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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

for a meeting to be held on October 10, 2017

**relating to a Settlement Agreement among Eco Oro Minerals Corp. and certain of
its shareholders**

September 12, 2017

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that, the annual general and special meeting (the “**Meeting**”) of the holders of common shares (the “**shareholders**”) of Eco Oro Minerals Corp. (the “**Company**”) will be held at the offices of Norton Rose Fulbright Canada LLP, located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4, on Tuesday, October 10, 2017 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive the financial statements of the Company for the fiscal year ended December 31, 2016, together with the report of the auditors thereon;
2. to set the number of directors at five (5);
3. to elect directors;
4. to appoint auditors;
5. to consider and, if deemed appropriate, to pass an ordinary resolution approving the unallocated options to purchase common shares of the Company under the Amended and Restated Incentive Share Option Plan of the Company;
6. to consider, pursuant to an Interim Order of the Supreme Court of British Columbia dated September 12, 2017 and, if deemed appropriate, to pass, with or without variation, a special resolution, the full text of which is set forth in Appendix “A” to the accompanying information circular dated September 12, 2017 (the “**Circular**”), to approve a plan of arrangement pursuant to Division 5 Part 9 of the *Business Corporations Act* (British Columbia);
7. to consider, and if deemed appropriate, to pass an ordinary resolution approving the amendment of the investment agreement between the Company and Trexs Investments, LLC dated July 21, 2016 and the amendment of the security sharing agreement among PFR Gold Master Fund Ltd., Amber Latin America LLC, Trexs Investments, LLC, Anna Stylianides and Manas Dichow dated November 9, 2016;
8. to consider, and if deemed appropriate, to pass an ordinary resolution approving the amendment of the management incentive plan of the Company dated January 13, 2017; and
9. to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of the Meeting.

The Board of Directors of the Company has fixed August 11, 2017 as the record date for the Meeting (the “**Record Date**”). Only shareholders of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

All proxies must be received by 10:00 a.m. (Toronto time) on October 5, 2017 and, if the Meeting is adjourned or postponed, no later than 10:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and holidays) that is 48 hours preceding the time of an adjourned or postponed Meeting.

Late proxies may be accepted or rejected by the Co-Chairs of the Meeting at their discretion and the Co-Chairs of the Meeting are under no obligation to accept or reject any particular late proxy. The Co-Chairs of the Meeting may waive or extend the proxy cut-off without notice.

Whether or not you are able to attend the Meeting in person, you are encouraged to provide voting instructions in accordance with the instructions on the enclosed form of proxy or voting instruction form (a "VIF") provided to you by your broker, investment dealer or other intermediary as soon as possible. To be included at the Meeting, your voting instructions must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by telephone, internet or fax by 10:00 a.m. (Toronto time) on Thursday, October 5, 2017 (or if the Meeting is postponed or adjourned, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the postponed or adjourned Meeting). Please note, if you received a VIF, you hold your common shares through a broker, investment dealer or other intermediary and consequently must provide your instructions to your broker, investment dealer or other intermediary as specified in the VIF and by the deadline set out therein (which may be an earlier time than set out above).

If you have any questions or need assistance to vote, please contact the Company's strategic shareholder advisor, proxy solicitation and information agent, Kingsdale Advisors by telephone at 1-866-851-2484 or by collect call outside North America at 1-416-867-2272 or by email at contactus@kingsdaleadvisors.com.

DATED at Vancouver, British Columbia, this 12th day of September, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Paul Robertson"*

Paul Robertson,
Chief Executive Officer (Interim)

If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

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MANAGEMENT INFORMATION CIRCULAR

(as at September 12, 2017, unless indicated otherwise)

This Circular and Meeting Materials are furnished in connection with the solicitation of proxy for use at the meeting of the shareholders of Eco Oro to be held on Tuesday, October 10, 2017 at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4 at 10:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Meeting.

Unless otherwise defined or the context requires otherwise, all capitalized terms used herein have the meaning ascribed to such terms under the heading "Glossary of Terms" of this Circular.

