-6	██████████	50,000	\$0.30	21-Nov-15
17-7	████████	750,000	\$0.30	21-Nov-15
17-8	██████████	400,000	\$0.30	21-Nov-15
17-9	██████████	75,000	\$0.30	21-Nov-15
17-10	██████████	250,000	\$0.30	21-Nov-15
17-11	██████████	250,000	\$0.30	21-Nov-15
17-12	██████████	250,000	\$0.30	21-Nov-15
17-13	██████████	250,000	\$0.30	21-Nov-15
17-14	██████████	250,000	\$0.30	21-Nov-15
18-1	██████████	120,000	\$0.30	24-Mar-16

18-2		100,000	\$0.30	24-Mar-16
18-3		70,000	\$0.30	24-Mar-16
18-4		125,000	\$0.30	24-Mar-16
18-5		990,000	\$0.30	24-Mar-16
18-6		90,000	\$0.30	24-Mar-16
18-7		60,000	\$0.30	24-Mar-16
18-9		48,000	\$0.30	24-Mar-16
18-10		20,000	\$0.30	24-Mar-16
18-11		40,000	\$0.30	24-Mar-16
18-12		850,000	\$0.30	24-Mar-16
18-13		100,000	\$0.30	24-Mar-16
18-14		500,000	\$0.30	24-Mar-16
18-15		500,000	\$0.30	24-Mar-16
18-16		50,000	\$0.30	24-Mar-16
18-17		50,000	\$0.30	24-Mar-16
18-18		10,000	\$0.30	24-Mar-16
18-19		36,000	\$0.30	24-Mar-16
18-20		20,000	\$0.30	24-Mar-16
18-21		600,000	\$0.30	24-Mar-16
18-22		250,000	\$0.30	24-Mar-16
18-23		500,000	\$0.30	24-Mar-16

18-24	[REDACTED]	50,000	\$0.30	24-Mar-16
2014-18	[REDACTED]	1,192,240	\$0.25	24-Mar-16
19-1	[REDACTED]	271,000	\$0.30	31-Mar-16
19-2	[REDACTED]	400,000	\$0.30	31-Mar-16
2014-19	[REDACTED]	93,940	\$0.25	31-Mar-16

[Redacted for confidentiality purposes]

**SCHEDULE D**  
**FORM OF WARRANT CERTIFICATE**

Please see attached.

THESE WARRANTS AND THE SECURITIES DELIVERABLE UPON THE EXERCISE OF THESE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE WARRANTS, AGREES FOR THE BENEFIT OF [COMPANY NAME] THAT THESE WARRANTS MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO [COMPANY NAME], (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) WITHIN THE UNITED STATES (1) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) ABOVE, A LEGAL OPINION SATISFACTORY TO [COMPANY NAME] MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THESE WARRANTS MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THESE WARRANTS AND THE SECURITIES DELIVERABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

## WARRANT CERTIFICATE

Warrant Certificate

No. ●

● Warrants, each Warrant entitling the holder to acquire, subject to adjustment, one Common Share

THIS IS TO CERTIFY THAT as of ●, 2015, for value received, ● (the "**Holder**") is entitled to subscribe for and purchase ● fully paid and non-assessable common shares (the "**Warrant Shares**") of [COMPANY NAME]. (the "**Company**") at a purchase price per Warrant Share of \$● (the "**Exercise Price**"). The Warrants are exercisable at any time and from time to time after the date of this Warrant Certificate up to the Expiry Time (as hereinafter defined), in whole or in part, subject, however, to the provisions and upon the terms and conditions hereinafter set out.

## 1. Interpretation

In this Warrant Certificate, unless the context otherwise requires, the following expressions have the following meanings:

"**Business Day**" means a day other than a Saturday or Sunday, on which banks are open for business in Vancouver, British Columbia and the TSX Venture Exchange (or, if the Common Shares are not listed and posted for trading on the TSX Venture Exchange, such other stock exchange or over-the-counter market on which the Common Shares may be listed or quoted) is open for business;

"**Common Shares**" means common shares in the share capital of the Company;

"**Current Market Price**" means on any given date the weighted average of the sale price per share for the Common Shares on the TSX Venture Exchange (or, if the Common Shares are not listed and posted for trading on the TSX Venture Exchange, such other stock exchange or over-the-counter market on which the Common Shares may be listed or quoted) for the immediately preceding 20 trading days (a "trading day" being a day on which not less than a board lot of Common Shares has traded) calculated by dividing the aggregate sales price of all shares sold on such stock exchange during such period by the total number of such shares so sold;

"**Expiry Date**" means ●, 20●●;

"**Expiry Time**" means 4:30 p.m. (Vancouver time) on the Expiry Date;

"**U.S. Person**" has the meaning ascribed to it in Regulation S under the U.S. Securities Act; and

"**Warrant Certificate**" means this certificate representing the Warrants.

