EXECUTION VERSION

Dated 29 June 2017

ENDEAVOUR MINING CORPORATION

and

AVNEL GOLD MINING LIMITED

ARRANGEMENT AGREEMENT

relating to the proposed acquisition of the entire issued and to be issued share capital of Avnel Gold Mining Limited by Endeavour Mining Corporation

Linklaters

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London EC2Y 8HQ

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Ref: L-260942

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This Agreement is made on 29 June 2017 **between:**

(1) **Endeavour Mining Corporation** a company incorporated under the laws of the Cayman Islands whose registered office is at Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008 (the "**Offeror**"); and

(2) **Avnel Gold Mining Limited** a company incorporated in Guernsey whose registered office is at Les Echelons, Les Echelons Court, St Peter Port, Guernsey GY1 2AF (the "**Company**").

Whereas:

(A) The Offeror intends to announce a takeover offer for the Company to be implemented by way of a Scheme or, if the Offeror so elects (subject to and in accordance with the terms of this Agreement), by way of an Offer, on the terms and subject to the Conditions set out in this Agreement.

(B) The parties are entering into this Agreement to set out certain mutual commitments to implement the Acquisition and certain matters relating to the conduct of the business of the Company and its Group and the conduct of the business of the Offeror and its Group.

It is agreed as follows:

1 Interpretation

In this Agreement, unless the context otherwise requires:

1.1 Definitions:

"**2008 Law**" means the Companies (Guernsey) Law, 2008;

"**Acceptance Condition**" means the acceptance condition to the Offer set at 75 per cent. of the Company Shares, or such lesser percentage as the Offeror may decide (which shall in no event be less than 50 per cent.) or such higher percentage as may be agreed between the Offeror and the Company;

"**Acquisition**" means the proposed acquisition by the Offeror (or any other corporate entity or other vehicle within the Offeror Group pursuant to Clause 25) of the entire issued and to be issued ordinary share capital in the Company which is to be effected by means of a Scheme or, if the Offeror so elects subject to and in accordance with the terms of this Agreement, by means of an Offer on the terms provided for and subject to the Conditions set out in this Agreement;

"**Application Court Hearing**" means the hearing of the Court for leave to convene the Court Meeting;

"**Articles**" means the memorandum and articles of incorporation of the Company;

"**Authority**" means any Tax Authority or Regulatory Authority and any other regulatory authority (in each case) whose consent, or with whom a submission, filing or notification, is necessary in order to satisfy the Conditions;

"**Board of Directors**" means the board of directors of the Company;

"**Business Day**" means any day which is not a Saturday, Sunday or a bank or public holiday in Guernsey or Toronto, Canada;

"**Canadian Securities Laws**" means all applicable Canadian provincial and territorial securities laws and the rules and regulations thereunder, together with all applicable published instruments, notices and orders of the securities regulatory authorities and the rules and policies of the TSX;

"**Clearances**" means all consents, clearances, permissions and waivers that are required to be obtained, all filings that are required to be made and all waiting periods that may need to have expired, from or under the laws, regulations or practices applied by any relevant Authority in connection with the implementation of the Acquisition; and any reference to any Condition relating to Clearances having been "**satisfied**" shall be construed as meaning that the foregoing have been obtained or, where appropriate, made or expired in accordance with the relevant Condition;

"**Code**" means the City Code on Takeovers and Mergers;

"**Company Conditions**" means the Conditions set out in paragraph 3.3 of Schedule 3;

"**Company Directors' Circular**" means a directors' circular of the Company prepared in accordance with applicable Canadian Securities Laws with respect to the Acquisition (if effected by way of an Offer);

"**Company Group**" means the Company and its Group;

"**Company Locked-up Shareholders**" means (i) the Company's executive officers and directors who own (directly or indirectly) Company Shares; (ii) the Fern Trust; and (iii) the Majority Shareholder;

"**Company Material Adverse Effect**" means any one or more changes, effects, events or occurrences that, individually or in the aggregate, is, or could reasonably be expected to be, material and adverse to the business, operations, results of operations, assets, properties, capitalisation, financial condition, prospects, liabilities (contingent or otherwise), or privileges (whether contractual or otherwise) of the Company Group, taken as a whole, other than any change, effect, event or occurrence:

(i) in or relating to general political, economic or financial conditions, other than an outbreak of hostilities or war in Mali;

(ii) in or relating to the state of securities markets in general, including any reduction in market indices;

(iii) in or relating to currency exchange rates;

(iv) in or relating to the industries in which the Company and its subsidiaries operate in general or the market for gold in general;

(v) in or relating to GAAP or regulatory accounting requirements;

(vi) in or relating to any applicable Laws or any interpretation thereof by any Authority; or

(vii) in or relating to a change in the market trading price of the Company Shares either (A) related to this Agreement and the Acquisition or the announcement thereof or (B) related to such a change in the market trading price primarily resulting from a change, effect, event or occurrence excluded from this definition of "Company Material Adverse Effect" under paragraphs (i) to (vi) above,

provided that such effect referred to in paragraphs (i) to (vi) (inclusive) above (a) does not primarily relate to (or have the effect of primarily relating to) the Company Group or disproportionately adversely affect the Company Group, taken as a whole, compared to other companies of similar size operating in the industry in which the Company Group operates, or (b) does not result from any change in Laws or in the interpretation, application or non-application of Laws by any Authority (including all related fiscal regimes) which may be reasonably expected to result in any expropriation or other proceedings alleging illegality

of any material contract (in particular the Convention of Establishment) or licence undertaken by any Authority or suspension or revocation, or proposed or alleged suspension or revocation or allegation of illegality, of any authorisation, consent, approval, licence or material contract with any Authority, in each case in relation to the Company; and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a "Company Material Adverse Effect" has occurred;

"**Company Public Documents**" means all documents or information filed on SEDAR by the Company under Canadian Securities Laws since and including 1 January 2016 to and including the date hereof;

"**Company Shareholders**" means the holders from time to time of Company Shares;

"**Company Shares**" means issued fully paid ordinary shares in the capital of the Company;

"**Conditions**" means the Scheme Conditions, the Mutual Conditions, the Offeror Conditions and the Company Conditions to the implementation of the Acquisition set out in Schedule 3;

"**Confidentiality Agreement**" means the confidentially agreement entered into between the Offeror and the Company on 15 March 2017;

"**Consideration Shares**" means the shares in the Offeror proposed to be issued to the holders of Scheme Shares pursuant to the Scheme;

"**Convention of Establishment**" means the establishment agreement (*Founding Agreement - Convention d'Etablissement*) entered into by the government of Mali and the Company dated 14 February 2003 as amended by amendment n°1 to the Convention of Establishment (*Founding Agreement - Convention d'Etablissement*) dated 17 February 2015;

"**Court**" means the Royal Court of Guernsey;

"**Court Meeting**" means the meeting (including any adjournment thereof) of the holders of Scheme Shares entitled to vote at the meeting (or the relevant class or classes thereof) convened under an order of the Court under Section 107 of the 2008 Law for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment);

"**Court Order**" means the order of the Court sanctioning the Scheme under Part VIII of the 2008 Law, to be granted at the Sanction Court Hearing;

"**Depositary**" means the depositary appointed in respect of the Scheme or the Offer;

"**Directors**" means the directors of the Company from time to time;

"**DNGM**" means Direction Nationale de la Géologie et des Mines, being the administrative body in charge of mining activities in Mali;

"**Effective Date**" means the date upon which:

(i) the Scheme becomes effective in accordance with its terms; or

(ii) if the Offeror elects to implement the Acquisition by means of an Offer subject to and in accordance with the terms of this Agreement, Company Shares are taken up and paid for pursuant to the Offer;

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**Excluded Shares**" means:

(i) any Company Shares beneficially owned or controlled by the Offeror or any other member of the Offeror Group; and

(ii) any other Company Shares which the Offeror and the Company agree will not be subject to the Scheme;

"**Exclusivity Agreement**" means the letter dated 19 May 2017 between the Company and the Offeror relating to indicative non-binding terms and binding exclusivity provisions;

"**Fiduciary Duties**" means the duties imposed on the Directors by Guernsey law;

"**Funding Structure Paper**" means the written description provided by the Company to the Offeror which summarizes the intercompany arrangements pursuant to which the Company provides funds to SOMIKA and sets out the material steps relating to the Company's internal financing, cash flow and withholding structure in respect of SOMIKA;

"**GAAP**" means generally accepted accounting principles as set-out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis;

"**General Meeting**" means the general meeting (including any adjournment thereof) of the Company Shareholders to be convened in connection with the Scheme;

"**General Meeting Resolution**" means the resolution (or collectively, the resolutions) to be proposed at the General Meeting for the purposes of, amongst other things, approving and implementing the Scheme, certain amendments to the Articles and such other matters as may be agreed in writing between the Company and the Offeror as necessary or desirable for the purposes of implementing the Scheme;

"**GFSC**" means the Guernsey Financial Services Commission;

"**Group**" means, in relation to any person, its subsidiaries, subsidiary undertakings and holding companies and the subsidiaries and subsidiary undertakings of any such holding company (but excluding in relation to the Company the Majority Shareholder and its subsidiaries, subsidiary undertakings and holding companies and the subsidiaries and subsidiary undertakings of any such holding company other than the Company itself and the Company's subsidiaries and subsidiary undertakings);

"**Guernsey Registry**" means the body authorised by the States of Guernsey to maintain various registers as required under Guernsey legislation and operating under the name "Guernsey Registry";

"**Indicative Timetable**" means the indicative timetable for despatch of the Scheme Document and implementation of the Scheme set out in Schedule 1 (or any agreed variation thereof);

"**Inducement Fee**" means an amount equal to C$2,500,000;

"**Kalana Permit**" means the gold exploitation permit in Mali transferred to Avnel Gold Ltd. and renewed for a period of 30 years as from 7 April 2003 pursuant to Decree n°03-147/PM-RM dated 7 April 2003 and transferred from the Company to SOMIKA by Decree n°03-579/PM-RM dated 30 December 2003;

"**Law**" or "**Laws**" means, with respect to any person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by an Authority that is binding upon or applicable to such person or its business, undertaking, property or securities, and to the

extent that they have the force of law, policies, guidelines, notices and protocols of any Authority, as amended;

"**LIBOR**" means British Bankers' Association Interest Settlement Rate for three month sterling deposits, displayed on the appropriate page of the Reuters screen (or such other page or service as may replace it for the purpose of displaying London inter-bank three month sterling deposits offered rates of leading reference banks) or if no such rate is available for sterling for the interest period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Offeror at its request quoted by Barclays Bank plc to leading banks in the London interbank market, as of 11.00 a.m. on the first day of the period for which the interest rate is to be determined and for a period of three months;

"**LTIP**" means the Company's Long Term Incentive Plan originally dated 23 February 2005, as amended from time to time;

"**Majority Shareholder**" means, collectively, Elliott Associates, L.P., Elliott International, L.P., Manchester Securities Corp. and The Liverpool Limited Partnership;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Ontario Securities Commission;

"**Mutual Conditions**" means the Conditions set out in paragraph 3.1 of Schedule 3;

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;

"**Offer**" means a takeover offer (which will be an offer for the purposes of Part XVIII of the 2008 Law and a take-over bid within the meaning of applicable Canadian Securities Laws) to be made if the Acquisition is implemented by way of a contractual takeover offer;

"**Offer Document**" means the document prepared by the Offeror and despatched to (amongst others) the Company Shareholders and under which any Offer would be made, which, for the avoidance of doubt, shall be a take-over bid circular prepared in accordance with applicable Canadian Securities Laws and the 2008 Law;

"**Offer Long Stop Date**" means 31 December 2017;

"**Offeror Conditions**" means the Conditions set out in paragraph 3.2 of Schedule 3;

"**Offeror Group**" means the Offeror and its Group;

"**Offeror Material Adverse Effect**" means any one or more changes, effects, events or occurrences that, individually or in the aggregate, is, or could reasonably be expected to be, material and adverse to the business, operations, results of operations, assets, properties, capitalisation, financial condition, prospects, liabilities (contingent or otherwise) or privileges (whether contractual or otherwise) of the Offeror Group, taken as a whole, other than any change, effect, event or occurrence:

(i) in or relating to general political, economic or financial conditions, other than an outbreak of hostilities or war in Burkina Faso, Côte d'Ivoire, Ghana or Mali;

(ii) in or relating to the state of securities markets in general, including any reduction in market indices;

(iii) in or relating to currency exchange rates;

(iv) in or relating to the industries in which the Offeror and its subsidiaries operate in general or the market for gold in general;

(v) in or relating to GAAP or regulatory accounting requirements;

(vi) in or relating to any applicable Laws or any interpretation thereof by any Authority; or

(vii) in or relating to a change in the market trading price of the Offeror Shares either (A) related to this Agreement and the Acquisition or the announcement thereof or (B) related to such a change in the market trading price primarily resulting from a change, effect, event or occurrence excluded from this definition of "Offeror Material Adverse Effect" under paragraphs (i) to (vi) above,

provided that such effect referred to in paragraphs (i) to (vi) (inclusive) above (a) does not primarily relate to (or have the effect of primarily relating to) the Offeror Group or disproportionately adversely affect the Offeror Group, taken as a whole, compared to other companies of similar size operating in the industry in which the Offeror Group operates, or (b) does not result from any change in Laws or in the interpretation, application or non-application of Laws by any Authority (including all related fiscal regimes) which may reasonably be expected result in any expropriation or other proceedings alleging illegality or irregularity of any material contract or licence undertaken by any Authority or suspension or revocation, or proposed or alleged suspension or revocation or allegation of illegality, of any authorization, consent, approval, licence or material contract with any Authority, in each case in relation to the Offeror; and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether an "Offeror Material Adverse Effect" has occurred.

"**Offeror Options**" means the outstanding options to purchase Offeror Shares;

"**Offeror Public Documents**" means all documents or information filed on SEDAR by the Offeror under Canadian Securities Laws since and including 1 January 2016 to and including the date hereof;

"**Offeror Shares**" means issued fully paid ordinary shares in the Offeror;

"**OTC QX**" means OTCQX International, a quotation platform operated by OTC Markets Group Inc.;

"**Press Announcement**" means the agreed form press announcement set out in Schedule 10 or any other variation thereof as agreed in writing between the Offeror and the Company;

"**Proxy Forms**" means the forms of proxy prepared by the Company for use in respect of the Court Meeting and the General Meeting;

"**Regulatory Authority**" means any court or competition, antitrust, national, supranational or supervisory body or other government, governmental, ministerial, trade or regulatory agency or body, in each case in any jurisdiction;

"**Sanction Court Hearing**" means the hearing of the Court to sanction the Scheme;

"**Scheme**" means the proposed scheme of arrangement under Part VIII of the 2008 Law between the Company and the holders of Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and the Offeror, under which the Acquisition is proposed to be implemented;

"**Scheme Conditions**" means those Conditions referred to in paragraph 2 of Schedule 3;

"**Scheme Document**" means the document in the form of a management information circular prepared in accordance with the 2008 Law and applicable Canadian Securities Laws to be despatched to the Company Shareholders setting out, *inter alia*, the full terms of the Scheme;

"**Scheme Long Stop Date**" means 31 October 2017;

"**Scheme Record Time**" means the time and date specified in the Scheme Document or such later time as the Offeror and the Company may agree;

"**Scheme Shares**" means:

(i) the existing Company Shares which are in issue at the date of the Scheme Voting Record Time and which remain in issue at the Scheme Record Time; and

(ii) any Company Shares issued and fully paid at or after the Scheme Voting Record Time but before the Scheme Record Time, in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme, and which remain in issue at the Scheme Record Time,

in each case other than any Excluded Shares or any Company Shares held as treasury shares by the Company;

"**Scheme Voting Record Time**" means 5.00 p.m. on the day which is 31 days before the date of the Court Meeting (or such other day and time as the parties may agree having regard to applicable law including any Canadian requirements or such other time as may be approved by the Court);

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Share Awards**" means each of: (i) the outstanding and subsisting options granted under section 4 of the LTIP; (ii) means performance units granted under section 8 of the LTIP; and (iii) the amended and restated Compensation Option issued to the CEO of the Company on 23 February 2005, expiring on 23 February 2023;

"**SOMIKA**" means Société des Mines d'Or de Kalana;

"**Superior Offer**" has the meaning given to it in paragraph 4.1 of Schedule 6;

"**Support Agreement**" means the support agreements (including all amendments thereto) between the Offeror and the Company Locked-up Shareholders setting forth the terms and conditions upon which they agree, among other things, to vote the Scheme Shares held or controlled by them in favour of the Scheme at the Court Meeting and the Company Shares held or controlled by them in favour of the General Meeting Resolution or, in the case of an Offer, accepting the Offer and tendering their Company Shares thereunder;

"**Tax Authority**" means any tax authority in any relevant jurisdiction;

"**Tax Returns**" includes all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required by an Authority to be made, prepared or filed by Law in respect of Taxes;

"**Taxes**" includes any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, windfall, royalty, capital, transfer, land transfer, sales, goods and services, harmonised sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and

export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and pension plan premiums or contributions imposed by any Authority, and any transferee liability in respect of any of the foregoing;

"**Third Party Transaction**" means:

(i) any offer, possible offer, proposal or indication of interest from, or on behalf of, any person other than the Offeror or any person acting jointly or in concert with the Offeror (as such term is defined by Canadian Securities Laws), with a view to such person, directly or indirectly, acquiring (in one transaction or a series of transactions) (a) more than 50 per cent. of the issued share capital of the Company or (b) all or substantially all of the business or assets of the Company or its Group; or

(ii) the entering into, by the Company or any member of its Group, of any transaction or series of transactions howsoever implemented,

that, in the case of (i)(b) or (ii) above, would be reasonably likely to preclude, impede, delay or prejudice the implementation of the Acquisition;

"**TSX**" means the Toronto Stock Exchange; and

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.2 Clauses, Schedules

References to this Agreement shall include any Recitals and Schedules to it and references to Clauses and Schedules are to clauses of, and schedules to, this Agreement. References to paragraphs and Parts are to paragraphs and Parts of the Schedules.