ADVISORIES

EXCHANGE RATE AND CURRENCY INFORMATION

On September 11, 2017, the rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was US\$1.00 equals \$1.2128. Unless otherwise indicated, in this Circular, references to U.S. dollars are on the basis of the relevant contract or agreement.

All dollar amounts herein are expressed in Canadian dollars ("C\$") unless otherwise indicated. References to "US\$" are references to the lawful currency of the United States of America.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Circular contains certain "forward-looking information" within the meaning of applicable securities law, which are prospective and reflect management's expectations relating to future events, the future activities and performance and business prospects and opportunities of the Company. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events, the future activities and performance and business prospects and opportunities of the Company. This forward-looking information includes, but is not limited to, statements concerning: the continuing pursuit of the Claim Proceedings and future payments of the Claim Proceeds; the implementation of the Settlement and the transactions contemplated thereunder, including, but not limited to, the implementation and timing of the Arrangement, the rescission of the Conversion including the cancellation of the New Shares and the reinstatement of the Notes and the termination of the May 8 Options; the timing of the Meeting and the Final Order; the stay and termination of the Litigation; the participation of Qualified Shareholders in the Basic Subscription Right and the Additional Subscription Privilege including the entitlement to their Interest in the Custody CVRs, Subscription Funds required to acquire their Interest in the Custody CVRs and timing to receive their Interest in the Custody CVRs; the impact and anticipated benefits that the Settlement will have on the Company; the anticipated Effective Date and consummation of the Settlement, including the Arrangement; the Company's strategies and objectives, both generally and specifically, in respect of the Angostura mineral project; and the delisting from the TSX and relisting on another recognized exchange and the timing thereof.

All information, other than statements of historical fact, included herein, including without limitation, information regarding the Claim Proceedings and Claim Proceeds, the Settlement, the Arrangement, the Litigation, the CVRs, plan of business operations, projections regarding future success based on past success, ability to identify and execute investments, investment philosophy and business purposes and potential benefits of the business are forward-looking information that involve various risks and uncertainties.

Although the Company believes that such forward-looking information is reasonable, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information.

Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in its documents filed from time to time with the applicable regulatory authorities and include, but are not limited to, uncertainties and risks related to: the Claim Proceedings, including the quantum of damages to be obtained and the realization or collection of the value of any award; the failure to complete the Settlement, which is conditional on obtaining requisite shareholder approval of the Conditional Resolutions and the granting of the Final Order; delays and deferrals in obtaining the requisite regulatory approval related to the Arrangement; the failure to obtain shareholder approval for any one of the Settlement Resolutions; the failure of Qualified Shareholders to provide Subscription Funds in a timely manner or at all; the occurrence of an Event of Default under the Custody CVR; investment performance; minority investments; availability of further financing to fund planned or further required work in a timely manner and on acceptable terms; changes in project parameters as plans continue to be refined; and uncertainties relating to the availability and costs of financing needed in the future, regulatory, environmental, political and other risks of the mining industry other risks discussed in disclosure documents filed by the Company with Canadian securities regulators as more fully described elsewhere in this Circular under "Risk Factors – Risks Relating to the Company", "Risk Factors – Risks Relating to the Settlement Agreement and the Arrangement" and "Risk Factors – Risks Related to the Custody CVRs, Receipts and Rights" as well as the management discussion and analysis and the Company's annual and interim financial statements and its 2017 AIF, all of which are available under the Company's profile on SEDAR at www.sedar.com.

Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. All forward-looking information in this Circular is made as of the date of this Circular. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors that affect this information, except as required by law.

GLOSSARY OF TERMS

“2017 AIF” means the Company’s annual information form for the year ended December 31, 2016 and dated March 27, 2017.

“Additional Receipts” means the Receipts available for subscription under the Additional Subscription Privilege, being Receipts evidencing an indirect interest in the economic benefits of the remaining Custody CVRs not allocated under the Basic Subscription Right.

