

**BLACK DIAMOND OFFSHORE LTD.**

**-and-**

**DOUBLE BLACK DIAMOND OFFSHORE LTD.**

**-and-**

**DOUBLE BLACK DIAMOND L.P.**

**- and -**

**BRS RESOURCES LTD.**

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**SECOND AMENDED AND RESTATED  
REGISTRATION RIGHTS AGREEMENT**

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**March 31, 2014**

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## SECOND AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

**THIS SECOND AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT** is made as of the 31<sup>th</sup> day of March, 2014 among BRS Resources Ltd., a corporation incorporated under the laws of the Province of British Columbia (the "**Corporation**"), Black Diamond Offshore Ltd. a Cayman Islands exempt company, ("**Black Diamond**"), Double Black Diamond Offshore Ltd. a Cayman Islands exempt company ("**Double Black Diamond Ltd.**") and Double Black Diamond L.P. a Cayman Islands exempt company, ("**Double Black Diamond L.P.**").

**WHEREAS** the Parties (other than Double Black Diamond L.P.) entered into a registration rights agreement made as of the 4<sup>th</sup> day of November, 2011 (the "**Original Registration Rights Agreement**") to provide, *inter alia*, for registration rights with respect to certain securities held by the other Holders;

**AND WHEREAS** the Parties entered into an amended and restated registration rights agreement made as of the 31<sup>th</sup> day of March, 2013 (the "**First Amended Registration Rights Agreement**") to provide, *inter alia*, for registration rights with respect to certain securities held by the other Holders;

**AND WHEREAS** Double Black Diamond L.P. will acquire Senior Secured Notes (as defined herein), which will constitute Registrable Securities (as defined herein), pursuant to a Securities Purchase Agreement dated the date hereof;

**AND WHEREAS** the Parties desire to amend and restate the First Amended Registration Rights Agreement and enter into this Second Amended and Restated Registration Rights Agreement to provide, *inter alia*, Double Black Diamond L.P. with registration rights equivalent to those provided under the First Amended Registration Rights Agreement, with the consequence that the Holders will have the registration rights specified in this Agreement with respect to the Registrable Securities held by each Holder for distribution under the Securities Laws in such manner as the Holders may designate on the terms and conditions of this Agreement.

**NOW THEREFORE** in consideration of the premises and the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged by each of the parties to this Agreement the parties agree as follows:

### ARTICLE 1 INTERPRETATION AND GENERAL MATTERS

#### 1.1 Definitions

In this agreement, the following terms have the following meanings:

- (a) "**Affiliates**" has the meaning ascribed to such term in the *Business Corporations Act* (British Columbia);

- (b) **“Agreement”**, **“this Agreement”**, **“this Amended and Restated Registration Rights Agreement”**, **“the Agreement”**, **“hereof”**, **“herein”**, **“hereto”**, **“hereby”**, **“hereunder”** and similar expressions mean this Second Amended and Restated Registration Rights Agreement, including all of its schedules and all instruments supplementing, amending or confirming this Agreement. All references to **“Articles”** or **“Sections”** refer to the specified Article or Section of this Agreement;
- (c) **“Business Day”** means any day which is not a Saturday, a Sunday or a day on which the principal commercial banks located in the City of Vancouver, British Columbia or New York, New York are not open for business during normal banking hours;
- (d) **“Convertible Note”** means a convertible note held by a Holder that was issued to a Holder on November 4, 2011;
- (e) **“Corporation”** means BRS Resources Ltd.;
- (f) **“Demanding Holder”** has the meaning ascribed thereto in Section 2.1(a);
- (g) **“Demand Notice”** has the meaning ascribed thereto in Section 2.1(a);
- (h) **“Demand Registration”** has the meaning ascribed thereto in Section 2.1(a);
- (i) **“Distribution”** means an offer or sale or other disposition or distribution of Shares to the public by way of a Prospectus under the Securities Laws;
- (j) **“Distribution Expenses”** means, without duplication, any and all fees and expenses incurred in connection with or incidental to the Corporation’s performance of, or compliance with, the terms of a Demand Registration or a Piggy-Back Registration hereunder, including without limitation: (i) securities regulators’ and stock exchange registration listing and filing fees, (ii) fees and expenses of compliance with Securities Laws, (iii) printing, copying, translation and delivery expenses, (iv) expenses incurred in connection with any “road show” or other marketing activities, (v) reasonable fees, expenses and disbursements of legal counsel to the Corporation, (vi) fees, expenses and disbursements of legal counsel retained by the Corporation in connection with a Demand Registration or a Piggy-Back Registration, other than any such fees and expenses of legal counsel to the Corporation that are otherwise addressed by item (v) above, (vii) fees, expenses and disbursements of the Corporation’s auditors and any other special experts retained by the Corporation in connection with or incidental to such Demand Registration or Piggy-Back Registration, (viii) all transfer agents’, depositaries’ and registrars’ fees, and (ix) any other fees, expenses and/or commissions payable to an underwriter, investment banker, manager or agent, other than Selling Expenses of the Corporation or Selling Expenses of the Participating Holders, as applicable, customarily paid by issuers or sellers of securities;