1.3 Singular, plural, gender

References to one gender include all genders and references to the singular include the plural and vice versa.

1.4 References to persons and companies

References to:

1.4.1 a person include any company, partnership or unincorporated association (whether or not having separate legal personality); and

1.4.2 a company shall include any company, corporation or any body corporate, wherever incorporated.

1.5 References to subsidiaries and holding companies

The words "**holding company**", "**subsidiary**" and "**subsidiary undertaking**" shall have the same meaning in this Agreement as their respective definitions in the UK Companies Act 2006, as applicable.

1.6 Modification of Statutes

References to a statute or statutory provision include:

1.6.1 that statute or provision as from time to time modified, re-enacted or consolidated whether before or after the date of this Agreement;

1.6.2 any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which that statute or provision has directly or indirectly replaced; and

1.6.3 any subordinate legislation made from time to time under that statute or statutory provision.

1.7 Time of day

References to times of day are to Toronto, Ontario time, unless otherwise stated.

1.8 Amendments

A reference to any other document referred to in this Agreement is a reference to that other document as amended, revised, varied, novated or supplemented at any time.

1.9 Headings

Headings shall be ignored in construing this Agreement.

1.10 Legal terms

References to any English legal term shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most closely corresponds to it in that jurisdiction.

1.11 Non-limiting effect of words

The words "**including**", "**include**", "**in particular**" and words of similar effect shall not be deemed to limit the general effect of the words that precede them.

2 The Scheme

2.1 The Company undertakes to the Offeror that, subject to compliance by the Offeror with its obligations in Clauses 3.4, 5.3 and 7.4, it shall take or cause to be taken all steps as are within its power and are necessary to:

2.1.1 take the steps referred to in the Indicative Timetable in accordance so far as practicable with the timings set out therein; and

2.1.2 implement the Acquisition in accordance with, and subject to the terms and conditions of, this Agreement,

and, without prejudice to the foregoing, the Company shall comply with its obligations in Schedule 2. Nothing in this Clause 2 or Schedule 2 shall prevent or restrict the Directors from changing any recommendation to Company Shareholders in connection with the Acquisition in accordance with Clause 3.3.

2.2 The Scheme shall be subject to the satisfaction of the Scheme Conditions and the satisfaction or, where permitted or required under this Agreement, waiver of, the Mutual Conditions by both the Offeror and the Company, the Offeror Conditions by the Offeror and the Company Conditions by the Company.

2.3 The Offeror shall appear by counsel at the Sanction Court Hearing to undertake to be bound by the Scheme following the satisfaction (or, where permitted or required under this Agreement, waiver) of the Conditions (excluding any Condition capable of satisfaction only at or after the Sanction Court Hearing).

2.4 Pursuant to the Scheme, on the Effective Date all Scheme Shares will be transferred to the Offeror and the Consideration Shares shall be issued by the Offeror to the Depositary (and received by the Depositary on behalf of the former holders of Scheme Shares), and the former holders of Scheme Shares will (subject to Clause 2.5) as soon as practicable on or

after the Effective Date receive 0.0187 newly issued Consideration Shares for each Scheme Share formerly held.

2.5 Fractions of Consideration Shares will not be issued pursuant to the Acquisition. Entitlements to Consideration Shares pursuant to the Acquisition will be rounded down to the nearest whole number of Consideration Shares. For the purposes of determining fractional entitlements, each portion of a Company Shareholder's holding (to the extent they are the holders of Scheme Shares) which is recorded in the register of members of the Company by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.

2.6 The Consideration Shares allotted and issued pursuant to Clause 2.4 shall be issued credited as fully paid, shall rank equally in all respects with all other fully paid ordinary shares of the Offeror in issue on the Effective Date and shall be entitled to all dividends and other distributions declared, paid or made by the Offeror by reference to a record date on or after the Effective Date.

2.7 The Scheme will provide that the Scheme Shares acquired under the Scheme will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or otherwise) made, on or after the date of this Agreement.

3 Recommendation

3.1 Subject to Clause 3.3, the Company represents to the Offeror that at the date of this Agreement the Directors have resolved that they shall unanimously and without qualification recommend to the holders of Scheme Shares to vote in favour of the Scheme at the Court Meeting and to the Company Shareholders to vote in favour of the General Meeting Resolution at the General Meeting on the terms set out in this Agreement and undertakes that the Scheme Document shall, unless varied in accordance with Clause 3.3 incorporate such recommendation at the date on which it is published.

3.2 Subject to Clause 3.3, if (in accordance with Clause 7) the Offeror elects, subject to and accordance in with the terms of this Agreement to implement the Acquisition by means of an Offer, the Company agrees that the Company Directors' Circular shall incorporate a unanimous and unqualified recommendation of the Directors to the Company Shareholders to accept the Offer.

3.3 The Company agrees that the recommendation described in Clause 3.1 or 3.2, as applicable, will be given and shall not at any time be withdrawn, modified or qualified unless;

3.3.1 in respect of any Third Party Transaction, the Company has complied with paragraphs 4.2 and 4.5 of Schedule 6; and

3.3.2 following an event or change in circumstance, the Directors determine in good faith that such recommendation should not be given or should be withdrawn, modified or qualified in order (but to the minimum extent required) to comply with their Fiduciary Duties.

3.4 Subject to the Board of Directors of the Company not having withdrawn, modified or qualified its recommendation in accordance with Clause 3.3, the Company shall:

3.4.1 solicit from the Company Shareholders entitled to vote at the Court Meeting and the General Meeting proxies in favour of the approval of the Scheme and General Meeting Resolution(s), as applicable, and against any resolution submitted by any person that is inconsistent with, or which seeks (without the Offeror's consent) to hinder or delay the Scheme or the General Meeting Resolution(s) and the completion of the transactions contemplated by this Agreement including, if so requested by the Offeror, using the services of proxy solicitation agents, consulting with the Offeror in the selection and retainer of any such proxy solicitation agent and reasonably considering the Offeror's recommendation with respect to any such agent, and co-operating with any persons engaged by the Offeror, to solicit proxies in favour of the approval of the Scheme and the General Meeting Resolution(s), recommend to all Company Shareholders entitled to vote at the Court Meeting and General Meeting do so in favour of the Scheme and General Meeting Resolution(s) as applicable, and take all other actions that are reasonably necessary or desirable to obtain the approval of the Scheme by the Company Shareholders, and (i) permit the Offeror to assist and participate in all calls and meetings with such proxy solicitation agent, (ii) provide the Offeror with all information, distributions or updates from the proxy solicitation agent, (iii) consult with, and consider any suggestions from, the Offeror with regards to the proxy solicitation agent, and (iv) consult with the Offeror and keep the Offeror apprised, with respect to such solicitation and other actions;

3.4.2 advise the Offeror as reasonably requested, and on a daily basis commencing 10 Business Days prior to the Court Meeting and General Meeting, as to the aggregate tally of the proxies and votes received in respect of the Scheme and General Meeting Resolution(s), and all matters to be considered at the Court Meeting and General Meeting; and

3.4.3 promptly provide the Offeror with any notice relating to the Court Meeting and the General Meeting, and allow representatives of the Offeror to attend such meetings.

4 Conditions and Clearances

4.1 The Company and the Offeror each undertake to co-operate with the other in seeking the satisfaction of the Conditions (without limiting to the Directors rights under Clause 3.3) and to assist the Offeror in communicating with any Authority for the purposes of obtaining all Clearances, including providing the Offeror with any information or documents reasonably requested and necessary for the purpose of making a submission, filing or notification to any relevant Authority in relation to the Acquisition as soon as practicable.

4.2 The Offeror shall use its reasonable endeavours to prepare such documents and take all such reasonable steps as are necessary or desirable to ensure the satisfaction of the Offeror Conditions prior to the Sanction Court Hearing.

4.3 Each party undertakes to keep the other informed reasonably promptly of developments which are material or potentially material to the obtaining of any Clearances and/or the satisfaction of any Conditions.

4.4 The Offeror shall give the Company reasonable prior notice of, and reasonable opportunity to participate in, any material meetings or telephone calls it may have with any Regulatory Authority (except where such Authority requests that the Company should not participate) in connection with the Acquisition. The Company shall (at the request of the Offeror) accompany the Offeror to any such meetings or participate in any such telephone calls (or provide such reasonable assistance to the Offeror in respect of any meetings or telephone

calls as may be required). The Offeror undertakes to provide, where permissible, the Company with copies of all material correspondence received by it from, or sent by it to, a Regulatory Authority in relation to the fulfilment of any Condition, redacted if necessary to remove information which is confidential to the Offeror.

4.5 The Offeror undertakes to deliver a notice in writing to the Company not later than 12 noon (Guernsey time) on the Business Day immediately prior to the Sanction Court Hearing either: (i) confirming the satisfaction or waiver of all Mutual Conditions and Offeror Conditions; or (ii) confirming its intention to invoke a Mutual Condition or an Offeror Condition and, if (ii), it shall in such notice identify the Mutual Condition or Offeror Condition which it considers it is entitled to invoke and provide reasonable details of the event which has occurred, or circumstance which has arisen, which it considers entitles it to invoke the relevant Mutual Condition or Offeror Condition.

4.6 Nothing in this Agreement shall oblige the Offeror to waive or treat as satisfied any Mutual Condition or Offeror Condition.

4.7 The Company undertakes to deliver a notice in writing to the Offeror not later than 12 noon (Guernsey time) on the Business Day immediately prior to the Sanction Court Hearing either: (i) confirming the satisfaction or waiver of the Mutual Conditions and Company Conditions; or (ii) confirming its intention to invoke a Mutual Condition or a Company Condition and, if (ii), it shall in such notice provide reasonable details of the event which has occurred, or circumstance which has arisen, which it considers entitles it to invoke the relevant Mutual Condition or Company Condition.

4.8 Nothing in this Agreement shall oblige the Company to waive or treat as satisfied any Mutual Condition or Company Condition.

4.9 Notwithstanding any other provision of this Agreement:

4.9.1 the Offeror Conditions shall not be capable of being invoked by the Company and the Company shall not seek to invoke any such Condition; and

4.9.2 the Company Conditions shall not be capable of being invoked by the Offeror and the Offeror shall not seek to invoke the Company Conditions.

4.10 The Offeror undertakes to the Company that it shall procure that all steps reasonably required to be taken in respect of the issue of Consideration Shares to the holders of Scheme Shares (subject to any provisions in the Scheme relating to the shares of certain overseas shareholders and compliance by the Company with its obligations hereunder) be taken, including applying to the TSX for, and obtaining (subject only to customary TSX conditions, including payment of fees and filing of customary required documents), approval of the listing and posting to trading of the Consideration Shares.

5 Documentation

5.1 Each party undertakes to:

5.1.1 keep the other informed, and consult with the other, as to the progress with preparation of any documents and implementation of the Acquisition; and

5.1.2 offer and afford all reasonable co-operation, information and assistance as may be requested by the other party in respect of the preparation of any document required for the implementation of the Acquisition,

in a timely manner in order that the Acquisition can be implemented, so far as is reasonably practical, in accordance with the Indicative Timetable.

5.2 The parties agree that the Company shall prepare the Scheme Document and shall consult with the Offeror in relation to the preparation thereof. The Company agrees to submit drafts and revised drafts of the Scheme Document to the Offeror for review and comment and, where necessary, to discuss any comments with the Offeror for the purposes of preparing revised drafts. The Company shall only despatch the Scheme Document once the Scheme Document is in a form which is satisfactory to the Offeror and the Company (both acting reasonably) and mutually confirmed in writing (such confirmation not to be unreasonably withheld or delayed).

5.3 The Offeror shall provide promptly (having regard to the Indicative Timetable) to the Company all information required by the Court or applicable Laws regarding the Offeror, the Offeror Group, its affiliates and the Offeror Shares, including any pro forma financial statements prepared in accordance with GAAP and applicable Laws and required to be included in the Scheme Document or the Offer Document (as applicable) or in any amendments or supplements to such Scheme Document or Offer Document. The Offeror shall also use commercially reasonable efforts to obtain any consents required by the Court or applicable Laws (including such consents required under applicable Canadian Securities Laws) from any of its auditors, authors of current technical reports in respect of the Offeror's material mineral projects prepared in accordance with NI 43-101, and any other advisers to the use of any financial, technical or other expert information required to be included in the Scheme Document and/or Offer Document and to the identification in the Scheme Document and/or Offer Document of each such adviser. The Offeror shall ensure that such information does not include any misrepresentation (as defined in Canadian Securities Laws) concerning the Offeror Group, any of its affiliates or the Offeror Shares.

5.4 Subject to the Offeror complying with Clauses 5.2 and 5.3, the Company will: (i) as soon as reasonably practicable after the execution of this Agreement, promptly prepare the Scheme Document together with any other documents required by the Court and other applicable Laws in connection with the Court Meeting and the General Meeting; and (ii) as soon as reasonably practicable after the Application Court Hearing, cause the Scheme Document (together with such other documents) to be mailed, despatched, or otherwise publicly disseminated to Company Shareholders in compliance with the timing contemplated by National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and filed as required by the Court or applicable Laws.

5.5 The Company and the Offeror shall each promptly notify each other in writing if at any time before the Effective Date either becomes aware that the Scheme Document or the Offer Document (as applicable) contains a misrepresentation (as defined in Canadian Securities Laws), or that otherwise requires an amendment or supplement to the Scheme Document or the Offer Document (as applicable) and the Parties shall co-operate in the preparation of any amendment or supplement to the Scheme Document or the Offer Document (as applicable) as required, and the Company or the Offeror, as applicable, shall promptly mail, despatch or otherwise publicly disseminate to Company Shareholders any amendment or supplement to the Scheme Document or the Offer Document and, if required by the Court or applicable Laws, file the same with any Authority and/or as otherwise required.

6 Insurance and Indemnification

6.1 Prior to the Effective Date, the Company shall purchase customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate to the protection provided by the policies maintained by the Company and its subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and the

Offeror will, or will cause the Company and its subsidiaries to, maintain such tail policies in effect without any reduction in scope or coverage for six (6) years from the Effective Date (or in the case of an Offer, for six (6) years from the date the Offeror acquires all outstanding Company Shares); provided, however, that the Offeror shall not be required to pay any amounts in respect of such coverage prior to the Effective Date and provided further that the aggregate cost of such policy for the six year period shall not exceed 300 per cent. of the Company's current annual aggregate premium for similar policies currently maintained by the Company or its subsidiaries.

6.2 The Offeror agrees that it shall cause the Company to honour all rights to indemnification or exculpation now existing in favour of present and former officers and Directors of the Company and its subsidiaries and acknowledges that such rights shall survive the completion of the Scheme and shall continue in full force and effect for a period of not less than six (6) years from the Effective Date (or in the case of an Offer, for six (6) years from the date the Offeror acquires all outstanding Company Shares).

6.3 If following the Effective Date the Company or the Offeror or any of their respective successors (i) consolidates with or merges into any other person and is not the continuing or surviving corporation or entity of such consolidation or merger, or (ii) transfers all or substantially all of its properties and/or assets to any person, the Offeror shall use commercially reasonable efforts to procure that proper provisions shall be made by it or the Company (as applicable) so that the successors, assigns and transferees of the Offeror or Company, as the case may be, shall assume all of the obligations and liabilities of the Offeror, the Company and/or their respective subsidiaries set out in this Clause 6.