## 2. Exercise of Warrants

Subject to section 10, the Warrants may be exercised for all or any part of the Warrant Shares at any time prior to the Expiry Time, at which time any unexercised Warrants shall expire and be of no further force and effect whatsoever as to such Warrant Shares in respect of which the Warrants have not previously been exercised, but without prejudice to any rights and obligations of the Holder which shall have accrued at such date. All Warrant Shares subscribed for hereunder shall be paid for in full in cash at the time of purchase and when issued and delivered to or at the direction of the Holder shall be issued as fully paid and non-assessable shares.

## 3. Adjustments to Number or Kind of Securities Issuable on Exercise

- (a) If, at any time prior to the Expiry Time, there occurs:



- (i) a reclassification or redesignation of the Common Shares or any other capital reorganisation other than a Common Share Reorganisation (as defined below); or
- (ii) a consolidation, merger or amalgamation of the Company with or into any other corporation or entity or an arrangement with any other corporation or entity which results in the cancellation, reclassification or redesignation of the Common Shares or a change or conversion of the Common Shares into other shares or securities or the holders of the Common Shares becoming entitled to receive shares or other securities of the other corporation or entity, or the transfer of all or substantially all of the assets of the Company to another corporation or entity or the Company being controlled (within the meaning of the *Income Tax Act* (Canada)) by another corporation or entity;

(any such event being herein called a "**Capital Reorganisation**"), then, immediately upon the effective time of such Capital Reorganisation and at all times thereafter, a Holder who exercises its right to subscribe for Warrant Shares shall be entitled to be issued and receive and shall accept for the same aggregate consideration, upon such exercise, in lieu of the number of Warrant Shares to which it was theretofore entitled upon exercise of the Warrants, the kind and aggregate number of shares or other securities or property of the Company or of the corporation or other entity resulting from such Capital Reorganisation or any other corporation that the Holder would have been entitled to be issued and receive upon such Capital Reorganisation if, immediately prior to the effective time thereof, it had been the registered holder of the number of Warrant Shares to which it was theretofore entitled upon exercise of the Warrants.

(b) If necessary as a result of any Capital Reorganisation, appropriate adjustments shall be made in the application of the provisions of this section with respect to the rights and interest thereafter of the Holder to the end that the provisions set forth in this section shall thereafter correspondingly be made applicable as nearly as may reasonably be practicable in relation to any shares or other securities or property thereafter issuable and deliverable upon the exercise of the Warrants. Any such adjustment shall be made by and set forth in an agreement supplemental hereto approved by the board of directors of the Company.

(c) If at any time after the date hereof and prior to the Expiry Time any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsections 4(a), 4(b) or 4(c), then the number of Warrant Shares issuable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares issuable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction employed in the adjustment or readjustment of the Exercise Price.

#### 4. Adjustment of Exercise Price

(a) If, at any time prior to the Expiry Time, the Company shall:

- (i) subdivide the outstanding Common Shares into a greater number of shares;

- (ii) consolidate the outstanding Common Shares into a lesser number of shares; or
- (iii) make a distribution (other than a distribution referred to in subsections 4(b) or 4(c) of this Warrant Certificate) to the holders of all or substantially all of the Common Shares payable in Common Shares or securities exchangeable for or convertible into Common Shares;

(any such event being herein called a "**Common Share Reorganisation**"), then the Exercise Price shall be adjusted, effective immediately after the effective date or record date at which holders of Common Shares are determined for the purposes of the Common Share Reorganisation, by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction of which:

- A. the numerator shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganisation; and
- B. the denominator shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganisation, including, without limitation, in the case of a distribution of securities exchangeable for or convertible into Common Shares, the number of Common Shares that would have been outstanding if such securities had been exchanged for or converted into Common Shares on such date.