“Additional Subscription Privilege” means the privilege of Qualified Shareholders, who comply with certain conditions as more particularly described in the Subscription Form and herein, to subscribe for their respective *Pro Rata Share* of Additional Receipts after the exercise of all of their Rights under the Basic Subscription Right.

“Agent” means Kingsdale Partners LP, a limited partnership existing under the laws of Canada, as registrar, information agent and custodian under the Rights Agency and Custodial Agreement governing the issuance and exercise of the Rights.

“Amber” means Amber Latin America LLC.

“Approved Shareholder” means an Entitled Shareholder who is resident in a Non-Qualified Jurisdiction but that, prior to October 4, 2017, demonstrates to each of the Agent and Company, in its sole and absolute discretion, that such Entitled Shareholder may hold and exercise a Right: (i) in compliance with the laws of such Non-Qualified Jurisdiction; (ii) without obligating the Company or any of the CVR Holders to file or issue a prospectus, registration statement or any other similar document qualifying or registering the issue, sale or distribution of the Rights, Receipts or the Custody CVRs; and (iii) without imposing any significant costs on the Company in order to comply with applicable laws of such Non-Qualified Jurisdiction and in doing so, the Company or the Agent may require that the Entitled Shareholder (at its sole cost) furnish such evidence (including certificates and opinions of counsel), as shall be satisfactory to each of the Company and the Agent in their sole and absolute discretion, to demonstrate that such Entitled Shareholder qualifies as an Approved Shareholder.

“Arbitration and Budget Committee” means the committee formed pursuant to the Arbitration and Budget Mandate (which is set out in Schedule “D” of the Settlement Agreement), the initial members of which are David Kay and Courtenay Wolfe.

“Arrangement” means an arrangement pursuant to Division 5 of Part 9 of the BCBCA giving effect to the Plan of Arrangement described under the heading “Section Five: The Arrangement”.

“Arrangement Resolution” means a special resolution to approve the Arrangement, the full text of which is set forth in Appendix “A”.

“Basic Receipts” means the Receipts available for subscription under the Basic Subscription Right, being Receipts evidencing an Interest in the Custody CVRs.

“Basic Subscription Rights” means the right of Qualified Shareholders to subscribe for up to their respective *Pro Rata Share* of the Basic Receipts upon the exercise of their Rights.

“BCBCA” means the *Business Corporations Act* (British Columbia).

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

“Budget” means the budget for the Company for the period from the date the Custody CVR is issued to the final resolution of the Claim Proceedings (together with such related and subsequent budgets that are approved in writing by the Custodian in its discretion).

“CCAA” means Companies’ Creditors Arrangement Act.

“Circular” means this management information circular dated September 12, 2017.

“Claim Proceedings” means any and all present or future claim, right of action, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or effort of any kind of the Company and its direct or indirect subsidiaries, including, but not limited to, any and all present or future proceedings under the Free Trade Agreement between Canada and the Republic of Colombia signed on November 21, 2008 and which came into force on August 15, 2011 or before ICSID, UNCITRAL, ICC, CRCICA or such other applicable dispute resolution bodies or courts, in each case relating to the Company’s dispute with the Republic of Colombia arising in connection with the Company’s ability to explore and exploit the Angostura mineral project and all present and future claims, rights, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or efforts regarding same.

“Claim Proceeding Rights” means the rights and entitlements of the Company or any affiliate, branch or subsidiary of the Company to and in connection with the Claim Proceedings, the Claim Proceeds, all rights in connection therewith and any interest therein, and any documents, books and records (or any copies thereof) used therein or related thereto in connection with the Claim Proceedings and/or any Claim Proceeds.

“Claim Proceeds” means all present and future value, order, award, entitlement or remuneration of any kind and in any form including, without limitation, any property, assets, cash, bonds, or any other form of payment or restitution, permit, license, consideration, refund or reimbursement of fees or similar right in each case paid, payable, recovered, owing to, due to, awarded to, ordered or otherwise received or to be received by the Company or any of its direct or indirect subsidiaries or affiliates of any kind, or any of their respective successors or assigns pursuant to or in respect of any settlement, award, order, entitlement, collection, judgment, sale, disposition, agreement or any other monetization of any kind of, in any way relating to the Claim Proceedings.