7 Right to switch to an Offer

7.1 Subject to giving the Company no less than 5 Business Days' notice of its intention to do so, the Offeror may elect at any time to implement the Acquisition by way of an Offer, subject to and in accordance with the terms of this Agreement, made in accordance with applicable Laws, including Canadian Securities Laws, whether or not the Scheme Document has been despatched, provided that: (i) the Offer consideration is a number of Offeror Shares for each Company Share equal to or greater than the number specified in Clause 2.4; (ii) the Scheme Conditions are replaced with the Acceptance Condition; and (iii) the Offer is made subject only to the Conditions and such offer terms only as are necessary in order to reflect the implementation of the Acquisition by way of an Offer, and for greater certainty shall be no more onerous to the Company or the Company Shareholders. If the Offeror elects to implement the Acquisition by way of an Offer subject to and in accordance with the terms of this Agreement including this Clause 7.1, Clause 2 shall apply *mutatis mutandis* to the Offer and Clauses 5.2 to 5.4 (inclusive) and Schedule 2 shall cease to have any effect.

7.2 If the Offeror elects to implement the Acquisition by way of an Offer, subject to and in accordance with the terms of this Agreement, the parties agree to assist and co-operate in preparing all such documents and taking all such steps as are reasonably necessary for the implementation of such Offer consistent with the provisions of this Agreement, which shall apply as far as practicable in the same way to such Offer, and as may be necessary in order for the Offer to be conducted in compliance with applicable Law, including without limitation applicable Canadian Securities Laws.

7.3 If the Offeror elects to implement the Acquisition by way of an Offer, subject to and in accordance with the terms of this Agreement and subject further to the Company's compliance with its obligations under Clause 7.5, the Offeror agrees to make the Offer and

so far as is reasonably practicable to mail the relevant Offer documents to all registered Shareholders on or before 20 Business Days following delivery of the notice to the Company of its intention to implement the Acquisition by way of an Offer, or such later date as the Company and the Offeror, acting reasonably, may otherwise agree upon in writing.

7.4 The parties agree that the Offeror shall prepare the Offer Document in compliance with Canadian Securities Laws (and any other applicable Law) and shall consult with the Company in relation to the preparation thereof. The Offeror agrees to submit drafts and revised drafts of the Offer Document to the Company for review and comment and, where necessary, to discuss any comments with the Company for the purposes of preparing revised drafts. The Offeror shall only despatch the Offer Document once the Offer Document is in a form which is satisfactory to the Company and the Offeror (both acting reasonably) and mutually confirmed in writing (such confirmation not to be unreasonably withheld or delayed).

7.5 The Company shall provide promptly to the Offeror all information regarding the Company, the Company Group, its affiliates and the Company Shares, including any financial information required by the Offeror to prepare pro forma financial statements of the Offeror prepared in accordance with GAAP and applicable Laws as required for inclusion in the Offer Document or in any amendments or supplements to such Offer Document. To the extent required, the Company shall also use commercially reasonable efforts to obtain any necessary consents (including such consents required under applicable Canadian Securities Laws) from any of its auditors, authors of current technical reports in respect of the Company's material mineral projects prepared in accordance with NI 43-101, and any other advisers to the use of any financial, technical or other expert information required to be included in the Offer Document and to the identification in the Offer Document of each such adviser. The Company shall ensure that such information does not include any misrepresentation (as defined in Canadian Securities Laws) concerning the Company Group, any of its affiliates or the Company Shares.

7.6 The parties agree that the Company shall prepare the Company Directors' Circular in compliance with Canadian Securities Laws and shall consult with the Offeror in relation to the preparation thereof. The Company agrees to submit drafts and revised drafts of the Company Directors' Circular to the Offeror for review and comment and, where necessary, to discuss any comments with the Offeror for the purposes of preparing revised drafts. The Company shall have regard to the Offeror's reasonable comments in preparing any revised drafts and shall only despatch the Company Directors' Circular once the Company Directors' Circular is in a form which is satisfactory to the Offeror and Company (such confirmation not to be unreasonably withheld or delayed) provided that nothing in this Clause shall prevent the Company from despatching the Company Directors' Circular when required to do so under Canadian Securities Laws or limit the Directors rights under Clause 3.3. The parties agree to use reasonable efforts to mail and despatch the Company Directors' Circular concurrently with the Offer Document.

7.7 For the purposes of any election by the Offeror of its right to implement the Acquisition by way of the Offer, subject to and in accordance with the terms of this Agreement, the Company confirms that it is a "foreign private issuer" as such term is defined under Rule 3b-4(c) under the Exchange Act and undertakes, upon the request of the Offeror, to use its reasonable efforts to assist the Offeror in making a calculation of the percentage of the Company's share capital held (beneficially or otherwise) in the United States in accordance with Instruction 2 to Rules 14d-1(c) and (d) under the Exchange Act, including to furnish to the Offeror upon request of the Offeror in writing a copy of the Company's register of shareholders and, to the extent reasonably available to the Company, a beneficial ownership analysis each dated as

of (i) a date on or around the 30th calendar day prior to commencement (within the meaning of Rule 14d-2 under the Exchange Act) of a tender offer (within the meaning of the Exchange Act) by the Offeror for the share capital of the Company or (ii) such other date as may be agreed in writing by the Company and the Offeror.

8 Revisions to the Acquisition

The parties shall take all such steps as are reasonable and necessary to implement any revised or amended terms of the Acquisition which is recommended by the Directors and the provisions of this Agreement shall apply as nearly as practicable in the same way to such revised Scheme or Offer.

9 Share Awards

The parties agree that the provisions of Schedule 4 shall apply in respect of the Share Awards.

10 Inducement Fee

The parties agree that the provisions of Schedule 5 shall apply in respect of the Inducement Fee.

11 Deal Protection

The parties agree that the provisions of Schedule 6 shall apply in respect of deal protection.

12 Conduct of Business

The parties agree that the provisions of Schedule 7 shall apply in respect of the conduct of business of the Offeror Group and the Company Group.

13 Termination

13.1 This Agreement may be terminated with immediate effect (i) at any time prior to the grant of the Court Order by mutual written agreement of the Parties and (ii) at any time between the grant of the Court Order and the Effective Date by mutual written agreement of the Parties following, if required under applicable Law, receipt of approval of the Court to withdraw the Scheme.

13.2 This Agreement may be terminated with immediate effect by written notice given by either party to the other if: (i) the Scheme is not approved at the Court Meeting by the holders of the Scheme Shares entitled to vote at the Court Meeting; (ii) the General Meeting Resolution is not passed at the General Meeting; or (iii) the Court refuses to grant the Court Order; unless in each case the Offeror has within five Business Days of such event provided notice to the Company in accordance with Clause 7.1 of its intention to implement the Acquisition by way of an Offer (subject to and in accordance with the terms of this Agreement including in accordance with Clause 7).

13.3 This Agreement may be terminated with immediate effect at any time prior to the Effective Date by written notice given by either party to the other if:

13.3.1 the Effective Date does not occur on or before the Scheme Long Stop Date (if the Acquisition proceeds as a Scheme), except that the right to terminate this Agreement under this Clause 13.3.1 shall not be available to a party whose failure to fulfil any of its obligations or whose breach of any of its representations and

warranties under this Agreement has been the direct or indirect cause of, or resulted in, the failure of the Effective Date to occur by such date;

13.3.2 the Effective Date does not occur on or before the Offer Long Stop Date (if the Acquisition proceeds as an Offer); or

13.3.3 after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes consummation of the Acquisition illegal or otherwise prohibited or enjoins the Offeror or the Company from consummating the Acquisition and such applicable Law or enjoinment has become final and non-appealable.

13.4 This Agreement may be terminated with immediate effect at any time prior to the Effective Date by written notice given by the Offeror if:

13.4.1 the recommendation of the Acquisition by the Board of Directors has not been given or has been withdrawn, modified or qualified;

13.4.2 if any Offeror Condition becomes incapable of satisfaction or is invoked so as to cause the Acquisition not to proceed;

13.4.3 the Company is in breach of its obligations under Schedule 6 or paragraphs 1.1 to 1.10, 1.12, 1.15 or 1.16 (or 1.17 in relation to such paragraphs) of Schedule 7 or material breach of its obligations under paragraphs 1.11, 1.13 or 1.14 (or 1.17 in relation to such paragraphs) Schedule 7;

13.4.4 a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under this Agreement occurs that would cause any condition in Clause 3.4 (in particular, the Offeror Condition in paragraph 3.2.2 of Schedule 3) not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Scheme Long Stop Date or the Offer Long Stop Date (as applicable) or is not cured within 10 Business Days of notice being received by the Company of such breach of representation, warranty or failure to perform any such covenant or agreement, provided that the Offeror is not then in breach of this Agreement so as to cause any condition in Clause 4 not to be satisfied.

13.5 This Agreement may be terminated with immediate effect at any time prior to the Effective Date by written notice given by the Company, if:

13.5.1 any Company Condition becomes incapable of satisfaction or is invoked so as to cause the Acquisition not to proceed;

13.5.2 a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Offeror under this Agreement occurs that would cause any condition in Clause 3.4 (in particular, the Company Condition paragraph 3.3.2 of Schedule 3) not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Scheme Long Stop Date or the Offer Long Stop Date (as applicable) or is not cured within 10 Business Days of notice being received by the Offeror of such breach of representation, warranty or failure to perform any such covenant or agreement, provided that the Company is not then in breach of this Agreement so as to cause any condition in Clause 4 not to be satisfied; or

13.5.3 the Company enters into a written agreement with respect to a Superior Offer, provided the Company is then in compliance with its obligations in Schedule 6 and that prior to or concurrent with such termination the Company pays the Inducement Fee in accordance with Clause 10 and Schedule 5.

13.6 The party wishing to terminate this Agreement pursuant to this Clause 13 (other than pursuant to Clause 13.1) shall give notice of such termination to the other party, specifying in reasonable detail the basis for such party's exercise of its termination right.

13.7 From the time of termination of this Agreement all rights and obligations of the parties under this Agreement shall cease forthwith, but termination of this Agreement shall be without prejudice to the rights of either party that may have arisen prior to termination. Clauses 1, 10 and 15 to 30 and, subject to Clause 15.1 of this Agreement, the Confidentiality Agreement shall survive termination.

14 Representations and Warranties

14.1 The Offeror represents and warrants to the Company on the date hereof as provided for in Schedule 8.

14.2 The Company represents and warrants to the Offeror on the date hereof as provided for in Schedule 9.

14.3 The representations and warranties of each of the Offeror and the Company shall not survive completion of the Acquisition and shall expire and terminate on the earlier of the Effective Date and the date on which this Agreement terminates or is terminated in accordance with its terms.

15 Confidentiality

15.1 Sections 1, 3, 4, 6 and 7 of the Confidentiality Agreement shall terminate and cease to have any force or effect from the date of this Agreement, other than in respect of terms defined in those sections necessary for the interpretation of the remainder of the Confidentiality Agreement and in respect of any breaches of such provisions occurring prior to the date of this Agreement.

15.2 Subject to Clause 15.3, each of the Offeror and the Company shall treat as strictly confidential and not disclose or use any information received or obtained from or on behalf of the disclosing party during the negotiation of, in connection with, or as a result of entering into, this Agreement (or any agreement entered into pursuant to this Agreement) which relates to:

15.2.1 the existence and the provisions of this Agreement and of any agreement entered into pursuant to this Agreement; or

15.2.2 the negotiations relating to this Agreement (and any such other agreements);

15.2.3 (in the case of the Offeror) any information relating to the Company and any other information relating to the business, financial or other affairs (including future plans and targets) of the Company;

15.2.4 (in the case of the Company) any information relating to the Offeror and any other information relating to the business, financial or other affairs (including future plans and targets) of the Offeror.

15.3 Clause 15.2 shall not prohibit disclosure or use of any information if and to the extent:

15.3.1 the disclosure or use is required by Law, including the filing of this Agreement pursuant to applicable Canadian Securities Laws, any governmental or regulatory body or any stock exchange on which the shares of a party are listed;

15.3.2 the disclosure or use is required under the terms of this Agreement or to implement the Acquisition;

15.3.3 the disclosure or use is required for the purpose of any judicial or regulatory proceedings arising out of this Agreement or any other agreement entered into under or pursuant to this Agreement;

15.3.4 the disclosure is made to a Tax Authority in connection with the tax affairs of the disclosing party;

15.3.5 the disclosure is made to professional advisers of either party on terms that such professional advisers who are bound by equivalent professional obligations or undertake to comply with the provisions of Clause 15.2 in respect of such information as if they were a party to this Agreement;

15.3.6 the information is contained in the Press Announcement;

15.3.7 the information is or becomes publicly available (other than by breach of the Confidentiality Agreement or of this Agreement); or

15.3.8 the other party has given prior written approval to the disclosure or use,

provided that prior to disclosure or use of any information pursuant to Clause 15.3.1, 15.3.2 or 15.3.3, the party concerned shall, where not prohibited by law, consult with the other party insofar as is reasonably practicable.

16 Notices

16.1 Any notice or other communication in connection with this Agreement (each, a "**Notice**") shall be:

16.1.1 in writing;

16.1.2 delivered by hand, email, pre-paid first class post or courier using an internationally recognised courier company.

16.2 A Notice to the Offeror shall be sent to the following address, or such other person or address as the Offeror may notify in writing to the Company from time to time:

Endeavour Mining Corporation

Cayman Corporate Centre
27 Hospital Road
George Town
Grand Cayman KY1-9008

Email: MCarroll@endeavourmining.com

Attention: Morgan Carroll, EVP Corporate Finance & General Counsel

16.3 A Notice to the Company shall be sent to the following address, or such other person or address as the Company may notify in writing to the Offeror from time to time:

Avnel Gold Mining Limited

Third Floor
39 Cheval Place
London SW7 1EW

Email: howard@hbmiller.co.uk

Attention: Howard Miller, Chief Executive Officer and Chairman

16.4 A Notice shall be deemed to have been received:

16.4.1 60 hours after posting, if delivered by pre-paid first class post

16.4.2 at the time of delivery, if delivered by hand or courier; or

16.4.3 at the time of sending if sent by e-mail, provided that receipt shall not occur if the sender receives an automated message that the e-mail has not been delivered to the recipient.

17 Further Assurances

17.1 The Company shall perform, and shall use reasonable endeavours to procure the performance of all such further acts and things and execute or procure the execution of all such other documents as the Offeror may from time to time reasonably require for the purpose of giving the Offeror the full benefit of this Agreement in accordance with its terms (and without limiting the Directors' rights under Clause 3.3).

17.2 The Offeror shall perform, and shall use reasonable endeavours to procure the performance of all such further acts and things and execute or procure the execution of all such other documents as the Company may from time to time reasonably require for the purpose of giving the Company the full benefit of this Agreement in accordance with its terms.

18 Remedies and Waivers

18.1 No delay or omission by any party to this Agreement in exercising any right, power or remedy provided by law or under this Agreement shall affect that right, power or remedy or operate as a waiver of it.

18.2 The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

18.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

18.4 Without prejudice to any other rights and remedies which any party may have, each party acknowledges and agrees that damages would not be an adequate remedy for any breach by any party of the provisions of this Agreement and any party shall be entitled to seek the remedies of injunction, specific performance and other equitable relief (and the parties shall not contest the appropriateness or availability thereof), for any threatened or actual breach of any such provision of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

19 Invalidity

19.1 If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties.

19.2 To the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 19.1, then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and

enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under Clause 19.1, not be affected.

20 No Partnership

Nothing in this Agreement and no action taken by the parties under this Agreement be deemed to constitute a partnership between the parties nor constitute any party the agent of any other party for any purpose.

21 Time of Essence

Except as otherwise expressly provided, time shall be of the essence of this Agreement both as regards any dates, times and periods mentioned and as regards any dates, times and periods which may be substituted for them in accordance with this Agreement or by agreement in writing between the Company and the Offeror.

22 Third Party Rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Agreement, save that the persons who are to be insured or indemnified pursuant to Clause 6 and (to the extent applicable) their heirs and legal representatives may enforce and rely on Clause 6 and Clause 23.

23 Variation

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the Company and the Offeror. No variation of this Agreement which in any way affects the rights or benefits of the persons who are insured or indemnified under Clause 6 of this Agreement shall be made without the specific prior written agreement of the Directors (such agreement not to be unreasonably withheld or delayed).

24 Whole Agreement

24.1 The Exclusivity Agreement shall cease to have any force or effect from the date of this Agreement.

24.2 This Agreement and the surviving provisions of the Confidentiality Agreement, together contain the whole agreement between the parties relating to the Acquisition at the date of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersede any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement and the surviving provisions of the Confidentiality Agreement.

24.3 So far as is permitted by law and except in the case of fraud, each of the Offeror and the Company agrees and acknowledges that its only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement to the exclusion of all other rights and remedies (including those in tort or arising under statute).

25 Assignment

Except as otherwise expressly provided in this Agreement, neither the Offeror nor the Company may assign, grant any security interest over, hold on trust or otherwise transfer the benefit of the whole or any part of this Agreement, provided that the Offeror may, without

the consent of the Company (but subject to the Offeror being required to receive the Company Shares under the Acquisition directly at the first instance), assign the benefit of the whole or any part of this Agreement to any other corporate entity or other vehicle within the Offeror Group which is or may become the acquiring entity under the Acquisition and in such case the Offeror shall procure that such other corporate entity or other vehicle shall assume the obligations of the Offeror hereunder provided that (i) for the avoidance of doubt, the Offeror's obligations under this Agreement may not be novated to such person without the prior written consent of the Company and (ii) should such assignee cease to be a member of the Offeror Group, it shall, before ceasing to be so, assign the benefit so far as assigned to it back to the Offeror or a member of the Offeror Group; and (iii) the assignee shall not be entitled to receive under this Agreement any greater amount that that to which the Offeror would have been entitled.