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection (a) as a result of the fixing by the Company of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiration of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable pursuant to such exchangeable or convertible securities after such expiration.

(b) If, at any time prior to the Expiry Time, the Company shall fix a record date for the issue to the holders of all or substantially all of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (which period is herein called the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share to the holder (or, in the case of securities exchangeable for or convertible into Common Shares, at an exchange or conversion price per share) of less than 95% of the Current Market Price (as defined below) of the Common Shares on such record date (any such event being herein called a "**Rights Offering**"), the Exercise Price shall be adjusted, effective immediately after the record date, to a price determined by multiplying the Exercise Price in effect on such date by a fraction of which:

- (i) the numerator shall be the aggregate of:

- A. the number of Common Shares outstanding on the record date for the Rights Offering; and
- B. the number determined by dividing either
  - (I) the product of the number of Common Shares offered for issue during the Rights Period upon exercise of the rights, warrants or options under the Rights Offering and the price at which such Common Shares are offered; or
  - (II) the product of the exchange or conversion price of the securities so offered and the number of Common Shares for or into which the securities so offered pursuant to the Rights Offering are exchangeable or convertible;

as the case may be, by the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

- (ii) the denominator shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to such Rights Offering (or the number of Common Shares into which the securities so offered may be exchanged or converted).

If by the terms of the rights, options or warrants referred to in this subsection (b), there is more than one purchase, conversion or exchange price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection (b) as a result of the fixing by the Company of a record date or the distribution of rights, options or warrants referred to in this subsection (b), the Exercise Price shall be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiration.

(c) If, at any time prior to the Expiry Time, the Company shall issue or distribute to the holders of all or substantially all of the Common Shares:

- (i) Common Shares or other securities of the Company including, without limitation, rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or any property or asset of the Company, of not less than 95% of the Current Market

Price of the Common Shares on such record date), and including, without limitation, evidences of indebtedness; or

- (ii) any property or other assets including, without limitation, cash;

and such issuance or distribution does not constitute a Rights Offering or a Common Share Reorganization (any such issuance or distribution being herein called a "**Special Distribution**"), then the Exercise Price shall be adjusted, effective immediately after the record date at which the holders of Common Shares are determined for purposes of the Special Distribution, to a price determined by multiplying the Exercise Price in effect on the record date of the Special Distribution by a fraction of which:

- A. the numerator shall be the difference between:
  - (I) the product of the number of Common Shares outstanding on the record date and the Current Market Price of the Common Shares on the record date; and
  - (II) the fair value to the holders of Common Shares, as determined by the board of directors of the Company acting reasonably, of the securities, rights, options, warrants, evidences of indebtedness or other assets issued or distributed in the Special Distribution; and
- B. the denominator shall be the product of the number of Common Shares outstanding on the record date and the Current Market Price of the Common Shares on the record date.

Any Common Shares owned by or held for the account of the Company or any subsidiary shall be deemed not to be outstanding for the purpose of such computation. To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection (c) as a result of the fixing by the Company of a record date for the distribution of exchangeable or convertible securities or rights, options or warrants referred to in this subsection (c), the Exercise Price shall be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect if the fair market value had been determined on the basis of the number of securities issued and remaining issuable pursuant to such exchangeable or convertible securities immediately after such expiration.

5. **Adjustment Rules**

(a) Subject to the other provisions of this section 5, any adjustment made pursuant to sections 3 or 4 are cumulative and shall be made successively whenever any event referred to in either of such sections shall occur.

(b) In any case where an adjustment shall become effective immediately after a record date for an event referred to herein, the Company may defer, until the occurrence of such event:

- (i) issuing to the Holder, by reason of the adjustment required by such event, the additional Warrant Shares issuable upon exercise of the Warrants after such record date and before the occurrence of such event; and
- (ii) delivering to the Holder any distributions declared with respect to such additional Warrant Shares after the exercise of the Warrants and before such event;

provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the Holder's right, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price or the number of Warrant Shares issuable upon exercise of the Warrants and to such distributions declared with respect to any such additional Warrant Shares issuable on the exercise of the Warrants.

(c) No adjustment in the Exercise Price shall be required unless the adjustment would result in a change of at least 1% in the Exercise Price then in effect and no adjustment shall be made in the number of Warrant Shares issuable on the exercise of the Warrants unless it would result in a change of at least one one-hundredth of a Warrant Share, provided, however, that any adjustments which, except for the provisions of this subsection (c) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.