“Claim Proceeds Escrow Account” means an escrow account held by a depository bank or other escrow agent to which the Company is to deposit or cause to deposit all of the Claim Proceeds following the Final Award Date and which account is subject to an escrow agreement between such depository bank or escrow agent, the Company and the CVR Holders.

“Code” has the meaning herein provided under the heading “Section Six: Corporate Governance – Ethical Business Conduct”.

“Committee” has the meaning herein provided under the heading “Section Five: The Arrangement – The Custodian and the Custodian Agreement”.

“Company” or **“Eco Oro”** means Eco Oro Minerals Corp., a corporation existing under the laws of the Province of British Columbia.

“Company 2% CVRs” means the CVRs to be issued by the Company and representing up to 2% of the Claim Proceeds.

“Conditional Resolutions” has the meaning herein provided under the heading “Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – The Meeting and the Settlement Resolutions”.

“Contingent Value Rights Amount” means an amount equal to the entitlement to the gross amount of the Claim Proceeds represented by the Custody CVRs.

“Conversion” has the meaning herein provided under the heading “Section Eight: General Information – Interest of Informed Persons in Material Transactions”.

“Court” means the Supreme Court of British Columbia.

“Crystallex” means Crystallex International Corporation.

“Custodian” means Kingsdale Partners LP, which will hold the Custody CVRs for and on behalf of the Participating Entitled Shareholders as a safekeeping agent and depositary pursuant to the terms of the Custodian Agreement.

“Custodian CVR Certificate” has the meaning herein provided under the heading “Section Five: The Arrangement – Contingent Value Rights (CVRs)”.

“Custodian Agreement” means the custodian and depositary agreement to be entered into on or before the Effective Date between the Custodian and the Company, and to be agreed to by the Participating Entitled Shareholders pursuant to the Subscription Forms, pertaining to the Custodian holding the Custody CVRs for and on behalf of the Participating Entitled Shareholders.

“Custody CVRs” means the Company 2% CVRs together with the Existing CVRs.

“CVRA Payment Date” means the earlier of: (i) the business day upon which the Custodian received the Contingent Value Rights Amount; and (ii) the fifth (5th) business day after receipt by the Company or by any other person for and on behalf of the Custodian of any of the Claim Proceeds.

“CVRs” means contingent value rights issued or to be issued by the Company entitling the holders thereof to a percentage of the gross amount of the Claim Proceeds, if any.

“CVR Certificates” means contingent value rights certificates representing the Existing CVRs.

“CVR Holders” means, collectively, the holders of the CVRs on the Record Date.

“CVR Holder Amount” means, for each CVR Holder, an amount equal to (i) the entitlement to the Claim Proceeds (expressed as a percentage) transferred to the Company under the Plan of Arrangement represented by their CVRs transferred thereunder, (ii) divided by 12.1% and (iii) multiplied by US\$1,110,000.

“Default” means any event or circumstance which would, upon the expiry of any grace period, the giving of notice, the making of any determination or any combination of the foregoing constitute an Event of Default.

“Distribution Statement” has the meaning herein provided under the heading “Section Five: The Arrangement – The Contingent Value Rights (CVRs)”.

“Direct Registration System” means an electronic registration system which allows shareholders to hold Shares in their name in book-based form, as evidenced by a “DRS advice/statement” rather than a physical share certificate.

“Effective Date” means the date agreed to by the Company, Trexs and the Shareholder Group in writing as the effective date of the Arrangement after all of the conditions precedent to the completion of the Arrangement have been satisfied or waived, and the Final Order has been granted by the Court.

“Effective Time” means 12:01 a.m. (Vancouver time) on the Effective Date or such other time as agreed to by the Company, Trexs and the Shareholder Group in writing.

“Elected Directors” means the collectively, (i) the Tenor Nominees, (ii) the Shareholder Group Nominees and (iii) the Independent Director.