26 Announcements

26.1 The parties shall procure the release of the Press Announcement as soon as practicable following execution of this Agreement in compliance with Canadian Securities Laws. Subject to Clause 26.2 and unless the recommendation of the Directors has been withdrawn, modified or qualified, no other announcement in relation to the Acquisition or any ancillary matter contemplated by this Agreement shall be made by or on behalf of the Offeror or the Company except on terms approved in advance by the Offeror and the Company, such approval not to be unreasonably withheld or delayed.

26.2 A party may make such announcements as are required by:

26.2.1 the law of any relevant jurisdiction; or

26.2.2 court order; or

26.2.3 any securities exchange or regulatory or governmental body to which that party is subject or submits, wherever situated, including (without limitation) any applicable Canadian securities regulatory authority and the TSX whether or not the requirement has the force of law,

in which case the party concerned shall take all such steps as may be reasonable and practicable in the circumstances to consult with the other party in relation to the contents and timing of such announcement and the extent of the required disclosure before making such announcement.

27 Costs and Expenses

Each party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into this Agreement.

28 Counterparts

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterpart.

29 Governing Law and Submission to Jurisdiction

29.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

29.2 Each of the Offeror and the Company irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and that accordingly any proceedings arising out of or in connection with this Agreement shall be brought in such courts. Each of the Offeror and the Company irrevocably submits to the jurisdiction of such courts and waives any objection to proceedings in any such court on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.

29.3 For the avoidance of doubt only, matters arising under the Confidentiality Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of which the Offeror and the Company have attorned to the jurisdiction of the Courts of the Province of Ontario in each case as provided for in Section 14(b) of the Confidentiality Agreement.

30 Appointment of Process Agent

30.1 The Company hereby irrevocably appoints Kalana Mine Services Limited of Ground Floor 39 Cheval Place, London SW7 1EW as its agent to accept service of process in England in any legal action or proceedings arising out of this Agreement, service upon whom shall be deemed completed whether or not forwarded to or received by the Company.

30.2 The Company agrees to inform the Offeror in writing of any change of address of such process agent within 14 days of such change.

30.3 If such process agent ceases to be able to act as such or to have an address in England, the Company irrevocably agrees to appoint a new process agent in England acceptable to the Offeror (such acceptance not to be unreasonably withheld, delayed or conditioned) and to deliver to the Offeror within 14 days a copy of a written acceptance of appointment by the process agent.

30.4 The Offeror hereby irrevocably appoints Endeavour Management Services London Limited of 2nd Floor, 5 Young Street, London W8 5EH as its agent to accept service of process in England in any legal action or proceedings arising out of this Agreement, service upon whom shall be deemed completed whether or not forwarded to or received by the Offeror.

30.5 The Offeror agrees to inform the Company in writing of any change of address of such process agent within 14 days of such change.

30.6 If such process agent ceases to be able to act as such or to have an address in England, the Offeror irrevocably agrees to appoint a new process agent in England acceptable to the Company (such acceptance not to be unreasonably withheld, delayed or conditioned) and to deliver to the Company within 14 days a copy of a written acceptance of appointment by the process agent.

30.7 Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law or the right to bring proceedings in any other jurisdiction for the purposes of the enforcement or execution of any judgment or other settlement in any other courts.

In witness whereof this Agreement has been duly executed.

SIGNED by
AVNEL GOLD MINING LIMITED
acting by Howard B. Miller
Director

(signed) "Howard B. Miller"
……

SIGNED by
ENDEAVOUR MINING CORPORATION
acting by Sébastien de Montessus
Chief Executive Officer & President

(signed) "Sébastien de Montessus"
……

Schedule 1
Indicative Timetable

Date	Action
29 June 2017	Release Press Announcement regarding Acquisition and file this Agreement, Support Agreements, as may be required by applicable Canadian Securities Laws, and material change report of the Company on the Company's SEDAR profile (within 10 days)
18 July 2017	File Court Bundle with Royal Court for First Application (including supporting affidavits, skeleton arguments, court application, draft court order and final draft of Scheme Document)
21 July 2017	Application Court Hearing
21 July 2017	Set record dates for notice and voting at Court Meeting and General Meeting
24 July 2017	Send notice of Court Meeting and General Meeting to all depositories, securities regulatory authorities and the TSX by filing on SEDAR
31 July 2017	Publish notice of record date for Court Meeting and General Meeting
31 July 2017	Record date for Court Meeting and General Meeting
3 August 2017	Despatch Scheme Document
4 August 2017	Deadline to deliver Meeting Materials to intermediaries
9 August 2017	Mail Meeting Materials to registered shareholders
	File Meeting Materials and certificate of abridgement on the Company's SEDAR profile
29 August 2017	Deadline for return of Proxy Forms (2 Business Days prior to date of Court Meeting and General Meeting)
31 August 2017	Court Meeting and General Meeting to be held
	File report of voting results on the Company's SEDAR profile
4 September 2017	File Court Bundle with Royal Court for Sanction Court Hearing (including supporting affidavits, skeleton arguments, court application and draft sanction court order)
7 September 2017	Sanction Court Hearing
14 September 2017	Deadline for filing a copy of the Court Order with the Guernsey Registry

Schedule 2
Implementation of the Scheme

1 The Company shall make promptly all applications to the Court and file promptly all documents with the Court as are necessary to implement the Scheme in accordance with this Agreement and in particular, shall, no later than two clear Business Days prior to the Application Court Hearing file all such documents as are necessary to be filed for the purposes of such hearing.

2 Upon (i) the necessary documents being settled with the Court and, where required, approved by the Offeror and (ii) the Court making the order convening the Court Meeting, the Company shall, within three Business Days of the order being made (or such later date as the Offeror shall agree in writing, such agreement not to be unreasonably withheld, conditioned or delayed), publish the Scheme Document and the Proxy Forms, and thereafter in a timely manner, publish and/or post such other documents, advertisements and information as the Court may approve or require from time to time in connection with the proper implementation of the Scheme in accordance with this Agreement.

3 The Company shall convene the Court Meeting as ordered by the Court. and the General Meeting to consider and, if thought fit, approve the Scheme and General Meeting Resolution and hold such meetings at the times and dates on which they are convened.

4 Following the Court Meeting and the General Meeting, and assuming the resolutions to be proposed at such meetings have been passed by the requisite majorities, the Company shall, subject to and as soon as reasonably practicable following receipt of the Offeror's written confirmation that the Conditions have been waived or are satisfied, seek the sanction of the Scheme by the Court at the Sanction Court Hearing and take all other action as may be reasonably necessary to make the Scheme effective.

5 If the Court so requires, or if it is necessary to implement the Scheme, the Company shall reconvene the Court Meeting and any other necessary shareholder meeting required in order to make the Scheme effective.

6 Following the sanction of the Scheme by the Court, the Company shall cause a copy of the Court Order to be filed with the Guernsey Registry as soon as reasonably practicable after the Sanction Court Hearing and in any case within 7 days of receipt of the Court Order.

7 The Company undertakes prior to the Court Meeting and the General Meeting, to keep the Offeror informed in writing, on a weekly basis and daily on each of the five Business Days immediately preceding each of the Court Meeting and the General Meeting (or adjournment of either of these meetings), of the number of proxy votes received in respect of the resolutions to be passed at the Court Meeting or the General Meeting as applicable.

8 The Company undertakes to prepare all documents required by the Court in connection with the implementation of the Scheme, including (without limitation) the affidavits, advertisements, applications, orders, skeleton arguments and the Chairman's report of the Court Meeting. The Company further undertakes to submit drafts and revised drafts of such documents to the Offeror and its advisors for review and comment and, where necessary, to discuss any comments with the Offeror and its advisors for the purposes of preparing revised drafts. The Company shall only lodge such documents with the Court once they are in a form which is satisfactory to the Offeror (acting reasonably) and agreed in writing (such agreement not to be unreasonably withheld or delayed).

9 Except as provided for in this Agreement, the Company shall not seek to amend the Scheme or the General Meeting Resolution after despatch of the Scheme Document or to adjourn the Court Meeting or the General Meeting without the prior written consent of the Offeror.

10 The Company agrees that it shall not issue any new Company Shares in the period between the Scheme Voting Record Time and the adoption of the new article in the Articles referred to in paragraph 5 of Schedule 4.

11 The Company shall apply to the TSX for its shares to cease to be listed and posted for trading with effect as soon as practicable following the Effective Date (or in the case of an Offer, as soon as practicable following the date the Offeror acquires all outstanding Company Shares).

12 The Company shall take or permit to be taken all actions necessary to ensure that the Scheme complies with the requirements of Section 3(a)(10) of the U.S. Securities Act and the relevant interpretations and guidance of the staff of the U.S. Securities and Exchange Commission related thereto.

Schedule 3
Conditions and Further Terms of the Acquisition

1 The Acquisition is conditional upon the Scheme becoming unconditional and effective by not later than the Scheme Long Stop Date or such later date (if any) as the Offeror and the Company may agree and the Court may allow.

2 The Scheme will be subject to the following Conditions:

2.1 its approval by a majority in number of the holders of Scheme Shares who are entitled to vote and who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Scheme Shares voted by those holders of Scheme Shares;

2.2 the Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting as set out in the Scheme Document (or such later date as may be agreed by the Offeror and the Company and the Court may allow);

2.3 the resolutions required to implement the Scheme being duly passed by Company Shareholders representing 75 per cent. or more of votes cast at the General Meeting (other than any ordinary resolution which shall only need to be passed in accordance with the Articles);

2.4 the General Meeting being held on or before the 22nd day after the expected date of the General Meeting as set out in the Scheme Document (or such later date as may be agreed by the Offeror and the Company and the Court may allow);

2.5 the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to the Company and the Offeror) and the delivery of a copy of the Court Order to the Guernsey Registry; and

2.6 the Sanction Court Hearing being held on or before the 22nd day after the expected date of the Sanction Court Hearing as set out in the Scheme Document (or such later date as may be agreed by the Offeror and the Company and the Court may allow).

3 In addition, the Acquisition will be conditional upon the following Mutual Conditions, Offeror Conditions and Company Conditions and, accordingly, the Court Order will not be delivered to the Guernsey Registry unless such Conditions have been satisfied or, where relevant, waived:

3.1 Mutual Conditions

3.1.1 receipt of approval of the listing and posting for trading on the TSX of the Consideration Shares, subject only to satisfaction by the Offeror of customary listing conditions of the TSX;

3.1.2 all material notifications, filings or applications required in connection with the Acquisition having been made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and all Clearances required in connection with the Acquisition having been obtained on terms and in a form reasonably satisfactory to the Offeror and all such Clearances remaining in full force and effect at the time at which the Acquisition becomes effective and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Clearances;

3.1.3 after the date of this Agreement, no Law having been enacted, made, enforced or amended, as applicable, and having become final and non-appealable that makes consummation of the Acquisition illegal or otherwise prohibited or enjoins the Offeror or the Company from consummating the Acquisition;

3.1.4 the distribution of the Consideration Shares being exempt from the prospectus requirements of Canadian Securities Laws and being exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof; (y) there being no resale restrictions on the Consideration Shares under Canadian Securities Laws, except in respect of those holders as are subject to restrictions on resale as a result of being a "control person" pursuant to Canadian Securities Laws; and (z) the Consideration Shares not being "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act, and subject only to restrictions on transfers applicable solely as a result of the holder being, or within the last 90 days having been, an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Offeror; provided, however, that the Company shall not be entitled to the benefit of the condition in this paragraph 3.1.4 and shall be deemed to have waived such condition, if Company fails to advise the Court prior to the Sanction Court Hearing that the Offeror intends to rely on the exemption from registration afforded by Section 3(a)(10) of the U.S. Securities Act based on the Court's approval of the Scheme; and

3.1.5 there being no suit, action or proceeding by any Authority or any other Person that has resulted in an imposition of material limitations on the ability of the Offeror to acquire or hold, or exercise full rights of ownership of, any Company Shares, including the right to vote the Company Shares to be acquired by it on all matters properly presented to the Company Shareholders.

3.2 Offeror Conditions

The obligation of the Offeror to complete the Scheme is subject to the fulfilment of each of the following additional conditions precedent on or before the Effective Date (each of which is for the exclusive benefit of the Offeror and may only be waived by the Offeror):

3.2.1 all covenants of the Company under this Agreement to be performed on or before the Effective Date which have not been waived by the Offeror shall have been duly performed by the Company in all material respects and all negative covenants of the Company shall not have been breached unless such breach has been waived by the Offeror and the Offeror shall have received a certificate of the Company addressed to the Offeror and dated as at the Effective Date, signed on behalf of the Company by two executive officers of the Company (on the Company's behalf and without personal liability), confirming the same as at the Effective Date;

3.2.2 the representations and warranties of the Company set forth in this Agreement shall be true and correct in all respects as the date of the General Meeting and the Court Meeting, the date of the Sanction Court Hearing and the Effective Date, as though made on and as of such dates (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Company Material Adverse Effect, provided that the representations and warranties of the Company set forth in paragraphs (a), (b), (c), (d), (i), (k), (l), (p) and (r) of Schedule 9 shall be true and correct in all material respects as of the date of the General Meeting and the Court Meeting, the date of the Sanction Court Hearing and the Effective Date, and the Offeror shall have received a certificate of the Company addressed to the Offeror and dated as at the Effective Date, signed on behalf of the

Company by two executive officers of the Company (on the Company's behalf and without personal liability), confirming the same as at the Effective Date; and

3.2.3 there shall not have occurred a Company Material Adverse Effect, and the Offeror shall have received a certificate addressed to the Offeror and dated the date immediately prior to the Effective Date signed on behalf of the Company by two executive officers of the Company (on the Company's behalf and without personal liability) to such effect.

3.3 Company Conditions

The obligation of the Company to complete the Scheme is subject to the fulfillment of each of the following additional conditions precedent on or before the Effective Date (each of which is for the exclusive benefit of the Company and may only be waived by the Company):

3.3.1 all covenants of the Offeror under this Agreement to be performed on or before the Effective Date which have not been waived by the Company shall have been duly performed by the Offeror in all material respects and all negative covenants of the Offeror shall not have been breached unless such breach has been waived by the Company and the Company shall have received a certificate of the Offeror, addressed to the Company and dated as at the Effective Date, signed on behalf of the Offeror by two executive officers of the Offeror (on the Offeror's behalf and without personal liability), confirming the same as at the Effective Date;

3.3.2 the representations and warranties of the Offeror set forth in this Agreement shall be true and correct in all respects as of the date of the General Meeting and the Court Meeting, the date of the Sanction Court Hearing and the Effective Date, as though made on and as of such dates (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have an Offeror Material Adverse Effect, provided that the representations and warranties of the Offeror set forth in paragraphs (a), (b), (c) and (d) of Schedule 8 shall be true and correct in all material respects as of the date of the General Meeting and the Court Meeting, the date of the Sanction Court Hearing and the Effective Date, and the Company shall have received a certificate of the Offeror addressed to the Company and dated the date immediately prior to the Effective Date, signed on behalf of the Offeror by two executive officers of the Offeror (on the Offeror's behalf and without personal liability) confirming the same as at the Effective Date;

3.3.3 the Consideration Shares shall have been irrevocably directed to be issued and allotted subject only to the Scheme becoming effective in accordance with its terms; and

3.3.4 there shall not have occurred an Offeror Material Adverse Effect and the Company shall have received a certificate signed by two executive officers of the Offeror (on the Offeror's behalf and without personal liability) to such effect.

Schedule 4
Share Awards

1 The Company undertakes to the Offeror to co-operate with the Offeror and provide such details to the Offeror in relation to the Share Awards and agree any amendments required to be made to the Share Awards as the Offeror reasonably requires in order to formulate and agree with the Company the proposals to be made to the holders of the Share Awards.

2 The Company undertakes to take all necessary steps to prepare, in a form to be agreed between the Company and the Offeror, letters to each of the holders of the Share Awards. Such letters shall include a form enabling the holders to exercise their Share Awards, as applicable, during such period as expires immediately prior to the Sanction Court Hearing, conditional upon the Court Order being obtained. The letters shall inform the holders of their rights in relation to their Share Awards, including details of the applicable lapse provisions and an explanation of the treatment, under the Scheme, of the Company Shares that the holders receive on the vesting or exercise of their Share Awards.

3 The Company and the Offeror shall use their reasonable endeavours to ensure that:

3.1 where permitted by the rules of the LTIP and the terms of the Share Awards, Share Awards shall vest or be exercised, as applicable, and the holders shall receive Company Shares in satisfaction of their Share Awards at such time as would enable the Offeror (or the relevant employing company) to receive a corporation tax deduction under local tax rules in relation to the Share Awards; and

3.2 holders of Share Awards in the form of options shall be permitted to exercise their options on a "cashless" basis (to the extent that cash is available or Company Shares can be disposed of).