(d) No adjustment in the Exercise Price or in the number or kind of securities issuable on exercise of the Warrants shall be made in respect of any event described in sections 3 and 4 if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised the Warrants prior to or on the effective date or record date, as the case may be, of such event.

(e) If the Company shall set a record date to determine shareholders for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such shareholders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, no adjustment in the Exercise Price or the number of Warrant Shares issuable upon exercise of the Warrants shall be required by reason of the setting of such record date.

(f) In the absence of a resolution of the directors of the Company fixing a record date for a stock dividend or other distribution comprising a Common Share Reorganisation, a Rights Offering or a Special Distribution, the Company shall be deemed to have fixed as the record date therefor the effective date of such event.

(g) The Company will not, whether pursuant to an adjustment under sections 3 and 4 or any other circumstances, be obligated to issue any fraction of a Warrant Share on any exercise or partial exercise of the Warrants. If any fractional interest in a Warrant Share would, except for the provisions of this section 5(g), be issuable upon the exercise or partial exercise of the Warrants, the number of Warrant Shares issuable on such exercise or partial exercise shall be the nearest whole number, with fractional interests greater than or equal to one-half of a Warrant Share being rounded up.

(h) In the event of any question arising with respect to the adjustments provided for in sections 3 or 4, such question shall conclusively be determined by a firm of chartered accountants appointed by the Company and acceptable to the Holder, acting reasonably, which accountants may be the Company's auditors. Such accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company and the Holder.

(i) The Company covenants to and in favour of the Holder that so long as the Warrants remain outstanding, it will give notice to the Holder of its intention to fix a record date for any event referred to in subsections 3 or 4(a), (b) or (c) (other than the subdivision or consolidation of the Common Shares) which may give rise to an adjustment in the Exercise Price, and, in each case, such notice must specify the particulars of such event and the record date and the effective date for such event; provided that the Company is only required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 10 days prior to each such applicable record date or effective date.

## **6. Notice of Adjustments and Dividends**

(a) At least 10 days prior to the effective date or record date, as the case may be, of any event which requires or might require an adjustment pursuant to sections 3 or 4, the Company shall give to the Holder notice of the particulars of such event and, if determinable, the required adjustment. The Company shall give to the Holder at least 14 days' prior written notice of the fixing of any record date for the payment of any regular or special dividend.

(b) In case any event for which a notice under subsection (a) has been given but for which the effect of such adjustment is not then determinable, the Company shall promptly after such effect is determinable give written notice to the Holder of the adjustment to the number of Warrant Shares and the computation of such adjustment.

(c) In any notice given pursuant to this section 6 with respect to any event, the Company shall, subject to subsection 6(b), only be required to specify such particulars of such event as shall have been fixed and determined on or before the date on which such notice is given.

7. **Proceedings Prior to Action Requiring Adjustment**

As a condition precedent to the taking of any action that would require an adjustment pursuant to sections 3 or 4, the Company shall take or cause to be taken all such action as, in the opinion of counsel of the Company, may be necessary in order that Holder shall be entitled to receive, upon exercise of the Warrants, the shares or other securities or property provided for under the provisions hereof.

8. **Rights of Holder Before Exercise of Warrants**

The Holder shall not have any rights whatsoever as a shareholder in respect of the Warrant Shares until the Warrants are exercised, in whole or in part, and payment for the Warrant Shares thereby purchased has been made.

9. **Exercise of Warrants**

(a) The Warrants may be exercised in whole or in part from time to time in the sole discretion of the Holder by delivery to the Company at its principal office in Vancouver, to the attention of the President of the Company, of a written notice of exercise in the form attached as Schedule A hereto specifying the number of Warrant Shares with respect to which the Warrants are then being exercised and accompanied by payment in full of the purchase price for the Warrant Shares then being purchased. In the event that the Holder subscribes for and purchases less than the full number of Warrant Shares entitled to be subscribed for and purchased under this Warrant Certificate prior to the Expiry Time, the Company shall issue a new certificate to the Holder in the same form as this Warrant Certificate with appropriate changes, such certificate to be mailed to the Holder concurrently with the mailing to the Holder of the certificates representing the Warrant Shares acquired on exercise.