- (k) **“Governmental Authority”** means, whether domestic or foreign, (i) any multinational, federal, provincial, state, regional, municipal, local or other government, or any governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, regulatory body, bureau, agency or other similar instrumentality, (ii) any subdivision, agent or authority of any of the foregoing, or (iii) any quasi-governmental or private body, including any tribunal, commission, securities exchange, regulatory agency or self regulatory organization exercising any regulatory, prosecutorial, administrative, expropriation, taxing or other governmental or quasi-governmental authority under or for the account of any of the foregoing;
- (l) **“Holders”** means Black Diamond, Double Black Diamond Ltd. and Double Black Diamond L.P. and any Affiliate of such Holder to whom the benefits or duties may be assigned in accordance with this Agreement, and **“Holder”** means any of them;
- (m) **“Indemnified Party”** has the meaning ascribed thereto in Section 4.4;
- (n) **“Indemnifying Party”** has the meaning ascribed thereto in Section 4.4;
- (o) **“Participating Holders”** means, collectively, the Demanding Holder, if any, and the Piggy-Back Holders, as applicable, and **“Participating Holder”** means any one of them;
- (p) **“Parties”** means the Corporation, the Holders and their respective successors and assigns, and **“Party”** means any one of them;
- (q) **“Person”** means an individual, body corporate with or without share capital, partnership, joint venture, entity, unincorporated association, syndicate, firm, sole proprietorship, trust, pension fund, union, board, tribunal, Governmental Authority and the heirs, beneficiaries, executors, legal representatives or administrators of an individual;
- (r) **“Piggy-Back Holder”** has the meaning ascribed thereto in Section 2.2.
- (s) **“Piggy-Back Notice”** has the meaning ascribed thereto in Section 2.2;
- (t) **“Piggy-Back Registration”** has the meaning ascribed thereto in Section 2.2;
- (u) **“Prospectus”** means a “preliminary prospectus” and/or a “prospectus” as those terms are used in the Securities Laws, including all amendments and supplements thereto, but excluding a base shelf prospectus or shelf prospectus supplement;
- (v) **“Registrable Securities”** means any Shares beneficially owned by a Holder, any Shares issued or issuable upon the exercise of the Warrant or the conversion of the Convertible Note or the Senior Secured Convertible Notes, and any Interest Shares (as defined in, and issuable in respect of, the Senior Secured Convertible

Notes), without respect to any limitation on exercise or conversion contained in the Warrant, the Convertible Note or the Senior Secured Convertible Notes;

- (w) **“Securities Act”** means the *Securities Act* (British Columbia);
- (x) **“Securities Laws”** includes the Securities Act and any other similar legislation in any other province or territory of Canada in which the Corporation is or becomes a reporting issuer (or the equivalent thereof) and the respective rules, regulations, instruments and published policies, policy statements and notices thereunder;
- (y) **“Securities Regulators”** has the meaning ascribed thereto in Section 3.1;
- (z) **“Selling Expenses of the Corporation”** means any and all underwriting discounts and commissions attributable to the Registrable Securities to be sold by the Corporation in a Demand Registration or Piggy-Back Registration, as the case may be;
- (aa) **“Selling Expenses of the Participating Holders”** means any and all underwriting fees, discounts and commissions attributable to a Demand Registration or a Piggy-Back Registration;
- (bb) **“Senior Secured Convertible Notes”** means the senior secured convertible note issued to a Holder pursuant to the securities purchase agreement of even date herewith, as the same may be assigned or subdivided;
- (cc) **“Shares”** means the common shares in the capital of the Corporation; and
- (dd) **“Warrant”** means a share purchase warrant held by a Holder exercisable for Shares.

## 1.2 **Time of the Essence**

Time shall be of the essence of each provision of this Agreement. Any extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

## 1.3 **Calculation of Time**

Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends.

## 1.4 **Business Days**

Whenever any action to be taken pursuant to this Agreement would otherwise be required to be taken or made on a day that is not a Business Day, such action shall be taken on the first Business Day following such day.

## 1.5 Headings

The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.

## 1.6 Plurals and Gender

Words in the singular include the plural and vice versa and words in one gender include all genders.

## 1.7 Statutory References

Any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations promulgated thereunder) as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise stated.

## 1.8 Other References

“Include,” “includes” and “including” shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import.