4 Share Awards shall vest and may be exercised, as applicable, in accordance with the terms of the Share Awards. For these purposes, before the Company's remuneration committee takes any decisions in relation to the vesting and exercise of Share Awards, the Company shall discuss such decisions with the Offeror.

5 The Company and the Offeror agree that the General Meeting Resolution shall propose an amendment to the Articles of the Company by the adoption and inclusion of a new article under which any Company Shares issued after the General Meeting shall either be subject to the Scheme or (after the Effective Date) shall be immediately transferred to the Offeror (or as it may direct) in exchange for the same consideration as is due under the Scheme.

6 In the event that the Acquisition is effected by way of an Offer, references to "Court Order" in this Schedule 4 will be read as if they refer to the date on which the Company Shares are taken up and paid for pursuant to the Offer.

Schedule 5
Inducement Fee

1 As an inducement to the Offeror to commit time and personnel to the Acquisition, the Company undertakes to the Offeror that it shall pay to the Offeror the Inducement Fee if:

1.1 a Third Party Transaction to which the Company is a party is announced prior to the Court Meeting or General Meeting and (a) the Scheme is not approved by the holders of Scheme Shares and/or the Company Shareholders (as the case may be) at the Court Meeting or the General Meeting, (b) this Agreement is terminated pursuant to Section 13.2(i) or (ii), and (c) a Third Party Transaction becomes effective in the case of a scheme of arrangement or is declared wholly unconditional in the case of a contractual takeover offer or is otherwise completed within 12 months of termination of this Agreement; or

1.2 the Directors withdraw or adversely modify or qualify their recommendation (or determine that it should not be given) to the holders of Scheme Shares and/or to Company Shareholders (as the case may be) to vote in favour of the Scheme and/or the General Meeting Resolution (or, if applicable, to accept the Offer) or they at any time decide not to proceed with the Scheme; or

1.3 this Agreement is terminated in accordance with Clause 13.5.3 of this Agreement.

2 If the Inducement Fee becomes payable pursuant to paragraphs 1.1 or 1.2 of this Schedule 5, the Company shall pay it to the Offeror not later than five Business Days after the date on which the Inducement Fee falls due under this Schedule 5.

3 If the Inducement Fee becomes payable pursuant to paragraph 1.3 of this Schedule 5 it shall be paid by the Company to the Offeror prior to or concurrent with the termination of this Agreement in accordance with Clause 13.5.3.

4 All sums payable under this Schedule shall be paid in the form of an electronic funds transfer for same day value to such bank as may be notified in writing by the Offeror to the Company for such purpose and shall be paid in full free from any deduction or withholding whatsoever (save only as may be required by law) and without regard to any lien, right of set-off, counterclaim or otherwise.

5 If the Company defaults in the payment when due of the Inducement Fee, its liability shall be increased to include interest on the amount of the Inducement Fee from the date when payment is due until the date of actual payment (as well after as before judgment) at a rate per annum of 6 per cent above LIBOR. Such interest shall accrue from day to day and shall be compounded with monthly interest.

6 For greater certainty, the Offeror acknowledges and agrees that in no event will the Company be obligated to pay more than one Inducement Fee pursuant to this Agreement.

7 For the purposes of this Schedule 5, any reference to a “Third Party Transaction” shall be deemed to exclude a bilateral sale of any Shares by the Majority Shareholder.

Schedule 6
Deal Protection

1 Non-solicitation

1.1 The Company confirms that it is not currently (and has not since signing the Exclusivity Agreement engaged) in discussions with any third party regarding a Third Party Transaction and, the Company undertakes that it shall not, and shall procure that no member of its Group, nor any director, officer, adviser or agent of the Company, or any member of its Group (a "**Company Connected Person**") shall, directly or indirectly:

(i) solicit, initiate, encourage, negotiate, discuss or otherwise seek to procure any initial or further approach to or from any other person with a view to a Third Party Transaction taking place; or

(ii) entertain any approach from, or enter into or continue discussions and/or negotiations with, any other person with a view to a Third Party Transaction taking place.

1.2 Nothing in paragraph 1.1 shall prevent or restrict the Company or a Company Connected Person from responding to initially unsolicited enquiries from, or holding discussions with, an offeror or a bona fide potential offeror that has submitted (and not withdrawn) a written proposal which the Directors believe is or is reasonably likely to become a Superior Offer to the extent that the Directors conclude, having taken appropriate legal and financial advice, that not to do so (or to allow such Company Connected Person to do so) would constitute a breach of their Fiduciary Duties. In such case, the Company may: (i) furnish information with respect to the Company and its subsidiaries to the person making such proposal; and/or (ii) participate in discussions or negotiations with, the person making such proposal, provided that, the Company shall not, and shall not allow any Company Connected Person to, disclose any material non-public information with respect to the Company to such person (x) if such material non-public information has not been previously provided to, or is not concurrently provided to, the Offeror; (y) without entering into a confidentiality and standstill agreement (if one has not already been entered into) which is customary in such situations, including in respect of standstill provisions, and which is no less favourable to the Company and no more favourable to the counterparty than the confidentiality provisions contained in the Confidentiality Agreement; and (z) without providing a copy of such confidentiality and standstill agreement to the Offeror.

2 Notification of approaches

The Company shall notify the Offeror as soon as practicable (and, in any event, within 48 hours of the Company becoming aware that the relevant event has happened) in writing:

(i) of any approach that is made to the Company or a Company Connected Person regarding any Third Party Transaction and (if provided and to the extent permitted by any confidentiality restrictions to which the Company is subject in respect of such approach and which are in place at this date of this Agreement) the material terms of such approach and keep the Offeror informed of any material changes to the terms of such approach; or

(ii) if it becomes aware of any breach by it or any member of its Group of the terms of this Schedule.

3 Further inducement fees

The Company undertakes that it shall not, and shall procure that no Company Connected Person shall, pay, or offer or agree or otherwise commit to pay, any work fee, inducement fee, break fee or arrangement having similar effect including any arrangement designed to avoid the operation of this Clause or any arrangement giving costs coverage to any person connected with a Third Party Transaction to any person other than the Offeror, other than such a fee or arrangement provided in connection with a Third Party Transaction the payment of which is conditional upon the Matching Rights Period having expired in accordance with paragraphs 4.3 and 4.4, as applicable, of this Schedule, and warrants that at the date of this Agreement it has not entered into any such agreement or arrangement.

4 Matching Right

4.1 The expression "**Superior Offer**" means a Third Party Transaction to which the Company would be a party that: (i) complies with Canadian Securities Laws and did not result from or involve a breach of this Schedule 6; (ii) is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such Third Party Transaction proposal and the person making such proposal; provided that, for the avoidance of doubt, a Third Party Transaction shall not be considered reasonably capable of being completed for the purposes of this item 4.1(ii) in the event that the Majority Shareholder would be prevented from voting in favour of or accepting such Third Party Transaction under the terms of its Support Agreement pursuant to the terms and subject to the conditions set out therein; (iii) is not subject to any financing condition; (iv) is not subject to any due diligence or access condition; and (v) the Board of Directors determines, in its good faith judgement, (after receipt of advice from their legal and financial advisers and after taking into account all the terms and conditions of the Third Party Transaction proposal, including all legal, financial, regulatory and other aspects of such Third Party Transaction proposal and the person making such Third Party Transaction proposal) would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction which is more favourable, from a financial point of view, to the Company Shareholders than the Acquisition (including any amendments to the terms and conditions of the Acquisition confirmed by the Offeror to the Company pursuant to paragraph 4.3 of this Schedule 6).

4.2 If the Company receives a Third Party Transaction proposal that constitutes a Superior Offer, the Company shall: (i) deliver to the Offeror a written notice of the determination of the Board of Directors as soon as practicable following such determination that such Third Party Transaction proposal constitutes a Superior Offer and of the intention of the Company to enter into a definitive agreement in respect of such Superior Offer, together with a written notice from the Board of Directors regarding the value and financial terms that the Board of Directors, in consultation with its financial advisers, has determined should be ascribed to any non-cash consideration offered under such proposal (the "**Superior Offer Notice**"); and (ii) provide the Offeror with a copy of the proposed definitive agreement for the Superior Offer.

4.3 If a Superior Offer is made and the Offeror fails to confirm to the Company prior to 11.59 p.m. on the tenth Business Day after the date that is the later of (i) the date on which the Offeror received the Superior Offer Notice and (ii) the date on which the Offeror received a copy of the proposed definitive agreement for the Superior Offer from the Company (in each case, the "**Matching Rights Period**") that the Offeror is willing, ready and able to promptly and unconditionally revise the terms of the Acquisition in such a way that the value of consideration per Company Share under the revised Acquisition is equal to or greater than the value of consideration per Company Share available under the Superior Offer (a

"**Revised Acquisition**"), and the third party and the Company are ready to execute a definitive agreement to implement the Superior Offer, then the Directors shall be entitled to withdraw, qualify or modify their recommendation of the Acquisition and to recommend the Superior Offer (provided that the Company has paid the Inducement Fee due in accordance with paragraph 1 of Schedule 5) and enter into a definitive agreement to implement the Superior Offer. If the Offeror does provide the confirmation referred to in this paragraph, the Directors shall make a unanimous and unqualified recommendation of the Revised Acquisition to the Company Shareholders and the Offeror shall be entitled to refer to such recommendation in any announcement made in connection with the Revised Acquisition.

4.4 Each successive amendment to any Third Party Transaction proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or conditions thereof shall constitute a new Third Party Transaction proposal for the purposes of this Schedule and shall initiate a new ten Business Day period referred to in paragraph 4.3 above.

4.5 The Company agrees to procure that the Directors shall not recommend any Third Party Transaction unless such Third Party Transaction is a Superior Offer and until permitted to do so pursuant to paragraph 4.3 and to procure that the Directors shall not withdraw the Scheme in connection with a Third Party Transaction unless and until the Company terminates this Agreement pursuant to Clause 13.5.3 and the Company and the relevant third party have entered into a binding agreement in relation to the implementation of the Superior Offer.

5 Majority Shareholder

The Offeror agrees and acknowledges that any actions taken by the Majority Shareholder or any of its directors, officers or representatives, in each case, in its, his or her capacity as a shareholder of the Company, in compliance with the Support Agreement to which the Majority Shareholder is a party shall not constitute a breach of this Schedule 6.

Schedule 7
Conduct of Business

1 The Company undertakes to the Offeror that, subject to paragraph 2 below, until the earlier of (i) the Effective Date and (ii) termination of this Agreement in accordance with its terms, it shall not, and it shall procure that no member of the Company Group shall (without the prior written consent of the Offeror not to be unreasonably withheld or delayed), except as required by applicable Law or as disclosed in the Company Public Documents:

1.1 Other than as disclosed to the Offeror in writing on or prior to the date of this Agreement, carry on business other than in the ordinary course and consistent in all material respects and to the extent required to comply in all material respects with its mining permits; or

1.2 Take any action which would be reasonably likely to delay or prejudice, or increase the cost of, the Acquisition to any material extent; or

1.3 Alter the nature or scope of its business to any material extent; or

1.4 Enter into any binding commitments in connection with any acquisition of a material asset or disposal of the business or any material asset of the business, or which encumbers any material asset of the business; or

1.5 Declare, set aside or pay any dividend or other distribution (whether in cash, shares or other property) in respect of any share capital, or split, combine or reclassify any share capital or issue or authorise the issuance of any other securities in respect of, in lieu of or in substitution for any share capital, except for the payment of dividends by subsidiaries of the Company which are wholly-owned by the Company to the Company or to another wholly-owned subsidiary of the Company; or

1.6 Allot, issue, or authorise or propose the allotment or issue of any share capital or any securities convertible into share capital, or rights, warrants or options to subscribe for or acquire any share capital (of itself or the Company), or transfer any stock out of treasury, other than the allotment and issue of shares under the exercise or vesting of options or awards outstanding under the Share Awards as at the date of this Agreement; or

1.7 Issue or grant any options or awards under any employee share plans of the Company or its Group or adopt any employee share plan or amend any employee share plans of the Company or its Group, other than as contemplated by this Agreement; or

1.8 Increase gross total borrowings by more than USD500,000 or enter into any new loan agreement, equipment lease or financing, offtake or prepay financing, stream or royalty transaction, or hedge any portion of future gold production, with any bank or other financial institution or alternative provider of finance; or

1.9 Enter into any agreement or incur any commitment or exercise or enter into an option to incur any commitment involving any unbudgeted capital expenditure in excess of USD500,000 in aggregate; or

1.10 Enter into: (i) any contract for which the consideration or expenditure thereunder payable by the Company or a member of its Group exceeds USD500,000; or (ii) any contract under which the Company or a member of its Group assumes a liability (including a contingent liability) in excess of USD500,000; or

1.11 Change the general terms of employment of its employees or the terms of employment of its Directors in any way, or make any improvements to the terms of any bonus arrangement applicable to such employee or Director, other than in the ordinary course of business or under periodic salary or wage reviews in a way consistent with past practice; or

1.12 Appoint a person as a director; or

1.13 Adopt or amend any employee benefit, pension, bonus or profit sharing scheme (including without limitation any scheme having share purchase or share option provisions); or

1.14 Enter into any arrangements with the trustees of any pension scheme, in which the Company or any member of its Group participates, to pay employer contributions to such scheme other than those employer contributions agreed with the trustees at the date of this Agreement, save as required by Law or regulation or the rules of any such scheme; or

1.15 Except in the usual course of its business, compromise, settle, release, discharge or compound litigation or arbitration proceedings or a liability, claim, action, demand or dispute, or waive a right in relation to litigation or arbitration proceedings; or

1.16 Enter into any arrangement with any non-executive Director, whereby the Company or any member of its Group is required to make incentive payments to such non-executive Director upon the successful completion of the Acquisition; or

1.17 Agree to do any of the foregoing.

2 Nothing in paragraph 1 shall operate so as to restrict or prevent the completion or performance of any obligations undertaken under any contract or arrangement entered into prior to the date of this Agreement (provided details of the same have been fairly disclosed to the Offeror prior to the date of this Agreement).

3 The Company undertakes to use commercially reasonable efforts to procure that the registration of the Kalana Permit at the registry of the DNGM be amended so as to be in the name of SOMIKA rather than the name of the Company.

4 The Offeror undertakes to the Company to designate a senior manager acceptable to the Company acting reasonably, to be available as soon as reasonably practicable (and, in any event, within 48 hours of the Company providing notice to the Offeror) to discuss any issue or decision to be taken by the Company which may impact on the matters provided for in paragraph 1.

5 The Offeror undertakes to the Company that, subject to paragraph 6 below, until the earlier of (i) the Effective Date and (ii) termination of this Agreement in accordance with its terms, it shall not, and it shall procure that no member of the Offeror Group shall (without the prior written consent of the Company, with such consent not to be unreasonably withheld or delayed), except as required by applicable Law or as disclosed in the Company Public Documents:

5.1 Carry on business other than in the ordinary course and consistent in all material respects and to the extent required to comply in all material respects with its mining permits; or

5.2 Take any action which would be reasonably likely to delay or prejudice the Acquisition; or

5.3 Alter the nature of its business to any material extent; or

5.4 Other than in the ordinary course, declare or pay any dividend or other distribution of shares or other property (including cash) or conduct any bonus or rights issues in respect of any share capital, except for the declaration or payment of dividends by subsidiaries of the Offeror to the Offeror or another subsidiary of the Offeror; or

5.5 Reclassify any share capital of the Offeror; or

5.6 Agree to do any of the foregoing.

6 Nothing in paragraph 5 shall operate so as to restrict or prevent the completion or performance of any obligations undertaken under any contract or arrangement entered into prior to the date of this Agreement (provided details of the same have been fairly disclosed to the Company prior to the date of this Agreement).

7 On any subdivision and/or consolidation of the share capital of the Offeror effected after the date of this Agreement and prior to the Effective Date, the number of Consideration Shares to be allotted and issued to the holders of Scheme Shares for each Scheme Share may be adjusted by the directors of the Offeror in such manner as the auditors of the Offeror may determine to be appropriate to reflect such subdivision and/or consolidation and to maintain the economic benefits for the holders of Scheme Shares as they would have been but for such subdivision or consolidation.

Schedule 8
Offeror Representations and Warranties

The Offeror hereby represents and warrants to the Company as follows, and acknowledges that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement:

(a) Organisation and Qualification. The Offeror is duly incorporated and validly existing under the laws of the Cayman Islands and has full corporate power and capacity to own its assets and conduct its business as now owned and conducted. The Offeror is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified will not, individually or in the aggregate, have an Offeror Material Adverse Effect. True and complete copies of the constating documents of the Offeror have been delivered or made available to the Company, and the Offeror has not taken any action to amend or supersede such documents.