(b) Upon due exercise of the Warrants by the Holder the Warrant Shares so subscribed for shall be deemed to have been issued and the person to whom such Warrant Shares are to be issued shall be deemed to have become the holder of record of such Warrant Shares on the date of exercise unless the transfer books of the Company shall be closed on such date, in which case the Warrant Shares so subscribed for shall be deemed to have been issued and such person shall be deemed to have become the holder of record of such Warrant Shares on the date on which such transfer books were reopened and such Warrant Shares shall be issued at the Exercise Price in effect on the date of exercise.

(c) Notwithstanding the partial exercise of the Warrants by the Holder, the Warrants may be exercised at any time (and from time to time) prior to the Expiry Time for all or any part of the Warrant Shares which, prior to such time, have not been issued to the Holder.

(e) Upon exercise of Warrants represented hereby and upon making all deliveries and payments as provided herein, the Company shall cause to be issued to the Holder the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder shall become a shareholder of the Company in respect of such shares with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates evidencing such shares and the Company shall use its reasonable best efforts to cause such certificate or certificates to be mailed to the Holder at the address or addresses specified in such subscription within three (3) Business Days of such delivery and payment.

#### 10. **Conditions to Exercise**

Notwithstanding anything to the contrary herein, the Warrants represented by this Warrant Certificate may be exercised only by a Holder who, at the time of such exercise, provides to the Company:

- (a) a written certification that such Holder (i) at the time of exercise of the Warrants is not in the United States; (ii) is not a U.S. Person, and is not exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States; (iii) did not execute or deliver the Warrant Exercise Form in the United States and was not a U.S. Person or in the United States when the Warrants were offered to, or acquired by, the Holder;
- (b) a written certification that such Holder (i) originally acquired the Warrants directly from the Company and (ii) was and is in the United States or a U.S. Person, and an "accredited investor" (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act), both on the date the Warrants were acquired from the Company and on the date of exercise of the Warrants; or
- (c) a written opinion of counsel of recognized standing in form and substance satisfactory to the Company to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available for the issue of the Warrant Shares upon exercise of the Warrants represented by this Warrant Certificate.

#### 11. **Covenants**

The Company covenants with the Holder that so long as any obligations of the Company under this Warrant Certificate remain outstanding:

- (a) it will at all times maintain its existence; will carry on and conduct its business in a prudent manner in accordance with industry standards and good business practice, and will keep or cause to be kept proper books of account in accordance with generally accepted accounting practice;



(b) it will cause the certificates evidencing the Warrant Shares from time to time subscribed and paid for upon the exercise of the Warrants to be duly issued and delivered in accordance with the conditions hereof;

(c) all Warrant Shares which shall be issued upon exercise of the Warrants and payment of the Exercise Price shall be fully paid and non-assessable shares;

(d) it will reserve and keep available a sufficient number of Warrant Shares for the purpose of enabling it to satisfy its obligation to issue Warrant Shares upon the exercise of the Warrants;

(e) it will ensure that the Warrant Shares are listed on the TSX Venture Exchange, or another recognised stock exchange, and in the event the Company intends to list the Warrant Shares (or any of them) on any recognised stock exchange without also maintaining a listing of such shares on the TSX Venture Exchange, it will first obtain the prior written consent of the Holder, which consent will not be withheld if the Holder receives from counsel acceptable to the Holder (at the expense of the Company) an opinion in form and substance satisfactory to the Holder, acting reasonably, that the listing of the Warrant Shares on such other recognised stock exchange will not be detrimental or prejudicial to the Holder's rights and benefits under this Warrant Certificate when issued to the Holder, and will give all notices, make all filings and undertake all actions required to be made or taken by the Company with all relevant stock exchanges and securities regulatory authorities in connection with the listing of the Warrant Shares and any exercise of the Warrants by the Holder;

(f) except as required by law, it will not close its transfer books or take any other action which might deprive the Holder of the opportunity of exercising its right to subscribe for Warrant Shares pursuant to this Warrant Certificate during the period of 14 days after the giving of a notice required by section 5 or unduly restrict such opportunity;

(g) it will use its commercially reasonable efforts to maintain its status as a "reporting issuer" not in default under the applicable securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and to comply with the requirements of such legislation applicable to the Company;

(h) it shall not complete or facilitate a Capital Reorganisation if the effect of such Capital Reorganisation is that:

- (i) all or substantially all of its assets become the property of, or are under the control of, or it is controlled (within the meaning of the *Income Tax Act* (Canada)) by, any other person (an "Acquiring Person"); and
- (ii) holders of Common Shares receive any other security in replacement of, or in addition to, their Common Shares;

unless, at or prior to the effective time of such Capital Reorganisation, the Acquiring Person agrees to be bound by the terms of this Warrant Certificate by executing and delivering such

warrant certificate or other document as may be satisfactory to the Holder, acting reasonably, having the effect that the Holder will receive, upon exercise of the Warrant, the same securities which the holders of Common Shares receive in the Capital Reorganisation; and

(i) generally it will well and truly perform and carry out all of the acts or things to be done by it as provided by this Warrant Certificate.

## **12. Amendments to Warrants for Certain Capital Reorganisations**

Notwithstanding any other term of this Warrant Certificate, in the event of a Capital Reorganization having the effect described in items (i) and (ii) of subsection 11(h), the board of directors of the Company may, in its discretion, without the necessity or requirement for the agreement of the Holder (i) require the conditional exercise of any Warrant prior to the effective time of such Capital Reorganization; (ii) amend or modify the terms of this Warrant Certificate to permit the Holder to exercise Warrants on a "cashless" basis prior to the effective time of such Capital Reorganization; and (ii) terminate, upon or following the successful completion of such Capital Reorganization, on such terms as it sees fit, the Warrants not exercised prior to the successful completion of such Capital Reorganization. The determination of the Board in respect of any such Capital Reorganization shall be final, conclusive and binding.

## **13. Representations and Warranties**

The Company represents and warrants to the Holder that:

(a) it has obtained all required corporate authorisation for the creation and issue of the Warrants and the performance of its obligations in connection with the Warrants and has provided for the issuance, subject only to receipt by the Company of the Exercise Price, of the Warrant Shares, which Warrant Shares, when issued, will be issued as fully paid and non-assessable shares;

(b) it has obtained all regulatory approvals (including, without limitation, the approvals of the TSX Venture Exchange) necessary or desirable for the issuance of the Warrants and the Warrant Shares to the Holder, and the Warrant Shares, when issued, will be listed and posted for trading on the TSX Venture Exchange;

(c) it is a "reporting issuer" not in default under the applicable securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario; and

(e) the execution, delivery and performance by the Company of this Warrant Certificate will not violate any provision of the constating documents of the Company or any material contract to which the Company is a party or by which the Company is bound, nor will it create an event of default thereunder.

14. **Time of the Essence**

Time shall be of the essence of this Warrant Certificate.

15. **Governing Law**

This Warrant Certificate shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

16. **Headings**

The division of this Warrant Certificate into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Warrant Certificate. The section headings in this Warrant Certificate are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Warrant Certificate.

17. **Number and Gender**

In this Warrant Certificate, words (including, without limitation, defined terms) in the singular include the plural and vice-versa and words in one gender include all genders.

18. **Invalidity**

If any provision of this Warrant Certificate is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed herefrom, and the remaining provisions of this Warrant Certificate shall not be affected thereby and shall remain valid and enforceable.

19. **Amendment**

This Warrant Certificate may only be amended, supplemented or otherwise modified by a written agreement signed by the Company and the Holder.

20. **Notices**

Any notice, demand, consent, approval or other communication to be made to the Company or given under or in connection with this Warrant Certificate (a "**Notice**") shall be in writing and may be made or given by personal delivery, registered mail, facsimile or email addressed to the Company follows:

To the Company:

1130 - 1055 West Hastings Street  
Vancouver, British Columbia  
V6E 2E9

Attention: Corporate Secretary

Fax: 604 687-6365  
Email: Melissa.Martensen@belcarragroup.com

and may be made to the Holder in writing by registered mail to the address indicated on the first page of this Warrant Certificate, or to such other address as such party may from time to time notify the other in accordance with this section 20. Any Notice made or given by personal delivery shall be conclusively deemed to have been given at the time of actual delivery or, if made or given by facsimile or email, one hour after the time of transmission unless given on a non-Business Day or after 5:00 p.m. (local time) in which case it will be deemed given at the opening of business on the first Business Day following the transmittal thereof.