# ARTICLE 2 REGISTRATION RIGHTS

## 2.1 Demand Registration Rights

- (a) Any Holder (the “**Demanding Holder**”) may request the Corporation to file a Prospectus under Securities Laws and take such other steps as may be necessary to facilitate a Distribution of all or part of the Registrable Securities held by such Holder (a “**Demand Registration**”), by giving written notice of such Demand Registration to the Corporation (the “**Demand Notice**”). Subject to the limitations of this Article 2, the Corporation shall, as expeditiously as reasonably practicable and in any event, in the case of the first Demand Registration, within 60 days, and in the case of subsequent Demand Registrations, within 45 days, prepare and file a final Prospectus and shall use reasonable best efforts to effect, as soon as practicable, the qualification of all Registrable Securities that the Participating Holders desire to be qualified, as specified in the Demand Notice and all notices received by the Corporation pursuant to Section 2.2, in order to permit the Distribution of such Registrable Securities. The Corporation and each Participating Holder shall cooperate in a timely manner in connection with any such Demand Registration in accordance with the procedures set out in Article 3 of this Agreement.
- (b) The Corporation will not file any Prospectus (including with respect to the Prospectus filed in connection with the Demand Notice), whether for its own

account or that of another security holder, from the date of a Demand Notice until the completion of the distribution period under the Securities Laws contemplated by the applicable Demand Registration (unless each Participating Holder withdraws its request for qualification of the Distribution of its Registrable Securities pursuant to such Demand Registration in accordance with Section 2.3).

- (c) The Corporation shall not be obliged to:
- (i) effect more than three (3) Demand Registrations within any 12 month period;
  - (ii) effect a Demand Registration within 90 days of a previous Demand Registration; provided that a Demand Registration will not be considered as having been effected with respect to a Holder unless a receipt has been issued for a final Prospectus by the Securities Regulators of all applicable Canadian jurisdictions with respect to all Registrable Securities requested by the Holder to be qualified in such Demand Registration;
  - (iii) effect a Demand Registration in the event the Board of Directors of the Corporation determines in its good faith judgment that either (A) the effect of the filing of a Prospectus would impede the ability of the Corporation to consummate a financing, acquisition, corporate reorganization, merger or other material transaction involving the Corporation; or (B) there exists, at the time of receipt of the Demand Notice, material non-public information relating to the Corporation, the disclosure of which the Corporation reasonably believes would be detrimental to the Corporation, and, in either case, the Corporation's obligations under this Section 2.1 will be deferred until the earlier of (x) the date on which the applicable condition described in (A) or (B) no longer exist, and (y) the date that is 45 days from the date of receipt of the Demand Notice. The Corporation shall notify each Holder of the existence and nature of any deferral event, and each Holder hereby agrees to maintain the confidentiality of such information;
  - (iv) file a registration statement with the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933 or register a class of securities under the Securities Exchange Act of 1934.
- (d) A Demand Notice shall:
- (i) specify the number of Registrable Securities that such Holder intends to offer and sell;
  - (ii) express the intention of such Holder to offer or cause the offering of such Registrable Securities;



- (iii) describe the nature or methods of the proposed offer and sale thereof and the provinces and territories of Canada in which such offer shall be made, provided that the Corporation is a reporting issuer (or the equivalent thereof) in such provinces and territories;
  - (iv) contain the undertaking of such Holder to provide all such information regarding its Registrable Securities and the proposed manner of distribution thereof as may be required in order to permit the Corporation to comply with all Securities Laws; and
  - (v) specify whether such offer and sale shall be made by an underwritten offering.
- (e) If a Demanding Holder intends to dispose of Registrable Securities covered by the Demand Notice by means of an underwritten offering, the Corporation shall include such information in the Piggy-Back Notice delivered to the other Holders in accordance with Section 2.2. In such event, the right of any Holder to include its Registrable Securities in such Demand Registration shall be conditioned upon such Holder's participation in such underwritten offering and the inclusion of such Holder's Registrable Securities in such underwritten offering to the extent provided herein. The Participating Holders, acting together, shall have the right to select the managing underwriter or underwriters to effect the Distribution contemplated by such Demand Registration provided, however, that such selection shall also be satisfactory to the Corporation, acting reasonably. All Participating Holders proposing to distribute Registrable Securities pursuant to such underwritten offering shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters. The Corporation shall have the right to retain counsel of its choice to assist it in fulfilling its obligations under this Article 2. The Participating Holders shall have the right to retain one counsel to assist all Participating Holders in fulfilling their obligations under this Article 2.