(b) Corporate Authority. The Offeror has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Offeror and the consummation by it of the transactions contemplated by this Agreement have been duly authorised by the board of directors of the Offeror and no other corporate proceedings on the part of the Offeror are necessary to authorise this Agreement. This Agreement has been duly executed and delivered by the Offeror and constitutes a valid and binding obligation of the Offeror enforceable by the Company against the Offeror in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(c) No Conflict; Required Filings and Consent. The execution and delivery by the Offeror of this Agreement and the performance by the Offeror of its obligations hereunder and the completion of the Acquisition (whether completed by way of Scheme or Offer) will not violate, conflict with or result in a breach of any provision of the constating documents of the Offeror or those of any of its subsidiaries, and except as would not, individually or in the aggregate, have or reasonably be expected to have an Offeror Material Adverse Effect, will not: (i) violate, conflict with or result in a breach of: (A) any agreement, contract, indenture, deed of trust, mortgage, bond, instrument, Clearances, licence or permit to which the Offeror or any its subsidiaries is a party or by which the Offeror or any of its subsidiaries is bound; or (B) any Law to which the Offeror or any of its subsidiaries is subject or by which the Offeror or any of its subsidiaries is bound; (ii) give rise to any right of termination, or the acceleration of any indebtedness, under any such agreement, contract, indenture, Clearance, deed of trust, mortgage, bond, instrument, licence or permit; or (iii) give rise to any rights of first refusal or rights of first offer, trigger any change in control or influence provisions or any restriction or limitation under any such agreement, contract, indenture, Clearance, deed of trust, mortgage, bond, instrument, licence or permit, or result in the imposition of any material lien upon any of the assets of the Offeror or its subsidiaries. Other than the conditional listing approval of the TSX, no Clearance, consent or approval of, or filing with, any Authority is necessary on the part of the Offeror or any of its subsidiaries for the consummation by the Offeror of its obligations in connection with the Acquisition

under this Agreement or for the completion of the Acquisition not to cause or result in any loss of any rights or assets or any interest therein held by the Offeror or those of any of its subsidiaries in any material properties, except for such Clearances, consents, approvals and filings as to which the failure to obtain or make would not, individually or in the aggregate, prevent or materially delay consummation of the Acquisition.

(d) Compliance with Laws.

(i) The operations of the Offeror and the Offeror's subsidiaries have been and are now conducted in compliance with all Laws of each applicable jurisdiction, the Laws of which have been and are now applicable to the operations of the Offeror and the Offeror's subsidiaries and none of the Offeror or any of the Offeror's subsidiaries has received any notice of any alleged violation of any such Laws, other than non-compliance or violations which, individually or in the aggregate, would not have an Offeror Material Adverse Effect.

(ii) None of the Offeror or its subsidiaries is in conflict with, or in default (including cross defaults) under or in violation of: (A) its notice of articles, articles or by-laws or equivalent organizational documents; or (B) any agreement or understanding to which it or by which any of its properties or assets is bound or affected, except for failures which, individually or in the aggregate, would not have an Offeror Material Adverse Effect.

(e) Reporting Issuer Status and Securities Laws Matters. The Offeror is a "reporting issuer" within the meaning of Canadian Securities Laws in each of the provinces of Canada other than Québec, and not on the list of reporting issuers in default under applicable Canadian Securities Laws, and no securities commission or similar Authority has issued any order preventing or suspending trading of any securities of the Offeror, and the Offeror is not in default of any material provision of applicable Canadian Securities Laws. The Offeror Shares are listed on the TSX and quoted on the OTC QX and are not listed or quoted on any other market and trading in the Offeror Shares is not currently halted or suspended on the TSX or the OTC QX. No delisting, suspension of trading or cease trading order with respect to any securities of the Offeror is pending or, to the knowledge of the Offeror, threatened. To the knowledge of the Offeror, no inquiry, review or investigation (formal or informal) of the Offeror by any securities commission or similar Authority under applicable Canadian Securities Laws or the TSX is in effect or ongoing or expected to be implemented or undertaken. The documents and information comprising the Offeror Public Documents, as at the respective dates they were filed, were in compliance in all material respects with applicable Canadian Securities Laws and, where applicable, the rules and policies of the TSX and did not contain any misrepresentation (as defined under Canadian Securities Laws). The Offeror is up-to-date in all forms, reports, statements and documents, including financial statements and management's discussion and analysis, required to be filed by the Offeror under applicable Canadian Securities Laws and the rules and policies of the TSX. The Offeror has not filed any confidential material change report that at the date hereof remains confidential.

(f) Capitalisation of the Offeror and Listing.

(i) The authorised share capital of the Offeror consists of 200,000,000 Offeror Shares and 100,000,000 undesignated shares of nominal or par value of $0.10 each. As at the date hereof there are: (A) 97,032,662 Offeror Shares validly issued and outstanding as fully-paid and non-assessable shares of the Offeror; and (B) 537,171 outstanding Offeror Options providing for the issuance of 537,171 Offeror Shares upon the exercise thereof. Except as disclosed in the Offeror Public Documents, there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of the Offeror or any of its subsidiaries to issue or sell any shares of the Offeror or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any shares of the Offeror, there are no outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments of the Offeror based upon the book value, income or any other attribute of the Offeror, and no person is entitled to any pre-emptive or other similar right granted by the Offeror.

(ii) All Offeror Shares that may be issued pursuant to the exercise of outstanding Offeror Options will, when issued in accordance with the terms of such securities, be duly authorised, validly issued, fully-paid and non-assessable and are not and will not be subject to or issued in violation of, any pre-emptive rights.

(iii) All Offeror Shares will, when issued in accordance with the terms of the Scheme be duly authorised, validly issued, fully-paid and non-assessable Offeror Shares.

(g) Financial Statements.

(i) Each of the audited consolidated financial statements for the Offeror as at and for the fiscal year ended on 31 December 2016 including the notes thereto and the reports by the Offeror's auditors thereon and the condensed unaudited consolidated financial statements for the Offeror as at and for the three month period ended on 31 March 2017 including the notes thereto have been, and all financial statements of the Offeror which are publicly disseminated by the Offeror in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with GAAP applied on a basis consistent with prior periods (except in the case of a change in accounting principles) and all applicable Laws and present fairly, in all material respects, the consolidated financial condition and results of operations of the Offeror and its subsidiaries as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto). There are no outstanding loans made by the Offeror or any of its subsidiaries to any executive officer or director of the Offeror.

(ii) The Offeror Group maintains a system of internal accounting and other controls sufficient to provide reasonable assurances that (A) accounting transactions are executed in accordance with management's general or

specific authorisations, and (B) accounting transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS.

(iii) The Offeror maintains disclosure controls and procedures (as that term is defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) that (A) comply with the requirements of Canadian Securities Laws, (B) have been designed to ensure that material information relating to the Offeror Group is made known to the Offeror's chief executive officer and chief financial officer by others within those entities, and (C) are effective.

(h) Undisclosed Liabilities. Except as disclosed in the Offeror Public Documents, the Offeror (on a consolidated basis) has no liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (i) liabilities and obligations that are specifically presented on the audited balance sheet of the Offeror as of 31 December 2016 (the "**Offeror Balance Sheet**") or disclosed in the notes thereto; or (ii) liabilities and obligations incurred in the ordinary course of business consistent with past practice since 31 December 2016, that are not and would not, individually or in the aggregate with all other liabilities and obligations of the Offeror (other than those disclosed on the Offeror Balance Sheet and/or the notes to the Offeror financial statements), reasonably be expected to have an Offeror Material Adverse Effect or, as a consequence of the consummation of the Acquisition, have an Offeror Material Adverse Effect. Without limiting the foregoing, the Offeror Balance Sheet reflects reasonable reserves in accordance with GAAP for contingent liabilities relating to pending litigation and other contingent obligations of the Offeror.

(i) Interest in Properties and the Offeror Mineral Rights. The Offeror or one its subsidiaries holds title, mining leases, mining claims, mining licences, mining concessions or other conventional proprietary interests or rights recognised in the jurisdiction in which each project on a material mineral property (as such term is defined in NI 43-101) of the Offeror (being the Agbaou mine, Nzema mine, Tabakoto mine, Ity mine, Karma mine and Houndé gold project) is located, in respect of the ore bodies and minerals in such mining properties under valid, subsisting and enforceable title documents, contracts, leases, licences of occupation, licences, mining concessions, permits, or other recognised and enforceable instruments and documents, sufficient to permit the Offeror or one of its subsidiaries, as the case may be, to explore for, develop, extract, exploit, remove, process or refine the minerals relating thereto (as applicable), with only such exceptions as are described in the Offeror Public Documents or as would not have an Offeror Material Adverse Effect.

(j) Material Mineral Properties. The Agbaou Mine, the Nzema Mine, the Tabakoto Mine, the Ity Mine, the Karma Mine and the Houndé Project are the only material mineral properties (as such term is defined in NI 43-101) of the Offeror for the purposes of NI 43-101.

(k) Technical Reports and NI 43-101 Compliance. With respect to information disclosed in each of the Offeror Public Documents relating to the Offeror's estimates of mineral reserves and mineral resources, such information has been prepared in accordance with NI 43-101 by or under the supervision of a qualified person as

defined therein; (i) the methods used in estimating the Offeror's mineral reserves and mineral resources are materially in accordance with accepted mineral reserve and mineral resource estimation practices; and (ii) the Offeror has duly filed with the applicable Canadian securities regulatory authority in compliance with applicable Canadian Securities Laws all technical reports required by NI 43-101 to be filed with the applicable Canadian securities regulatory authorities and all such reports (as amended) comply in all material respects with the requirements thereof.

(l) Absence of Certain Changes or Events. Since 31 December 2016 there has not been any event, circumstance or occurrence which has had or is reasonably likely to give rise to an Offeror Material Adverse Effect.

(m) Foreign Private Issuer. The Offeror is a "Foreign Private Issuer" as defined in Rule 405 under U.S. Securities Act and is not an "investment company" as such term is defined in the United States Investment Company Act of 1940, as amended.

(n) Corrupt Practices Legislation. Neither the Offeror nor the Offeror Subsidiaries, nor any of their respective officers, directors or employees acting on behalf of the Offeror or any of the Offeror Group or affiliates has taken, committed to take or been alleged to have taken any action which would cause the Offeror or any of the Offeror Group to be in violation of the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) (collectively, the "**CFPOA**") or any applicable Law of similar effect of another jurisdiction, and to the knowledge of the Offeror, no such action has been taken by any of its agents, representatives or other persons acting on behalf of the Offeror or any of the Offeror Group or affiliates and the operations of the Offeror and the Offeror Group are and have been conducted at all times in compliance with the CFPOA or any applicable Law of similar effect of another jurisdiction and no action or proceeding or, to the knowledge of the Offeror investigation, by or before any governmental authority with respect to the CFPOA or any applicable Law of similar effect of another jurisdiction is in progress, pending or to the knowledge of the Offeror, threatened.

(o) Litigation. There is no claim, action, proceeding or investigation pending or, to the knowledge of the Offeror, threatened against or relating to the Offeror or any of its subsidiaries, the business of the Offeror or any of its subsidiaries or affecting any of their properties, assets, before or by any Authority which, if adversely determined, would have, or reasonably could be expected to have, an Offeror Material Adverse Effect or prevent or materially delay the completion of the Acquisition, nor to the knowledge of the Offeror are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, proceeding or investigation (provided, however, that the representation in this paragraph (o) shall not apply to claims, actions, proceedings, or investigations which may arise after the date of this Agreement which do not have a reasonable prospect of succeeding or, if successful, would not give rise to, nor reasonably be expected to give rise to, an Offeror Material Adverse Effect). Neither the Offeror nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree which has had or is reasonably likely to have an Offeror Material Adverse Effect or which would prevent or materially delay completion of the Acquisition.

(p) Significant Acquisitions. Other than as disclosed in the Offeror Public Documents, since January 1, 2017, no acquisition has been completed by the Offeror that would be a significant acquisition for the purposes of Canadian Securities Laws. As at the

date of this Agreement, no proposed acquisition by the Offeror has progressed to a state where a reasonable person would believe that the likelihood of the Offeror completing the acquisition is high and that, if completed by the Offeror at the date of this Agreement, would be a significant acquisition for the purposes of Canadian Securities Laws, in each case, that would require prospectus-level disclosure pursuant to such laws.

(q) The Company Shares. The Offeror does not have legal or beneficial ownership, control or direction over any Company Shares.

(r) Arrangements with Securityholders of the Company. Other than the Support Agreements and this Agreement, the Offeror does not have any agreement, arrangement or understanding (whether written or oral) with respect to the Company or any of its securities, businesses or operations with any shareholder of the Company, any interested party of the Company or any related party of any interested party of the Company, or any joint actor with any such persons (and for this purpose, the terms "**interested party**", "**related party**" and "**joint actor**" shall have the meaning ascribed to such terms in MI 61-101).

Schedule 9
Company Representations and Warranties

The Company hereby represents and warrants to the Offeror as follows, and acknowledges that the Offeror is relying upon such representations and warranties in connection with the entering into of this Agreement:

(a) Organisation and Qualification. The Company is duly incorporated and validly existing under the laws of Guernsey and has full corporate power and capacity to own its assets and conduct its business as now owned and conducted. The Company is not an entity regulated by the GFSC. The Company is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified will not, individually or in the aggregate, have a Company Material Adverse Effect. True and complete copies of the constating documents of the Company have been delivered or made available to the Offeror, and the Company has not taken any action to amend or supersede such documents.

(b) Corporate Authority. The Company has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated by this Agreement have been duly authorised by the board of directors of the Company and no other corporate proceedings on the part of the Company are necessary to authorise this Agreement. This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company enforceable by the Offeror against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(c) No Conflict; Required Filings and Consent. The execution and delivery by the Company of this Agreement and the performance by the Company of its obligations hereunder and the completion of the Acquisition (whether completed by way of Scheme or Offer) will not violate, conflict with or result in a breach of any provision of the constating documents of the Company or those of any of its subsidiaries, and except as would not, individually or in the aggregate, have or reasonably be expected to have a Company Material Adverse Effect, will not: (i) violate, conflict with or result in a breach of: (A) any agreement, contract, indenture, deed of trust, mortgage, bond, instrument, Clearances, licence or permit to which the Company or any its subsidiaries is a party or by which the Company or any of its subsidiaries is bound; or (B) any Law to which the Company or any of its subsidiaries is subject or by which the Company or any of its subsidiaries is bound; (ii) give rise to any right of termination, or the acceleration of any indebtedness, under any such agreement, contract, indenture, Clearance, deed of trust, mortgage, bond, instrument, licence or permit; or (iii) give rise to any rights of first refusal or rights of first offer, trigger any change in control or influence provisions or any restriction or limitation under any such agreement, contract, indenture, Clearance, deed of trust, mortgage, bond, instrument, licence or permit, or result in the imposition of any material lien upon any of the assets of the Company or its subsidiaries. Other than the Court Order, no Clearance, consent or approval of, or filing with, any Authority is necessary on the part of the Company or any of its subsidiaries for the

consummation by the Company of its obligations in connection with the Acquisition under this Agreement or for the completion of the Acquisition not to cause or result in any loss of any rights or assets or any interest therein held by the Company or those of any of its subsidiaries in any material properties, except for such Clearances, consents, approvals and filings as to which the failure to obtain or make would not, individually or in the aggregate, prevent or materially delay consummation of the Acquisition.

(d) Compliance with Laws.

(i) The operations of the Company and its subsidiaries have been and are now conducted in compliance with all Laws of each applicable jurisdiction, the Laws of which have been and are now applicable to the operations of the Company and its subsidiaries and none of the Company or any of its subsidiaries has received any notice of any alleged violation of any such Laws, other than non-compliance or violations which, individually or in the aggregate, would not have a Company Material Adverse Effect.

(ii) None of the Company or any of its subsidiaries is in conflict with, or in default (including cross defaults) under or in violation of: (A) its notice of articles, articles or by-laws or equivalent organisational documents; or (B) any agreement or understanding to which it or by which any of its properties or assets is bound or affected, except for failures which, individually or in the aggregate, would not have a Company Material Adverse Effect.

(e) Reporting Issuer Status and Securities Laws Matters. The Company is a "reporting issuer" within the meaning of Canadian Securities Laws in each of the provinces of Canada other than Québec, and not on the list of reporting issuers in default under applicable Canadian Securities Laws, and no securities commission or similar Authority has issued any order preventing or suspending trading of any securities of the Company, and Company is not in default of any material provision of applicable Canadian Securities Laws. The Company Shares are listed on the TSX and are not listed or quoted on any other market and trading in the Company Shares is not currently halted or suspended on the TSX. No delisting, suspension of trading or cease trading order with respect to any securities of the Company is pending or, to the knowledge of the Company, threatened. To the knowledge of the Company, no inquiry, review or investigation (formal or informal) of the Company by any securities commission or similar Authority under applicable Canadian Securities Laws or the TSX is in effect or ongoing or expected to be implemented or undertaken. The documents and information comprising the Company Public Documents, as at the respective dates they were filed, were in compliance in all material respects with applicable Canadian Securities Laws and, where applicable, the rules and policies of the TSX and did not contain any misrepresentation (as defined under Canadian Securities Laws). The Company is up-to-date in all forms, reports, statements and documents, including financial statements and management's discussion and analysis, required to be filed by the Company under applicable Canadian Securities Laws and the rules and policies of the TSX. The Company has not filed any confidential material change report that at the date hereof remains confidential.