**21. References to Agreements**

Each reference in this Warrant Certificate to any agreement (including, without limitation, this Warrant Certificate and any other defined term that is an agreement) shall be construed so as to include such agreement (including, without limitation, any attached schedules) and each amendment, supplement, amendment and restatement, novation and other modification made to it at or for the time in question.

**22. Further Assurances**

The Company shall do such acts and shall execute such documents and will cause the doing of acts and will cause the execution of such further documents as are within its power as the Holder may in writing at any time and from time to time reasonably request be done and or executed in order to give full effect to the provisions of this Warrant Certificate.

**23. Hold Periods and Legending of Share Certificate**

Any certificate representing Warrant Shares issued upon the exercise of the Warrants by a person in the United States or by, or on behalf of, or for the account or benefit of, a U.S. Person, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, will bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF [NAME OF COMPANY] (THE "COMPANY") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, OR (C) WITHIN THE UNITED STATES (1) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S.

SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS IN THE UNITED STATES OR SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) ABOVE, A LEGAL OPINION SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY", MAY BE OBTAINED FROM THE TRANSFER AGENT OF THE COMPANY UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND THE COMPANY, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.

**24. Successors and Assigns**

(a) This Warrant Certificate shall enure to the benefit of and be binding upon the Company, the Holder and their successors and assigns. Reference in this Warrant Certificate to a "successor" of a body corporate shall be construed so as to include, but not limited to:

- (i) any amalgamated or other corporation of which such body corporate or any of its successors is one of the amalgamating or merging corporations;
- (ii) any corporation resulting from any court approved arrangement of which such body corporate or any of its successors is a party;
- (iii) any corporation resulting from the continuance of such body corporate or any successor of it under the laws of another jurisdiction of incorporation; and
- (iv) any successor (determined as aforesaid or in any similar or comparable procedure under the laws of any other jurisdiction) of any corporation referred to in clause (i), (ii) or (iii).

(b) **[The Warrants represented hereby shall be transferable by the Holder in whole or in part, and may be transferred by sending this Warrant Certificate to the Company with a completed Warrant Transfer Form in the form attached as Schedule B, together with such other information, certificates and legal opinions as the Company may request in connection with such transfer. In the event of the transfer of all or part of the Warrants represented hereby or the Warrants being split by the Holder, the Holder shall issue new certificates in the same form as this Warrant Certificate with appropriate changes.]**

**[The Warrants represented hereby are non-transferable by the Holder in whole or in part.]**

**IN WITNESS WHEREOF** the Company has caused this Warrant Certificate to be executed by its duly authorized officer as of the date first written above.

**[NAME OF COMPANY]**

Per: \_\_\_\_\_  
Authorized Signatory

**SCHEDULE A**

**WARRANT EXERCISE FORM**

TO: [NAME OF COMPANY] (the "Company")  
Attention: Corporate Secretary

In accordance with the provisions of the warrant certificate of the Company enclosed with this Warrant Exercise Form (the "**Warrants**"), the undersigned hereby exercises the Warrants, as indicated below:

# of Warrant Shares Purchased	Exercise Price/Share	Total Price
_____	\$ _____	\$ _____

To pay for that portion of the Warrants being exercised, the undersigned, encloses a certified cheque, bank draft or money order in Canadian currency made payable to the Company in the amount of \$\_\_\_\_\_.

The certificate(s) representing the Warrant Shares to which the undersigned is entitled following this exercise are to be issued in the name indicated below and forwarded to the undersigned at the address set forth below:

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

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The undersigned certifies as follows (check one):

- A     ☐     The undersigned (i) at the time of exercise of the Warrants is not in the United States; (ii) is not a "U.S. person", within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and is not exercising the Warrants for the account or benefit of a U.S. person or a person in the United States; (iii) did not execute or deliver the subscription form for the Warrants in the United States and was not a U.S. person when the Warrants were acquired; and (iv) was not a U.S. person or in the United States at the time the Warrants were offered to the undersigned.

- B     ☐   The undersigned (i) originally acquired the Warrants directly from the Company and (ii) was and is in the United States or a U.S. person, and an "accredited investor" (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act), both on the date the Warrants were acquired from the Company and on the date of exercise of the Warrants.
- C     ☐   The undersigned is attaching a written opinion of counsel of recognized standing in form and substance satisfactory to the Company to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available for the issue of the Warrant Shares upon exercise of the Warrants.