“Entitled Shareholder” means a shareholder on the Record Date, who is not a CVR Holder, and is entitled to vote at the Meeting.

“Event of Default” has the meaning given to it in the Custodian CVR Certificate.

“Existing CVRs” means the CVRs held by CVR Holders and to be reallocated under the Arrangement and representing up to 12.1% of the Claim Proceeds.

“Extraordinary Resolution” has the meaning herein provided under the heading “Section Five: The Arrangement – The Custodian and the Custodian Agreement”.

“Final Order” means the final order of the Court approving the Plan of Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless the appeal is withdrawn or denied, as affirmed or as amended on appeal provided that such order is satisfactory in form and substance to the Company, Trexs and the Shareholder Group.

“Final Award Date” means the date on which any award is entered or any settlement is concluded in respect of the Claim Proceedings, which award or settlement has not been stayed, reversed, vacated, rescinded, modified or amended in any respect, and any applicable appeal period in respect of which has expired or if an appeal has been filed, such appeal has been dismissed on a final basis without further appeal.

“Financing” has the meaning herein provided under the heading “Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – The Meeting and the Settlement Resolutions”.

“Full Subscription Price” means, for each Participating Entitled Shareholder, the Subscription Funds owing by it to fully participate in the Basic Subscription Right and subscribe for its *Pro Rata Share* of the Basic Receipts.

“Harrington” means Harrington Global Opportunities Fund Ltd. and Harrington Global Limited.

“Independent Director” means any independent director nominated through the Independent Director Process and currently means Lawrence Haber.

“Independent Director Process” means the process whereby an independent director (being a nominee that is not a Tenor Nominee or a Shareholder Group Nominee) is selected by Ms. Wolfe from a list of three candidates put forward by Trexs, where each person on such list (i) meets the criteria in the TSX Company Manual, and the criteria of “independence” under sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees*, on the basis of Eco Oro or Tenor being the issuer or listed company, as the case may be, and (ii) is not currently serving (and has not served within the past two (2) years) on any boards in which Mr. Kay is a director or in which Tenor, Trexs, or any affiliate thereof has or had, as the case may be, any investment.

“Interest in the Custody CVRs” means an indirect interest in the economic benefits of the Custody CVRs.

“Interim Order” means an order of the Supreme Court of British Columbia dated September 12, 2017 attached hereto as Appendix “B”.

“Intermediary” has the meaning herein provided under the heading “Section One: Proxy-Related Matters – Information For Non-Registered (Beneficial) Owners of Shares”.

“Investment Agreement” means the investment agreement between the Company and Trexs dated July 21, 2016.

“Investment Agreement Amendment” has the meaning herein provided under the heading “Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – A. Investment Agreement Amendment and Security Sharing Agreement Amendment”.

“Investment Transaction Documents” means the documents set out in Schedule “I” of the Settlement Agreement, including, *inter alia*, the Investment Agreement, the CVR Certificates, the Notes, the Security Sharing Agreement, the Security Sharing Agreement Amendment and Joinder, the Security Confirmation and all amendments or supplements to any such documents.

“Lighting” means Lighting Dock Geothermal HI-01, LLC.

“Litigation” means those proceedings identified in section 32 of the Settlement Agreement, which include, but are not limited to: (a) all proceedings commenced in the Divisional Court of Ontario as appeals from the April 23, 2017 order of the OSC, including but not limited to those proceedings bearing court file number ONSC No. 215/17; (b) the proceeding bearing court file number CV-17-11799-00CL commenced in the Ontario Superior Court of Justice (Commercial List) by the Company claiming that the Shareholder Group and others acted jointly or in concert in connection with a proxy contest in relation to the Company; (c) Court of Appeal file number CA 44413 in the British Columbia Court of Appeal, pursuant to which the Shareholder Group appealed from the Order of Justice J. P. Weatherill dated April 24, 2017 dismissing an oppression petition commenced by the Shareholder Group; (d) action number S173139 in the British Columbia Supreme Court, pursuant to which the Company and others commenced a claim for defamation against the Shareholder Group and Danny Guy; (e) petition numbers S175025, S175026 and S175027, pursuant to which Amber and Paulson, the Company and Trexs have sought relief pursuant to section 186 of the BCBCA, against the Shareholder Group and others; (f) petition number S175610 in the British Columbia Supreme Court, pursuant to which the Shareholder Group have sought relief against the Company and others in the form of a compliance order pursuant to section 228 of the BCBCA; and (g) petition number S1611747 in the British Columbia Supreme Court in which Rocco Meliambro and Donata Pica have commenced oppression proceedings against the Company in connection with the Investment Agreement and sought leave to bring a derivative action.