## **2.2 Piggy-Back Registration Rights**

If the Corporation proposes to make a Distribution for its own account or the account of another security holder of the Corporation, or for the account of a Demanding Holder in accordance with Section 2.1, or both, the Corporation will, at that time, promptly give each of the other Holders written notice (the "**Piggy-Back Notice**") of the proposed Distribution. Upon the written request of a Holder to the Corporation, given within 20 days after receipt of the Piggy-Back Notice, that the Holder (a "**Piggy-Back Holder**") wishes to include a specified number of the Registrable Securities in the Distribution, the Corporation will cause the Registrable Securities requested to be qualified by such Piggy-Back Holder to be included in the Distribution (a "**Piggy-Back Registration**"). Notwithstanding the foregoing, if the managing underwriter or underwriters advise the Participating Holders that, in its or their reasonable judgment, marketing factors require a limitation on the number of securities to be underwritten (including Registrable Securities), then the securities (including Registrable Securities) to be underwritten shall be allocated in the following priority: (i) first, the Registrable Securities requested to be qualified by the Participating Holders *pro rata* among such Participating

Holders based on the number of Registrable Securities requested to be qualified by each Participating Holder, and (ii) second, if there are any additional securities that may be underwritten after allowing for the inclusion of all of the Registrable Securities required under (i) above, such securities offered by the Corporation for its own account and/or by any other securityholder of the Corporation, on a *pro rata* basis.

### **2.3 Withdrawal of Registrable Securities**

- (a) Each Participating Holder will have the right to withdraw their request for inclusion of its Registrable Securities in any Demand Registration or PiggyBack Registration pursuant to Section 2.1 or 2.2 by giving written notice to the Corporation of its request to withdraw; provided, however, that:
  - (i) such request must be made in writing prior to the execution of the underwriting agreement (or such other similar agreement) with respect to such Distribution; and
  - (ii) such withdrawal will be irrevocable and, after making such withdrawal, such Participating Holder will no longer have any right to include its Registrable Securities in the Distribution to which such withdrawal pertains.

### **2.4 Expenses**

- (a) In the case of a Demand Registration or a Piggy-Back Registration, all Distribution Expenses shall be paid by the Corporation.
- (b) The Participating Holders will pay all Selling Expenses of the Participating Holders, in proportion to the gross proceeds received by each such Participating Holder from any Demand Registration or Piggy-Back Registration, as the case may be, and the Corporation will pay all Selling Expenses of the Corporation, if any, in connection with any Demand Registration or Piggy-Back Registration.
- (c) For greater certainty, in connection with any Distribution hereunder, the Corporation shall pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties).

## **ARTICLE 3 REGISTRATION PROCEDURES**

### **3.1 Corporation's Obligations**

In addition to any other obligations of the Corporation under this Agreement, in connection with any Demand Registration or Piggy-Back Registration, the Corporation will use reasonable best efforts in accordance with this Agreement to qualify the Distribution of Registrable Securities of the Participating Holders under the Securities Laws as directed by such

Participating Holders. In particular, the Corporation will, as expeditiously as is reasonably practicable:

- (a) prepare and file in the English language and, if required, French language, with the Canadian securities authorities (collectively, the “**Securities Regulators**”) a preliminary Prospectus and final Prospectus under and in compliance with the Securities Laws, relating to the applicable Demand Registration or Piggy-Back Registration including all exhibits, financial statements and such other related documents required by the Securities Regulators to be filed therewith, and use its reasonable best efforts to cause such Prospectus to be receipted and, in doing so, will act as expeditiously as is reasonably practicable and in good faith to settle all comments or deficiencies and obtain those receipts and clearances and provide those undertakings and commitments as may be reasonably required by the Securities Regulators;
- (b) prepare and file with the Securities Regulators such amendments to the preliminary Prospectus and final Prospectus as may be necessary to complete the Distribution of all such Registrable Securities and as required under the Securities Laws;
- (c) in connection with the preparation and filing of each Prospectus, give each Participating Holder and the managing underwriter or underwriters, if any, the opportunity to review and fully participate in the preparation of the Prospectus, and each amendment thereto, and obtain the prior written consent of each Participating Holder with respect to any information contained in any such Prospectus regarding such Participating Holder and such Participating Holder’s Registrable Securities;
- (d) notify the Participating Holders and the managing underwriter or underwriters, if any, and (if requested) confirm such advice in writing, as soon as practicable after notice thereof is received by the Corporation (i) when the preliminary Prospectus and final Prospectus or any amendment thereto has been filed or been receipted, and furnish the Participating Holders and managing underwriters or underwriters, if any, with copies thereof, (ii) of any request by the Securities Regulators for amendments to the preliminary Prospectus, the final Prospectus or for additional information, (iii) of the issuance by the Securities Regulators of any stop order or cease trade order relating to any Prospectus or any order preventing or suspending the use of any Prospectus or the initiation or threatening for any proceedings for such purposes, and (iv) of the receipt by the Corporation of any notification with respect to the suspension of the qualification of the Registrable Securities for offering, sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;
- (e) promptly notify the Participating Holders and the managing underwriter or underwriters, if any, at any time the Corporation becomes aware of the happening of any event as a result of which any Prospectus contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the

circumstances in which they were made, or, if for any other reason, it will be necessary during such time period to amend the preliminary Prospectus or the final Prospectus in order to comply with Securities Laws and, in either case as promptly as practicable, prepare and file with the Securities Regulators, an amendment to such preliminary Prospectus or final Prospectus, or any other documents required by Securities Laws or the Securities Regulators, which will correct such statement or omission or effect such compliance, and furnish without charge to the Participating Holders and the managing underwriters or underwriters, if any, as many copies of such amendment or other documents as the Participating Holders and the managing underwriter or underwriters, if any, may reasonably request;