By checking box B above, the undersigned represents and warrants to the Company that (i) it has had access to such current public, financial and other information concerning the Company as it considered necessary in connection with its investment decision and understands that the Warrant Shares are being offered in a transaction not involving any public offering within the United States with the meaning of the U.S. Securities Act and have not been and will not be registered under the U.S. Securities Act, (ii) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of purchasing the Warrant Shares, (iii) it is not acquiring the Warrant Shares with a view to any resale, distribution or other disposition of the Warrant Shares in violation of United States federal or state securities laws, and (iv) it is not acquiring the Warrant Shares as a result of any general solicitation or general advertising (as such terms are defined in Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising and agrees that it will only offer, sell, pledge or otherwise transfer the Warrant Shares issuable upon exercise hereof (i) to the Company, (ii) outside the United States in accordance with Regulation S under the U.S. Securities Act and in compliance with applicable Canadian local laws and regulations, (iii) within the United States in accordance with (A) Rule 144A under the U.S. Securities Act, if available, or (B) Rule 144 under the U.S. Securities Act, if available, and in each case in compliance with applicable state securities laws, or (iv) in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, provided that in the case of transfers pursuant to (iii)(B) or (iv) above, a legal opinion satisfactory to the Company must first be provided. If box B or C above is checked, the Warrant Shares issuable upon exercise hereof will bear a legend to the foregoing effect which may be removed by providing a declaration to the registrar and transfer agent for the Warrant Shares to the effect that such Warrant Shares have been sold in accordance with Regulation S under the U.S. Securities Act.

\* Unless box B or C above has been checked, the Warrants may not be exercised within the United States or by or on behalf of, or for the account or benefit of, any "U.S. person", within the meaning of Regulation S under the U.S. Securities Act and no Warrant Shares will be



issued to any person who has set out an address in the United States nor shall any certificates representing Warrant Shares be delivered to any U.S. address.

The undersigned acknowledges that the Company will rely upon the above agreements, representations and warranties and agrees to notify the Company promptly in writing if any of the above representations or warranties ceases to be accurate or complete.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_

\_\_\_\_\_  
(Print Name of Warrantholder)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name & office of  
signatory, if applicable)

**[SCHEDULE B**

**WARRANT TRANSFER FORM**

Terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Warrant Certificate.

For value received, the undersigned hereby sells, transfers and assigns to

\_\_\_\_\_  
(please print name of transferee)

of

\_\_\_\_\_  
(please print address of transferee)

\_\_\_\_\_ Warrants represented by the within certificate  
(please insert number of Warrants to be transferred)

DATED this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
(Signature)

1. The signature of the Holder must be the signature of the person whose name appears on the face page of the Warrant Certificate.
2. If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Company.
3. Warrants shall only be transferable in accordance with applicable laws and the resale of Warrants and Warrant Shares issuable upon exercise of Warrants may be subject to resale restrictions under such laws. The Company may require further information and certificates from the Holder and legal opinions from the Holder's legal counsel to confirm compliance with such laws prior to effecting any transfers.]

**SCHEDULE E**  
**ARRANGEMENT RESOLUTION**

**BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:**

1. The arrangement (the "**Arrangement**") under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), as more particularly described and set forth in the management information circular (the "**Circular**") of Orex Minerals Inc. ("**Orex**") dated August [●], 2015 accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is authorized, approved and adopted.
2. The plan of arrangement (the "**Plan of Arrangement**"), involving Orex and Barsele Minerals Corp. ("**Barsele**") and implementing the Arrangement, the full text of which is set out in Appendix B to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is authorized, approved and adopted.
3. The arrangement agreement (the "**Arrangement Agreement**") between Orex and Barsele dated August 6, 2015, and all the transactions contemplated therein, the actions of the directors of Orex in approving the Arrangement and the actions of the directors and officers of Orex in executing and delivering the Arrangement Agreement and any amendments thereto are confirmed, ratified, authorized and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the securityholders of Orex or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Orex are authorized and empowered, without further notice to, or approval of, the securityholders of Orex:
  - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
  - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any one director or officer of Orex is hereby authorized, for and on behalf and in the name of Orex, to execute and deliver, whether under corporate seal of Orex or otherwise, all such agreements, forms waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Arrangement in accordance with the terms of the Arrangement Agreement, including, but not limited to:

- (a) all actions required to be taken by or on behalf of Orex, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Orex,

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.