“Majority Voting Policy” has the meaning herein provided under the heading “Section Three: Matters to be Voted On at the Meeting – Election of Directors – Majority Voting for Directors”.

“May 8 Options” means the options to acquire Shares issued by the Company to each of Ms. Stylianides, Mr. Robertson, Mr. Marleau, Mr. Moseley-Williams, Mr. Weyrauch and Mr. O'Halloran on May 8, 2017 pursuant to the Option Plan.

“Meeting” means the annual general and special meeting of shareholders of the Company to be held on October 10, 2017, including any adjournment(s) or postponement(s) thereof.

“Meeting Materials” means this Circular and the accompanying materials to this Circular.

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

“MIP” means the management incentive plan of the Company dated January 13, 2017.

“MIP Amendment” means the amendment of the MIP as more fully described under the heading “Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – B. MIP Amendment”.

"MIP Committee" means the committee of the Board of Directors appointed to administer the MIP pursuant to the terms of the MIP.

"NEOs" means named executive officers.

"New Board" means the current Board of Directors comprised of Mr. Kay, Ms. Wolfe, Mr. McRae, Mr. Haber and Ms. Stylianides.

"New Shares" means the 10,600,000 Shares that were issued to the Noteholders pursuant to the Conversion on March 16, 2017.

"NI 54-101" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"NI 58-101" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"NOBOs" has the meaning herein provided under the heading "Section One: Proxy-Related Matters – Information for Non-Registered (Beneficial) Owners of Shares".

"Non-Qualified Jurisdiction" means any jurisdiction other than each of the Qualified Jurisdictions.

"Non-Qualified Shareholder" means a shareholder who is not a Qualified Shareholder.

"Non-Registered Shareholder" has the meaning herein provided under the heading "Section One: Proxy-Related Matters – Information for Non-Registered (Beneficial) Owners of Shares".

"Notes" means the convertible unsecured notes issued by the Company to Trexs on July 21, 2016 and issued by the Company to each of Paulson, Amber, Mr. Dichow and Ms. Stylianides (together with Trexs, the **"Noteholders"**) on November 9, 2016.

"Notice of Meeting" means the notice of meeting accompanying this Circular and dated as of the date hereof.

"Obligations" means (a) if calculated prior to the Final Award Date, the Contingent Value Rights Amount, or (b) if calculated on or after the Final Award Date, the Contingent Value Rights Amount plus any and all other amounts due and owing by the Company to the Custodian from time to time pursuant to the Custodian CVR Certificate or the Security Agreements.

"OBOs" has the meaning herein provided under the heading "Section One: Proxy-Related Matters – Information for Non-Registered (Beneficial) Owners of Shares".

"Option Plan" means the Amended and Restated Incentive Share Option Plan as initially approved by the shareholders on April 29, 2005.

"Order" has the meaning herein provided under the heading "Section Four: About Eco Oro's Nominees – Orders & Bankruptcies".

"OSC" means the Ontario Securities Commission.

"OSC Order" means the order issued by the OSC on April 23, 2017 as varied by an OSC order on August 28, 2017 (as may be further varied, amended, modified or supplemented from time to time) which, among other things, ordered that the Company not consider the New Shares of Trexs, Amber, Ms. Stylianides and Paulson that are subject to the Conversion "to be issued and outstanding for the purposes of voting" at the Meeting.