- (f) use reasonable best efforts to prevent the issuance of any stop order, cease trade order or other order suspending the use of any Prospectus or suspending the qualification of any Registrable Securities covered by any Prospectus and, if any such order is issued, to seek the withdrawal of such order as soon as possible;
- (g) furnish to the Participating Holders and the underwriters, if any, as many copies of the preliminary Prospectus and the final Prospectus and any amendment thereto as such Persons may reasonably request (it being understood that the Corporation consents to the use of the preliminary Prospectus and the final Prospectus or any amendment thereto by each of the Participating Holders and the underwriters, if any, in connection with the Distribution of the Registrable Securities qualified by the preliminary Prospectus and the final Prospectus or any amendment thereto) and such other documents as the Participating Holders may reasonably request in order to facilitate the Distribution of the Registrable Securities by such Person;
- (h) on or prior to the date on which a receipt is issued for the final Prospectus by the applicable Securities Regulators, use reasonable best efforts to qualify, and cooperate with the Participating Holders, the managing underwriter, underwriters, if any, and their selected counsel in connection with the qualification of such Registrable Securities for offer and sale under the Securities Laws of each province and territory of Canada, except Quebec, as any such Person or underwriter reasonably requests in writing, provided that the Corporation will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;
- (i) in connection with any underwritten offering, enter into and perform its obligations under customary agreements, in a form reasonably satisfactory to the Corporation, containing customary representations, warranties and indemnities for the benefit of the Participating Holders and the underwriters;
- (j) as promptly as practicable after filing with the Securities Regulators any document which is incorporated by reference into any Prospectus, provide

copies of such document to the Participating Holders and their selected counsel and to the managing underwriter or underwriters, if any;

- (k) use its reasonable best efforts to obtain a customary legal opinion, in the form and substance as is customarily given by external company counsel in securities offerings, addressed to the Participating Holders and the underwriters, if any, and such other Person as the underwriting agreement may reasonably specify, and a customary “comfort letter” from the Corporation’s auditor and/or the auditors of any financial statements included or incorporated by reference in a Prospectus;
- (l) furnish to the Participating Holders and the managing underwriter or underwriters, if any, and such other Person as the Participating Holders may reasonably specify, such corporate certificates, satisfactory to the Participating Holders acting reasonably, as are customarily furnished in securities offerings, and, in each case, covering substantially the same matters as are customarily covered in such documents in the relevant jurisdictions and such other matters as the Participating Holders may reasonably request;
- (m) use its reasonable best efforts to list the Registrable Securities covered by a Prospectus with any securities exchange or quotation system on which the Shares are then listed and pay all fees associated with such listing;
- (n) promptly provide a transfer agent and registrar for such Registrable Securities not later than the closing date of the offering;
- (o) participate in such marketing efforts as the Participating Holders or managing underwriter or underwriters, if any, determine are reasonably necessary, such as “roadshows”, institutional investor meetings and similar events, provided that if the marketing efforts are undertaken at the request of the Participating Holders, such marketing efforts shall be at the expense of such Participating Holders; and
- (p) take such other actions and execute and deliver such other documents as may be reasonably necessary to give full effect to the rights of each Participating Holder under the Agreement.

### **3.2 Holder’s Obligations**

The Corporation may require the Participating Holders to furnish to the Corporation such information regarding the Distribution of Registrable Securities and such other information relating to the Participating Holders and their respective ownership of Registrable Securities as the Corporation may from time to time reasonably request in writing as may be required by the Corporation to comply with applicable Securities Laws in each jurisdiction in which a Demand Registration or Piggy-Back Registration is to be effected. The Participating Holders agree to furnish such information to the Corporation and to cooperate with the Corporation as necessary to enable the Corporation to comply with the provisions of this Agreement and applicable Securities Laws. The Participating Holders shall promptly notify the Corporation if at any time such Participating Holder becomes aware of the happening of any

event as a result of which a Prospectus contains any untrue statement of a material fact with respect to such Participating Holder or omits to state a material fact with respect to such Participating Holder that is required to be stated or that is necessary to make the statement therein with respect to the Participating Holder not misleading in light of the circumstances under which they were made.

## **ARTICLE 4 DUE DILIGENCE; INDEMNIFICATION**

### **4.1 Preparation; Reasonable Investigation**

In connection with any Demand Registration or Piggy-Back Registration as herein contemplated, the Corporation will give the Participating Holders, the underwriters of such Distribution, if any, and their respective counsel, auditors and other representatives, the opportunity to fully participate in the preparation of each Prospectus, and each amendment thereto, and shall include therein such material furnished by them to the Corporation in writing, which in the reasonable judgment of the Corporation and its counsel should be included, and will give each of them such reasonable and customary access to the Corporation's books and records and such reasonable and customary opportunity to discuss the business of the Corporation with its officers and auditors, and to conduct all reasonable and customary due diligence which the Participating Holders and the underwriters, if any, and their respective counsel may reasonably require in order to conduct a reasonable investigation in order to enable the Participating Holders and such underwriters to execute any certificate required to be executed by them in Canada for inclusion in such documents, provided that the Participating Holders and the underwriters agree to maintain the confidentiality of such information.