(f) Capitalisation of the Company and Listing.

(i) The Company has the power to issue an unlimited number of ordinary shares. As at the date hereof there are: (A) 376,993,300 Company Shares validly issued and outstanding as fully-paid and non-assessable ordinary shares in the capital of the Company; and (B) the maximum total number of additional fully paid ordinary shares in the capital of the Company to be issued pursuant to outstanding share options and awards is 12,635,000 fully paid ordinary shares. Except for the securities referred to in this paragraph (f)(i), there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of the Company or any of its subsidiaries to issue or sell any shares of the Company or of any of its subsidiaries or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any shares of the Company or any of its subsidiaries, there are no outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments of the Company or any of its subsidiaries based upon the book value, income or any other attribute of the Company or any of its subsidiaries, and no person is entitled to any pre-emptive or other similar right granted by the Company or any of its subsidiaries.

(ii) All Company Shares that may be issued pursuant to the exercise of outstanding options and awards will, when issued in accordance with the terms of such securities, be duly authorised, validly issued, fully-paid and non-assessable and are not and will not be subject to or issued in violation of, any pre-emptive rights**.**

(g) Financial Statements.

(i) Each of the audited consolidated financial statements for the Company as at and for the fiscal year ended on 31 December 2016 including the notes thereto and the reports by the Company's auditors thereon and the condensed unaudited consolidated financial statements for the Company as at and for the three month period ended on 31 March 2017 including the notes thereto have been, and all financial statements of the Company which are publicly disseminated by the Company in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with GAAP applied on a basis consistent with prior periods (except in the case of a change in accounting principles) and all applicable Laws and present fairly, in all material respects, the consolidated financial condition and results of operations of the Company and its subsidiaries as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto). There are no outstanding loans made by the Company or any of its subsidiaries to any executive officer or director of the Company, other than in respect of amounts owing to such persons in respect of reimbursement for business expenses incurred in the ordinary course.

(ii) The management of the Company has established and maintained a system of disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed by the

Company in its annual filings, interim filings or other reports filed or submitted by it under the applicable Laws imposed by an Authority is recorded, processed, summarised and reported within the time periods specified in such Laws imposed by such Authority. Such disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under the applicable Laws imposed by an Authority is accumulated and communicated to the Company's management, including its chief executive officers and chief financial officers (or Persons performing similar functions), as appropriate to allow timely decisions regarding required disclosure.

(iii) The Company maintains internal control over financial reporting. Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that: (A) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company and its subsidiaries; (B) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company and its subsidiaries are being made only with authorisations of management and directors of the Company and its subsidiaries, as applicable; and (C) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition or disposition of the assets of the Company or its subsidiaries that could have a material effect on its financial statements. To the knowledge of the Company and other than as disclosed to the Offeror: (x) as at 31 December 2016, there are no material weaknesses in the design and implementation or maintenance of internal controls over financial reporting of the Company that are reasonably likely to adversely affect the ability of the Offeror to record, process, summarise and report financial information; (y) since 31 December 2016, there have been no changes in the Company's internal controls over financial reporting; and (z) there is no fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting of the Company.

(iv) Since 31 December 2016, neither the Company nor any of its subsidiaries nor, to the Company's knowledge, any director, officer, employee, auditor, accountant or representative of the Company or any of its subsidiaries has received or otherwise had or obtained knowledge of any complaint, allegation, assertion, or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or any of its subsidiaries or their respective internal accounting controls, including any complaint, allegation, assertion, or claim that the Company or any of its subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the board of directors of the Company, or has not been disclosed to the Offeror.

(h) Undisclosed Liabilities. Except as disclosed in the Company Public Documents, neither the Company nor any of its subsidiaries has any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (i) liabilities and obligations that are specifically presented on the audited balance sheet of the Company as of 31 December 2016 (the "**Company Balance Sheet**") or disclosed in the notes thereto; or (ii) liabilities and obligations incurred in the ordinary course of business consistent with past practice since 31 December 2016, that are not and would not, individually or in the aggregate with all other liabilities and obligations of the Company and its subsidiaries (other than those disclosed on the Company Balance Sheet and/or the notes to the Company financial statements), reasonably be expected to have a Company Material Adverse Effect or, as a consequence of the consummation of the Acquisition, have a Company Material Adverse Effect. Without limiting the foregoing, the Company Balance Sheet reflects reasonable reserves in accordance with GAAP for contingent liabilities relating to pending litigation and other contingent obligations of the Company and its subsidiaries.

(i) Interest in Properties and the Company Mineral Rights.

(i) All of the Company's and its subsidiaries' material real properties (collectively, the "**Company Property**") and all of the Company's and its subsidiaries' material mineral interests and rights (including any material claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Law or otherwise) (collectively, the "**Company Mineral Rights**"), are accurately set forth in the Company Public Documents. Other than the Company Property and the Company Mineral Rights set out in the Company Public Documents, neither the Company nor its subsidiaries, owns or has any interest in any material real property or any material mineral interests and rights.

(ii) Except as disclosed in the Company Public Documents, the Company or one of its subsidiaries is the sole legal and beneficial owner of all right, title and interest in and to the Company Property and the Company Mineral Rights, free and clear of any material liens.

(iii) All of the Company Mineral Rights have been properly located and recorded in compliance with applicable Law and are comprised of valid and subsisting mineral claims.

(iv) The Company Property and the Company Mineral Rights are in good standing under applicable Law in all material respects and all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.

(v) There is no material adverse claim against or challenge to the title to or ownership of the Company Property or any of the Company Mineral Rights.

(vi) The Company or ones of its subsidiaries has the exclusive right to deal with the Company Property and all of the Company Mineral Rights.

(vii) Except as disclosed in the Company Public Documents, no person other than the Company and its subsidiaries has any interest in the Company Property or any of the Company Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest.

(viii) Except as disclosed in the Company Public Documents, there are no options, back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect the Company's or any of its subsidiary's interest in the Company Property or any of the Company Mineral Rights.

(ix) There are no material restrictions on the ability of the Company and its subsidiaries to use, transfer or exploit the Company Property or any of the Company Mineral Rights, except pursuant to the applicable Law.

(x) Neither the Company nor any of its subsidiaries has received any notice, whether written or oral, from any Authority of any revocation or intention to (A) revoke any interest of the Company or any of its subsidiaries in any of the Company Property or any of the Company Mineral Rights; (B) require modifications to the terms of existing contractual arrangements with such Authority in relation to the Company Mineral Rights, or (C) not to renew any such interest in accordance with applicable Law.

(xi) The Company and its subsidiaries have all surface rights, including fee simple estates, leases, easements, rights of way and permits or licences for operations from landowners or any Authority permitting the use of land by the Company and its subsidiaries, and mineral interests that are required to exploit the development potential of the Company Property and the Company Mineral Rights as contemplated in the Company Public Documents on or before the date hereof and no third party or group holds any such rights that would be required by the Company to develop the Company Property or any of the Company Mineral Rights as contemplated in the Company Public Documents on or before the date hereof.

(xii) All mines located in or on the lands of the Company or any of its subsidiaries, or lands pooled or unitised therewith, which have been abandoned by the Company or any of its subsidiaries, have been abandoned in accordance with good mining practices and in material compliance with all applicable Laws, and all future abandonment, remediation and reclamation obligations known to the Company as of the date hereof have been accurately set forth in the Company Public Documents without misrepresentation.

(j) Material Mineral Properties. The Kalana Main Project is the only material mineral property (as such term is defined in NI 43-101) of the Company for the purposes of NI 43-101.

(k) Kalana Permit. Neither SOMIKA nor the Company has received any notice from any Regulatory Authority of the adverse modification, revocation or cancellation of, or any intention of any Regulatory Authority to modify adversely, revoke or cancel, or any notice from any Regulatory Authority of any proceeding relating to the

proposed adverse modification, revocation or cancellation of the Kalana Permit or the Convention of Establishment (other than in the case of a proposed revocation or cancellation, where the Kalana Permit or the Convention of Establishment would be immediately replaced on substantively similar or more favourable terms) or alleging a material breach of their undertakings or obligations thereunder or under the applicable legislation or regulation.

(l) Title Opinions. The Company has made available to the Offeror copies of the most recent title opinions in its possession in respect of its material mineral property (as such term is defined in NI 43-101). The Company has no reason to believe that if similar title opinions were requested today, they would be less favourable with respect to the properties covered.

(m) Technical Reports and NI 43-101 Compliance.

(i) The technical report prepared for the Company or any of its subsidiaries by Snowden Mining Industry Consultants (Pty) Ltd., Denny Jones Ltd, DRA Projects SA (Pty) Ltd and Epoch Resources (Pty) Ltd titled "NI43-101 Technical Report on Kalana Main Project" dated effective 30 March 2016 (the "**Company Technical Report**") complied in all material respects with the requirements of NI 43-101 at the time of filing thereof and reasonably presented the quantity of mineral reserves and mineral resources attributable to the properties evaluated therein as at the date stated therein based upon information available at the time the report was prepared. The Company does not have knowledge of a change in any production, cost, price, reserves, resources or other relevant information provided since the date such information was provided.

(ii) The Company has made available to the authors of the Company Technical Report, prior to the issuance thereof, for the purpose of preparing such report, all information requested by them, and no such information contained any misrepresentation at the time such information was so provided.

(iii) All of the material assumptions underlying the reserve estimates and resource estimates in the Company Technical Report are reasonable and appropriate.

(iv) The disclosure estimates of mineral reserves and mineral resources as described in the documents filed by or on behalf of the Company on SEDAR that are available as of the date hereof comply in all material respects with NI 43-101.

(v) The Company is in compliance in all material respects with the provisions of NI 43-101, has filed all technical reports required thereby, and there has been no change of which the Company is or should be aware that would disaffirm or change any aspect of the Company Technical Report or that would require the filing of a new technical report under NI 43-101.

(n) Mineral Reserves and Resources. The proven and probable mineral reserves and mineral resources for the Company Property and the Company Mineral Rights were prepared in all material respects in accordance with sound mining, engineering,

geoscience and other applicable industry standards and practices, and in all material respects in accordance with all applicable Laws, including the requirements of NI 43-101. There has been no material reduction (other than in respect of normal depletion due to mining activities) in the aggregate amount of estimated mineral reserves, estimated mineral resources or mineralised material of the Company and its subsidiaries, taken as a whole, from the amounts set forth in the Company Public Documents. All information regarding the Company Property and the Company Mineral Rights, including all drill results, technical reports and studies, that is required to be disclosed at Law, have been disclosed in the Company Public Documents on or before the date hereof.

(o) Absence of Certain Changes or Events.

Since 31 December 2016:

(i) there has not been any event, circumstance or occurrence which has had or is reasonably likely to give rise to a Company Material Adverse Effect; and

(ii) there has not been a material change in the level of accounts receivable or payable, inventories or employees, other than those changes in the ordinary course of business consistent with past practice.

(p) Corrupt Practices Legislation. Neither the Company nor any of its subsidiaries, nor any of their respective officers, directors or employees acting on behalf of the Company or any of its subsidiaries or affiliates has taken, committed to take or been alleged to have taken any action which would cause the Company or any of its subsidiaries to be in violation of the CFPOA or any applicable Law of similar effect of another jurisdiction, and to the knowledge of the Company, no such action has been taken by any of its agents, representatives or other persons acting on behalf of the Company or any of its subsidiaries or affiliates and the operations of the Company and its subsidiaries are and have been conducted at all times in compliance with the CFPOA or any applicable Law of similar effect of another jurisdiction and no action or proceeding or, to the knowledge of the Company investigation, by or before any Authority with respect to the CFPOA or any applicable Law of similar effect of another jurisdiction is in progress, pending or to the knowledge of the Company, threatened.

(q) Arrangements with Securityholders of the Offeror. Other than this Agreement, the Company does not have any agreement, arrangement or understanding (whether written or oral) with respect to the Offeror or any of its securities, businesses or operations with any shareholder of the Offeror, any interested party of the Offeror or any related party of any interested party of the Offeror, or any joint actor with any such persons (and for this purpose, the terms “interested party”, “related party” and “joint actor” shall have the meaning ascribed to such terms in MI 61-101).

(r) Application of the Code. The Code does not apply to the Acquisition.

(s) Employment Matters. Except as disclosed in the Company Public Documents:

(i) neither the Company nor any of the Company subsidiaries has entered into any written or oral agreement or understanding providing for severance or termination payments to any director, officer or employee in connection with the termination of their position or their employment as a direct result of a change in control of the Company;

(ii) neither the Company nor any of its subsidiaries: (A) is a party to any collective bargaining agreement; or (B) is subject to any application for certification or, to the knowledge of the Company, threatened or apparent union-organising campaigns for employees not covered under a collective bargaining agreement; and

(iii) neither the Company nor any of its subsidiaries is subject to material claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of the Company, threatened, or any litigation actual, or to the knowledge of the Company, threatened, relating to employment or termination of employment of employees or independent contractors, except for such claims or litigation which individually or in the aggregate would not be reasonably expected to have a Company Material Adverse Effect. To the knowledge of the Company, no labour strike, lock-out, slowdown or work stoppage is pending or threatened against or directly affecting the Company, except as would not be reasonably expected to have a Company Material Adverse Effect.

(t) Employment and Labour. The Company and its subsidiaries have operated in accordance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights, labour relations and privacy and there are no current, pending, or to the knowledge of the Company, threatened proceedings before any board or tribunal with respect to any of the areas listed herein, except where the failure to so operate would not have a Company Material Adverse Effect.

(u) Litigation. There is no claim, action, proceeding or investigation pending or, to the knowledge of the Company, threatened against or relating to the Company or any of its subsidiaries, the business of the Company or any of its subsidiaries or affecting any of their properties, assets, before or by any Authority which, if adversely determined, would have, or reasonably could be expected to have, a Company Material Adverse Effect or prevent or materially delay the completion of the Acquisition, nor to the knowledge of the Company are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, proceeding or investigation (provided, however, that the representation in this paragraph (u) shall not apply to claims, actions, proceedings, or investigations which may arise after the date of this Agreement which do not have a reasonable prospect of succeeding or, if successful, would not give rise to, nor reasonably be expected to give rise to, a Company Material Adverse Effect). Neither the Company nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree which has had or is reasonably likely to have a Company Material Adverse Effect or which would prevent or materially delay completion of the Acquisition.

(v) Taxes.

(i) Each of the Company and its subsidiaries has duly and in a timely manner made or prepared all Tax Returns required to be made or prepared by it, and duly and in a timely manner filed all material Tax Returns required to be filed by it with the appropriate Governmental Entity, such Tax Returns were complete and correct in all material respects and the Company and each of its subsidiaries has paid all Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it whether or not assessed by the appropriate Authority and the Company has provided adequate accruals in accordance with GAAP in the most recently published financial statements of the Company for any Taxes of the Company and each of its subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any material Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business.

(ii) Except as disclosed in the Company Public Documents, each of the Company and its subsidiaries has duly and timely withheld all material Taxes and other amounts required by Law to be withheld by it (including material Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any Person) and has duly and timely remitted to the appropriate Governmental Entity such Taxes or other amounts required by Law to be remitted by it.

(iii) The Funding Structure Paper is true and accurate in all material respects and sets out all material steps relating to the Company's internal financing, cash flow and withholding structure in respect of SOMIKA.

(iv) Except as disclosed in the Company Public Documents, there are no proceedings, investigations, audits or claims now pending or threatened against the Company nor any of its subsidiaries in respect of any Taxes, there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes and neither the Company nor any of its subsidiaries has waived or extended any statutory limitation period in respect of Taxes, which, individually or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding would have or would reasonably be expected to have a Company Material Adverse Effect.

(w) Books and Records. The corporate records and minute books of the Company and its subsidiaries have been maintained in accordance with all applicable Laws, and the minute books of the Company and its subsidiaries as provided to the Offeror are complete and accurate in all material respects. The financial books and records and accounts of the Company and its subsidiaries in all material respects: (i) have been maintained in accordance with good business practices and in accordance with GAAP and with the accounting principles generally accepted in the country of domicile of each such entity, on a basis consistent with prior years (except in the case of a change in accounting principles for such jurisdiction); (ii) are stated in reasonable detail and, in the case of the Company subsidiaries, during the period

of time when owned by the Company, accurately and fairly reflect the transactions and dispositions of assets of the Company and its subsidiaries; and (iii) in the case of the Company's subsidiaries during the period of time when owned by the Company, accurately and fairly reflect the basis for the Company's consolidated financial statements.