### **4.2 Indemnification by the Corporation**

In connection with any Demand Registration and Piggy-Back Registration, the Corporation will indemnify and hold harmless to the fullest extent permitted by law each Participating Holder and its Affiliates, and each Person who participates as an underwriter in the offering or sale of the Registrable Securities in connection with a Demand Registration or a Piggy-Back Registration, and each of their respective directors, officers, employees and agents and shareholders from and against all losses (excluding loss of profits), liabilities, claims, damages and expenses whatsoever, including any amounts paid in settlement of any investigation, order, litigation, proceeding or claim, joint or several, incurred, arising out of or based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any Prospectus, or any amendment thereto, including all documents incorporated therein by reference, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or as incurred, arising out of or based upon any failure to comply with applicable Securities Laws (other than any failure to comply with applicable Securities Laws by such Participating Holder or underwriter); and (ii) any breach by the Corporation of its covenants and obligations under this Agreement, including but not limited to, the obligation of the Corporation to file a Prospectus in accordance with provisions contained in Section 2.1 or 2.2 of this Agreement; provided that the Corporation will not be liable under this Section 4.2 for any settlement of any action effected without its written consent, which consent will not be unreasonably withheld or delayed; provided further that the

indemnity provided for in this Section 4.2, in respect of a given Participating Holder or a given underwriter, will not apply to any loss, liability, claim, damage or expense to the extent arising out of or based upon any untrue statement or omission or alleged untrue statement or omission (i) made in reliance upon and in conformity with written information furnished to the Corporation by such Participating Holder or such underwriter in writing expressly stating that such information is being provided for use in the Prospectus or (ii) contained in any Prospectus if such underwriter failed to send or deliver a copy of the Prospectus to the Person asserting such losses, liabilities, claims, damages or expenses on or prior to the delivery of written confirmation of any sale of securities covered thereby to such Person in any case where such Prospectus corrected such untrue statement or omission and after the Corporation had furnished such underwriter with a sufficient number of copies of such Prospectus. Any amounts advanced by the Corporation to an Indemnified Party pursuant to this Section 4.2 as a result of such losses will be returned to the Corporation if it is finally determined by a court in a judgment not subject to appeal or final review that such Indemnified Party was not entitled to indemnification by the Corporation.

#### **4.3 Indemnification by Participating Holders**

In connection with any Demand Registration and Piggy-Back Registration, each Participating Holder, on a several (and not joint and several) basis, will indemnify and hold harmless to the fullest extent permitted by law the Corporation and each of the Corporation's directors, officers, employees and agents from and against any loss (excluding loss of profits), liability, claim, damage and expense whatsoever, including any amounts paid in settlement of any investigation, order, litigation, proceeding or claim, joint or several, as incurred, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any Prospectus, or any amendment thereto, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, but in any case only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Prospectus included solely in reliance upon and in conformity with written information furnished to the Corporation by such Participating Holder in writing, expressly stating that such information is being provided for use in the Prospectus, and that have not been corrected by the Participating Holder by written notice to the Corporation prior to the sale of Registrable Securities to the Person asserting such loss, liability, claim, damage or expense; provided that such Participating Holder will not be liable under this Section 4.3 for any settlement of any action effected without its written consent, which consent will not be unreasonably withheld or delayed; provided further that the indemnity provided for in this Section 4.3 will not apply to any loss, liability, claim, damage or expense to the extent arising out of an untrue statement or omission or alleged untrue statement or omission contained in any Prospectus if the Corporation or any underwriter failed to send or deliver a copy of the Prospectus to the Person asserting such losses, liabilities, claims, damages or expenses on or prior to the delivery of written confirmation of any sale of securities covered thereby to such Person in any case where such Prospectus corrected such untrue statement or omission; and provided further that such indemnity shall be limited to the amount of the net sale proceeds received by such Participating Holder. Any amounts advanced by a Participating Holder to an Indemnified Party pursuant to this Section 4.3 as a result of such losses will be returned to such Participating Holder if it is

finally determined by a court in a judgment not subject to appeal or final review that such Indemnified Party was not entitled to indemnification by such Participating Holder.

#### **4.4 Defense of the Action by the Indemnifying Parties**

Each party entitled to indemnification under this Article 4 (the “**Indemnified Party**”) will give notice to the party required to provide indemnification (the “**Indemnifying Party**”) promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, but the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability which it may have to the Indemnified Party pursuant to the provisions of this Article 4 except to the extent of the damage or prejudice, if any, suffered by such delay in notification. The Indemnifying Party will assume the defense of such action, including the employment of counsel to be chosen by the Indemnifying Party to be reasonably satisfactory to the Indemnified Party, and payment of expenses. The Indemnified Party will have the right to employ its own counsel in any such case, but the legal fees and expenses of such counsel will be at the expense of the Indemnified Party, unless (a) the employment of such counsel is authorized in writing by the Indemnifying Party in connection with the defense of such action, (b) the Indemnifying Party fails to assume the defence of such claim within a reasonable time after receipt of notice of such claim (including not having employed counsel to take charge of the defense of such claim), or (c) the Indemnified Party reasonably concludes, based on the opinion of counsel, a conflict of interest may exist between the Indemnified Party and the Indemnifying Party with respect to such claims, including because there may be defenses available to the Indemnified Party which are different from or additional to those available to the Indemnifying Party (in each of cases (b) and (c), the Indemnifying Party will not have the right to direct the defense of such action on behalf of the Indemnified Party if the Indemnified Party notifies the Indemnifying Party that the Indemnified Party has elected to employ separate counsel), in any of which events the reasonable fees and expenses will be borne by the Indemnifying Party. No Indemnifying Party, in the defense of any such claim or litigation, will, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

#### **4.5 Contribution**

If the indemnification provided for in this Article 4 is unavailable to a party that would have been an Indemnified Party under this Article 4 in respect of any losses, liabilities, claims, damages and expenses referred to herein, then each party that would have been an Indemnifying Party hereunder will, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such losses, liabilities, claims, damages and expenses in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and such Indemnified Party on the other hand in connection with the statement or omission which resulted in such losses, liabilities, claims, damages and expenses, as well as any other relevant equitable considerations. The relative fault will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or such Indemnified Party and the parties’



relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party under this Section 4.5 as a result of the losses, liabilities, claims, damages and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding. The Corporation and each Holder agrees that it would not be just and equitable if contribution pursuant to this Section 4.5 were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to above in this Section 4.5. The Corporation and each Holder hereby agree that each Holder's contribution pursuant to this Section 4.5 is limited to such Holder's proceeds from Distribution.

#### **4.6 Survival**

The indemnification provided for under this Agreement will survive the expiry of this Agreement and will remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Party or any officer, director or controlling Person of such Indemnified Party.

#### **4.7 Holder is Trustee**

The Corporation hereby acknowledges and agrees that, with respect to this Article 4, each Participating Holder is contracting on its own behalf and as agents for the other Indemnified Parties referred to in 4.2. In this regard, each Participating Holder will act as trustee for such Indemnified Parties of the covenants of the Corporation under this Article 4 with respect to such Indemnified Parties and accepts these trusts and will hold and enforce those covenants on behalf of such Indemnified Parties.

#### **4.8 Corporation is Trustee**

The Holders hereby acknowledge and agree that, with respect to this Article 4, the Corporation is contracting on its own behalf and as agent for the other Indemnified Parties referred to in Section 4.3. In this regard, the Corporation will act as trustee for such Indemnified Parties of the covenants of the Holders under this Article 4 with respect to such Indemnified Parties and accepts these trusts and will hold and enforce those covenants on behalf of such Indemnified Parties.

## **ARTICLE 5 AMENDMENTS**

#### **5.1 Amendments, Modifications, etc.**

This Agreement may not be amended or modified, or any provision hereof waived, except by an agreement in writing executed by all the Parties.

## ARTICLE 6 GENERAL

### 6.1 Application of this Agreement

The terms of this Agreement shall apply *mutatis mutandis* to any shares or other securities:

- (a) resulting from the conversion, reclassification, redesignation, subdivision, consolidation or other change to any of the Shares held by the Holders; or
- (b) of the Corporation or any successor body corporate that may be received by the Holders on a merger, amalgamation, arrangement or other reorganization of or including the Corporation;

and, prior to any action referred to in (a) or (b) above being taken, the Parties shall give due consideration to any changes that may be required to this Agreement in order to give effect to the intent of this 6.1.

### 6.2 Public Filing

The Parties hereby consent to the public filing of this Agreement if any Party is required to do so by law or by applicable regulations or policies of any regulatory agency of competent jurisdiction or any stock exchange.

### 6.3 Further Assurances

Each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

### 6.4 Severability

If, in any jurisdiction, any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be restricted, invalid or unenforceable the Parties will negotiate in good faith to amend this Agreement to implement the intentions set forth herein. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

### 6.5 Assignment and Enurement

Neither this Agreement nor any benefits or duties accruing under this Agreement shall be assignable by any Party other than by a Holder to an Affiliate to whom Registrable Securities or Shares are transferred. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

## 6.6 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the matters herein and supersedes all prior agreements, understandings, negotiations and discussions relating to the subject matter hereof. There are no other covenants, agreements, representations, warranties, conditions, whether direct or collateral, express or implied, that form part of or affect this Agreement except as otherwise provided this Agreement. The execution of this Agreement has not been induced by, nor do any of the Parties rely upon or regard as material, any representations, promises, agreements or statements not incorporated into this Agreement including any documents or information in any due diligence examinations and data reviews or in any management presentations or meetings. This Agreement shall not be amended, added to or qualified except by written agreement signed by the Parties.