(x) Non-Arm's Length Transactions. Except for employment or consulting agreements entered into in the ordinary course of business, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by the Company or any of its subsidiaries between the Company or any of its subsidiaries on the one hand, and any: (i) officer or director of the Company or any of its subsidiaries; (ii) any holder of record or, to the knowledge of the Company, beneficial owner of five per cent. or more of the Company Shares; or (iii) any affiliate or associate of any officer, director or beneficial owner, on the other hand

(y) Benefit Plans. The Company and its subsidiaries have no material liability for life, health, medical or other welfare benefits to former employees or beneficiaries or dependents thereof, and there has been no communication to employees by the Company or any of its subsidiaries which could reasonably be interpreted to promise or guarantee such employees retiree health or life insurance or other retiree death benefits on a permanent basis.

(z) Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon the Company or any Company Subsidiary that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of the Company or any Company Subsidiary, any acquisition of property by the Company or any Company Subsidiary or the conduct of business by the Company or any Company Subsidiary as currently conducted (including following the transaction contemplated by this Agreement) other than such agreements, judgments, injunctions, order or decrees which would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Schedule 10
Form of Press Announcement

ENDEAVOUR TO ACQUIRE AVNEL TO FURTHER STRENGTHEN ITS HIGH-QUALITY PROJECT PIPELINE

TRANSACTION HIGHLIGHTS

- **Endeavour to acquire Avnel, which owns the Kalana Gold project in Mali, in an all-share transaction**
  - Transaction values Avnel at US$ 122m (C$ 159m), representing a premium of 48% to the closing price of Avnel's ordinary shares on the Toronto Stock Exchange ("TSX") on 28th June 2017, and a premium of 52% to Avnel's 20-day trailing VWAP on the same date
  - With robust project economics, the transaction will be value accretive on a Net Asset Value basis to Endeavour shareholders
  - The Boards of Directors of both Endeavour and Avnel have unanimously approved the transaction
  - Transaction is expected to close in September 2017
- **Adding the Kalana Gold project strengthens Endeavour's construction pipeline following the completion of the Hounde and Ity CIL projects and leverages its operational synergies in the region**
- **Kalana is a high-quality project that fits Endeavour's strategic portfolio criteria**
  - Feasibility-stage project based on a 1.2Mtpa CIL plant and a single open-pit with proven and probable reserves of nearly 2.0Moz at 2.8 g/t
  - 18-year mine life, with expected annual production of 148koz at an average AISC of US$561/oz over the first 5 years, based on the optimization scenarios pursued by Avnel
  - The same optimization scenarios, if adopted, could provide an after-tax $NPV_{5\%}$ of US$ 321m and an after-tax IRR of 50% based on a gold price of $1,200/oz
  - Endeavour intends to re-design and optimize the current feasibility study and anticipates expanding the plant capacity, which would increase the average annual production and shorten the mine life based on current reserves
  - Endeavour also intends to launch a new exploration program to capture additional potential

George Town & St Peter Port, June 28, 2017 – Endeavour Mining Corporation (TSX:EDV OTCQX: EDVMF) ("Endeavour") and Avnel Gold Mining Limited (TSX:AVK) ("Avnel") are pleased to announce that they have reached an agreement under which Endeavour will acquire Avnel in an all-share transaction for a total consideration of approximately US$ 122 million (CAD$ 159 million). The terms of the transaction have been unanimously approved by the Boards of Directors of both companies.

Avnel holds an 80% interest in the Kalana Gold project ("Kalana") in Mali and holds significant exploration permits in the surrounding area. Kalana is a fully permitted feasibility-stage project based on a 1.2Mtpa carbon-in-leach ("CIL") plant and a single open-pit constrained reserve of approximately 2.0Moz grading 2.8 g/t. According to the feasibility study, it has an 18-year mine life and an expected production of 101,000 ounces per year at an average All-in Sustaining Cost ("AISC") of $784/oz (with 148,000 ounces on average during the first 5 years at an average AISC of $589/oz). The initial capital cost is forecast at $196.3 million and Kalana demonstrates robust economics with an after-tax $NPV_{5\%}$ of $257 million, an after-tax IRR of 38% and a payback of 1.2 years based on a gold price of $1,200/oz[1].

[1] Readers should refer to Avnel's press release dated Jan. 9, 2017, available on Avnel's website.

Avnel has pursued optimization scenarios that, if adopted, could provide Kalana with an after-tax $NPV_{5\%}$ of US$321 million and an after-tax IRR of 50%. In addition, such optimization scenarios could reduce average AISC to US$730/oz over the 18-year mine life and to US$561/oz over the first five years. Endeavour expects to take advantage of its construction expertise, operating synergies and exploration experience to re-design and optimize the current feasibility study, which is expected to increase the annual production profile and improve the project economics.

Sébastien de Montessus, President & CEO, *said: "We are delighted to have reached this agreement with Avnel. We believe that Kalana fits well within our strategy of building a high quality portfolio of long-life, low AISC assets with exploration upside. Furthermore, this acquisition expands our footprint in Mali and reinforces our project pipeline, which will allow us to continue to leverage our in-house construction expertise.*

Kalana adds a third high-quality project to our portfolio, which we intend to develop following the completion of our Hounde and Ity CIL projects. In the interim, we look forward to optimizing the current feasibility study which should unlock further value for both Endeavour and Avnel shareholders, as well as benefiting our partners, the State of Mali and the local communities around Kalana."

Howard Miller, Chairman and CEO of Avnel, said: "This transaction with Endeavour will deliver many benefits to all our stakeholders. Avnel's shareholders will receive an immediate premium and benefit from the Kalana project being part of a diversified West African gold producer with significant growth potential and an experienced operational team. With a strong track record of successfully building mines on time and on budget in West Africa, we are confident that Endeavour is the ideal partner to develop Kalana. As such, this transaction will benefit our shareholders, the local community and our partners in the Malian government."

A COMPELLING TRANSACTION FOR ALL SHAREHOLDERS

Benefits For Endeavour Shareholders

- Kalana is a high-quality project that fits Endeavour's strategic portfolio criteria of having assets with the potential to:
  1. produce more than 150,000 ounces per year;
  2. produce at an AISC of below $850/oz; and
  3. have a mine life of above 10 years with significant further exploration potential.
- Following the completion of the Hounde and Ity CIL projects, Kalana will become the next priority in Endeavour's development pipeline and will benefit from Endeavour's proven construction expertise.
- Potential to unlock further value at Kalana as the project is successfully advanced.
- Endeavour's West African presence will benefit Kalana and provide opportunities to draw on operating synergies in a country where Endeavour already has a producing mine, in addition to leveraging corporate synergies.
- With already robust economics, the transaction is value accretive on a Net Asset Value basis to Endeavour shareholders.

Benefits For Avnel Shareholders

- Delivers a significant premium for their current investment in Avnel.
- Provides Avnel shareholders with continued exposure to Kalana through their interest in Endeavour, providing access to an experienced management team with a proven track record of building and operating mines in West Africa.
- Gives Avnel shareholders exposure to Endeavour's financial strength and flexibility to develop Kalana.
- Avnel shareholders will benefit from diversifying their exposure from a single pre-construction asset in a single geography to a multi-asset, multijurisdictional portfolio of high quality assets.
- Avnel shareholders will also gain exposure to the value upside in Endeavour's growth portfolio, with material near term development growth and exploration potential.

SUMMARY OF TRANSACTION

Endeavour will acquire 100% of Avnel's issued and outstanding common shares under a court-sanctioned scheme of arrangement under Part VIII of the Companies (Guernsey) Law, 2008 (the "Scheme").

Under the terms of the Scheme, Avnel shareholders will receive 0.0187 of an Endeavour share for each Avnel share held, which represents a value of C$0.42 per share based on Endeavour's 5 days VWAP (C$ 22.58 per share) on the TSX on 28 June 2017 and a total transaction consideration of approximately C$159 million (US$122 million). This represents a premium of 48% to the closing price of Avnel's ordinary shares on the TSX on 28 June 2017, and a 52% premium based on Avnel's 20-day trailing VWAP on the TSX for the period ending on 28 June 2017.

The number of Endeavour shares to be issued under the Scheme will be approximately 7 million based on the issued and outstanding shares of Avnel as of the date of this announcement. Following the completion of the transaction, Endeavour will have approximately 103.6 million ordinary shares in issue, with former Avnel shareholders holding approximately 6.8% of Endeavour's pro forma share capital.

BMO Capital Markets and Cormark Securities Inc. have provided opinions to the Avnel Board of Directors that as of the date of such opinions and subject to the assumptions, limitations, and qualifications stated in such opinions, the consideration to be received by the Avnel shareholders under the transaction is fair, from a financial point of view, to the Avnel shareholders (other than affiliates of Elliott Management Corporation (the "Elliott Group")).

The Scheme has been unanimously approved by the Boards of Directors of Avnel and Endeavour and will be subject to, among other things, the favourable vote by a majority in number of the Avnel shareholders voting at the Guernsey Court Meeting, either in person or by proxy, representing at least 75% in value of the Avnel shares voted.

Avnel's Directors intend to recommend that Avnel shareholders vote in favour of the Scheme, and directors holding shares have irrevocably undertaken to Endeavour to do so in respect of their holdings of, in aggregate, 1,000 Avnel shares. Fern Trust has irrevocably undertaken to vote in favour of the Scheme in respect of its holdings of, in aggregate, 33,602,022 Avnel shares, representing 8.91% of the existing issued ordinary share capital of Avnel as at the date of this announcement.

In addition to the irrevocable undertakings from the Avnel Directors and Fern Trust, Endeavour has also received irrevocable undertakings from members of the Elliott Group (and their nominees), subject to certain exceptions, to vote in favour of the Scheme in respect of their holdings of, in aggregate 238,839,089 Avnel shares, representing 63.35% of the existing issued ordinary share capital of Avnel.

The total irrevocable undertakings represent 72.27% of the existing issued ordinary share capital of Avnel as at the date of this announcement.

A copy of the Arrangement Agreement, the Scheme circular (once published) and ancillary documents required to be filed with the Canadian securities regulatory authorities will be so filed and made available for viewing on the System for Electronic Documents Analysis and Retrieval ("SEDAR") website at www.sedar.com.

Closing of the transaction is subject to customary conditions, including shareholder approval, as well as sanction of the Scheme by the Guernsey Royal Court.

Subject to the satisfaction of various conditions, including the receipt of the requisite approval of Avnel shareholders and sanction by the Guernsey Royal Court, the transaction is expected to close in September 2017. Details concerning the review and approval process carried out by the Special Committee and the Board of Avnel, together with a copy of the fairness opinions prepared by BMO Capital Markets and Cormark Securities Inc., will be contained in a management information circular to be provided for the extraordinary general meeting of shareholders of Avnel. The Avnel management information circular is expected to be filed and mailed to Avnel shareholders in late July 2017 and will be available on Avnel's website and on its SEDAR profile at www.sedar.com.

QUALIFIED PERSONS

Adriaan "Attie" Roux, Pr.Sci.Nat, Endeavour's Chief Operating Officer, has reviewed and approved the technical information in this news release relating to Endeavour and **Roy Meade**, Avnel's President, has reviewed and approved the technical information in this news release relating to Avnel, except where noted otherwise. Both are Qualified Persons under NI 43-101.

ADVISERS

Endeavour's financial adviser is Gleacher Shacklock LLP and its legal advisers are Linklaters LLP, Stikeman Elliott LLP and Mourant Ozannes LP.

Avnel's financial advisors are BMO Capital Markets and Cormark Securities Inc. and its legal advisors are Blake, Cassels & Graydon LLP, Berwin Leighton Paisner LLP and Carey Olsen.

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ABOUT ENDEAVOUR

Endeavour Mining is a TSX-listed intermediate gold producer, focused on developing a portfolio of high quality mines in the prolific West-African region, where it has established a solid operational and construction track record.

Endeavour is ideally positioned as the major pure West-African multi-operation gold mining company, operating 5 mines across Côte d'Ivoire (Agbaou and Ity), Burkina Faso (Karma), Mali (Tabakoto), and Ghana (Nzema). In 2017, it expects to produce between 600koz and 640koz at an AISC of US$860 to US$905/oz. Endeavour is currently building its Houndé project in Burkina Faso, which is expected to commence production in Q4-2017 and to become its flagship low-cost mine with an average annual production of 190koz at an AISC of US$709/oz over an initial 10-year mine life, based on reserves. The development of the Houndé and Ity CIL projects are expected to lift Endeavour's group production to +900kozpa and decrease its average AISC to circa $800/oz by 2019, while exploration aims to extend all mine lives to +10 years.

Corporate Office: 5 Young St, Kensington, London W8 5EH, UK

ABOUT AVNEL

Avnel Gold is a TSX-listed gold mining, exploration and development company with operations in southwestern Mali in West Africa. The Company's focus is to develop its 80%-owned Kalana Main Project from a small underground mine into a low-cost, high-grade, open pit mining operation. The Company is also advancing exploration on several nearby satellite deposits on the 387 km² 30-year Kalana Exploitation Permit.

On January 9, 2017, the Company reported the results of an Optimized Feasibility Study ("OFS") prepared by Snowden Mining Industry Consultants. The OFS outlines an 18-year open-pit mine life at the Kalana Main Project recovering 1.82 million ozs of gold at an average "all-in sustaining cost" of $561/oz over the first five years of steady state production and $730/oz over the life of mine with an initial capital cost of $171 million. Utilising a gold price of $1,200/oz and a 5% discount rate, the OFS reported a net present value ("NPV") of $321 million after-tax and imputed interest, and an internal rate of return ("IRR") of 50% on a 100% project basis.

TECHNICAL INFORMATION

Except where indicated, the disclosure of an economic, scientific or technical nature relating to Kalana contained in this release has been summarized or extracted from the Feasibility Study (as defined below) and the National

Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") compliant technical report titled "NI43-101 Technical Report on Kalana Main Project", dated effective 30 March 2016 (the "Kalana Technical Report"), prepared by Snowden Mining Industry Consultants (Pty) Ltd. ("Snowden"), Denny Jones Ltd ("Denny Jones"), DRA Projects SA (Pty) Ltd ("DRA") and Epoch Resources (Pty) Ltd ("Epoch Resources"). The feasibility study prepared by Snowden, Denny Jones, DRA, and Epoch Resources (the "Feasibility Study") and the Kalana Technical Report was prepared under the supervision of Mr. Allan Earl (Executive Consultant – Mining Engineering of Snowden), Mr. Ivor Jones (Executive Consultant – Applied Geosciences of Denny Jones), Mr. Glenn Bezuidenhout (Principal Process Engineer of DRA), Mr. Sybrand van der Spuy (Civil Engineer of DRA), Mr. Guy Wiid (Principal Consultant – Tailings and Waste Rock Facilities of Epoch Resources), and Mr. Stephanus (Fanie) Coetzee (Principal Consultant – Environmental and Social of Epoch Resources), all of whom are independent "Qualified Persons". Readers should consult the Kalana Technical Report to obtain further particulars regarding Kalana, which contains the Kalana Main Project, the underground Kalana Mine, plus a number of mineral exploration prospects. The Kalana Technical Report, which constitutes the current technical report for Kalana, was filed on SEDAR on May 6, 2016 and is available for review at www.SEDAR.com.

FORWARD-LOOKING INFORMATION

This news release includes certain "forward-looking statements". Forward-looking statement include, but are not limited to, Endeavour's expectations regarding its ability to increase annual production profile and improve project economics of Kalana and the receipt of the required shareholder approval and court sanction of the Scheme. All statements, other than statements of historical fact, included in this release, including the future plans and objectives of Endeavour and Avnel, are forward-looking statements that involve various risks and uncertainties.

There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Endeavour's or Avnel's expectations include, among others, risks related to international operations, the actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold and silver, as well as those factors discussed in the section entitled "Risk Factors" in Endeavour's and Avnel's most recently completed Annual Information Forms, which are available on SEDAR (www.sedar.com). Although Endeavour and Avnel have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

NON-IFRS FINANCIAL MEASURES

Avnel's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the accounting policies adopted by Avnel in accordance with IFRS.

Management uses both IFRS and non-IFRS measures to monitor and assess the operating performance of Avnel's operations. In this press release, certain non-IFRS performance measures are used to provide additional information, as Avnel believes that certain investors use these measures to assess the performance and prospectus of gold mining companies. These non-IFRS performance measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Non-IFRS performance measures do not have standardized definition under IFRS and therefore may not be comparable to similar measures presented by other organizations:

- *"All-in Sustaining Cost" or "AISC" is defined in the feasibility study as mine site cash operating costs, which include costs such as mining, processing, administration, plus transport and refining of metals, stamp duty, and royalties, mine management fees to be earned by Avnel, plus sustaining capital costs, which includes community and environmental. These costs are then divided by the number of ounces of expected production to be sold to arrive at "On-site All-in Sustaining Cost per Ounce Sold".*