## 6.7 Waiver

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all covenants in this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement, at any other time.

## 6.8 Notices

All notices, requests, demands or other communications required or permitted to be given by one Party to another under this Agreement shall be given in writing and delivered by personal delivery or delivery by recognized commercial courier, sent by facsimile, electronic delivery or delivered by registered mail or postage prepaid, addressed as follows:

(a) if to the Corporation:

BRS Resources Ltd. .  
5910 N. Central Expressway  
Suite 1250  
Dallas, TX  
75206

Attention: Steve Moore  
Telephone: (214) 276-0375  
Facsimile: (214) 361 5084  
Email: [smoore@brsresouces.com](mailto:smoore@brsresouces.com)

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

Clark Wilson LLP  
900-885 West Georgia Street  
Vancouver, BC  
V6C 3H1

Attention: Virgil Hlus  
Telephone: (604) 687-5700  
Facsimile: (604) 687-6314  
Email: vzh@cwilson.com

(b) if to a Holder:

c/o Carlson Partners, LP  
2100 McKinney Avenue  
Suite 1800  
Dallas, TX

Attention: Steve Pully and Christopher W. Haga  
Telephone: (214) 932-9600  
Facsimile: (214) 932-9601  
Email: spully@carlsoncapital.com and chaga@carlsoncapital.com

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

Schulte Roth & Zabel LLP  
919 Third Avenue  
New York, New York 10022  
Telephone: (212) 756-2000  
Facsimile: (212) 593-5955  
Attention: Eleazer N. Klein, Esq.  
E-mail: eleazer.klein@srz.com

and

Goodmans LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, ON M5H 2S7  
Telephone: (416) 979-2211  
Facsimile: (416) 979-1234  
Attention: Neill May, Esq.  
E-mail: nmay@goodmans.ca

or at such other address or fax number of which the addressee may from time to time may notify the addressor. Any notice delivered by personal delivery or by courier to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address. If such day is not a Business Day, or if the notice is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the next Business Day. Any notice transmitted by facsimile shall be deemed to have been given and received on the day in which transmission is confirmed. If such day is not a Business Day or if the transmission of the facsimile is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the first Business Day after its transmission.

**6.9 Counterparts; Facsimile and Electronic Signatures**

This Agreement may be signed in one or more counterparts, each of which once signed shall be deemed to be an original. All such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution of any counterpart, each counterpart shall be deemed to bear the effective date first written above. This Agreement, any and all agreements and instruments executed and delivered in accordance herewith, along with any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, scanned email or internet transmission copy or other means of electronic transmission, shall be treated in all manner and respects and for all purposes as an original signature, agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

**6.10 Governing Law and Jurisdiction for Disputes**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated, in all respects, as an British Columbia contract. The Parties irrevocably submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

**6.11 Consent**

Where a provision of this Agreement requires an approval or consent by a Party and written notification of such approval or consent is not delivered within the applicable time in accordance with this Agreement, then the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

**6.12 Remedies**

Each Party agrees that an award of monetary damages would not be an adequate remedy for any loss incurred by reason of any breach of this Agreement and that, in the event of any breach or threatened breach of this Agreement by a Party, the other Parties will be entitled to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach or threatened breach of this Agreement but will be in addition to all other remedies available at law or in equity.

**[Remainder of this page intentionally left blank]**

**IN WITNESS WHEREOF** the Parties hereto have caused this Agreement to be duly executed as of the date first written above.

**BRS RESOURCES LTD.**

By: "Steven Moore"  
Name: Steven D. Moore  
Title: President and Chief Executive Officer

**BUYERS:**

**BLACK DIAMOND OFFSHORE LTD.**

By: Carlson Capital, L.P.,  
Its Investment Advisor

By: Asgard Investment Corp. II,  
Its General Partner

By: "Clint Carlson"  
Name: Clint D. Carlson  
Title: President

**BUYERS:**

**DOUBLE BLACK DIAMOND OFFSHORE LTD.**

By: Carlson Capital, L.P.,  
Its Investment Advisor

By: Asgard Investment Corp. II,  
Its General Partner

By: "Clint Carlson"  
Name: Clint D. Carlson  
Title: President

**BUYERS:**

**DOUBLE BLACK DIAMOND L.P.**

By: Carlson Capital, L.P.,  
Its Investment Advisor

By: "Christopher Haga"  
Name: Christopher W. Haga  
Title: Portfolio Manager