“Other Directors” has the meaning herein provided under the heading “Section Seven: Compensation Governance – Director Compensation”.

“Outside Date” means November 10, 2017.

“Participating Entitled Shareholders” means Entitled Shareholders who participate in the Arrangement and acquire Receipts pursuant to the terms thereof.

“Paulson” means PFR Gold Master Fund Ltd.

“Plan of Arrangement” means the plan of arrangement of Eco Oro, substantially in the form of Appendix “D” hereto, and any amendments or variations to such plan of arrangement.

“Pro Rata Share” means:

(a) in respect of Basic Receipts, the number determined by dividing (x) the number of Shares held by a Qualified Shareholder on the Record Date by (y) the total number of Shares held by Entitled Shareholders on the Record Date; and

(b) in respect of Additional Receipts, the number determined by dividing (x) the number of Shares held by a Qualified Shareholder on the Record Date that duly exercises the Additional Subscription Privilege by (y) the total number of Shares held by all Qualified Shareholders on the Record Date that have duly exercised the Additional Subscription Privilege.

“Qualified Jurisdictions” means the provinces and territories of Canada.

“Qualified Shareholder” means an Entitled Shareholder who is either (i) resident in a Qualified Jurisdiction or (ii) an Approved Shareholder.

“Quantum” means Quantum Advisory Partners LLP.

“Receipt” means a written confirmation to be issued by the Custodian evidencing proof of purchase of an Interest in the Custody CVRs.

“Record Date” means the close of business on August 11, 2017.

“Register” has the meaning herein provided under the heading “Section Five: The Arrangement – The Custodian and the Custodian Agreement”.

“Registered Shareholder” has the meaning herein provided under the heading “Section One: Proxy-Related Matters – Information for Registered Owners of Shares”.

“Requisitioned Meeting” has the meaning herein provided under the heading “Section Three: Matters to be Voted On at the Meeting”.

“Right” means a non-transferable right to acquire an Interest in the Custody CVRs.

“Rights Agency and Custodial Agreement” means a rights agency and custodial agreement between the Company and the Agent dated September 12, 2017.

“Rights Holder” means shareholder that holds a Right.

“Security Agreements” means the Colombian law governed security agreements and such other security agreements, charges, pledges and assignments as the Custodian may reasonably require.

"Security Confirmation" means the confirmation to be executed by the Company in connection with the Arrangement in relation to the security documents outlined in the Security Sharing Agreement.

"Security Sharing Agreement" means the security sharing agreement dated November 9, 2016 among the CVR Holders.

"Security Sharing Agreement Amendment" has the meaning herein provided under the heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – A. Investment Agreement Amendment and Security Sharing Agreement Amendment".

"Security Sharing Agreement Amendment and Joinder" means the agreement titled as such to be entered into among the CVR Holders and the Custodian and acknowledged and consented to by the Company.

"Settlement" means the completion of the transactions contemplated by the Settlement Agreement.

"Settlement Agreement" means the settlement agreement dated July 31, 2017 and amended and restated on September 11, 2017, entered into between the Company and certain of its shareholders representing approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting, including the Shareholder Group providing for, among other things, the calling of the Meeting and settlement of the Litigation.

"Settlement Resolutions" has the meaning herein provided under the heading "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – The Meeting and the Settlement Resolutions".

"Settlement Shareholders" means those Shareholders (as such term is defined in the Settlement Agreement) who are party to the Settlement Agreement.

"Settlement Parties" means the parties to the Settlement Agreement, and each, a **"Settlement Party"**.

"Shares" means common shares in the capital of the Company.

"shareholders" means the holders of Shares.

"Shareholder Group" means, collectively, Harrington and Ms. Wolfe.

"Shareholder Group Nominees" means Ms. Wolfe and Mr. McRae or any replacements thereof nominated by the Shareholder Group in accordance with the Settlement Agreement.

"Subscription Deadline" means 5:00 p.m. (Toronto time) on October 4, 2017.

"Subscription Form" means the BLUE form for Registered Shareholders and the GREEN form for Non-Registered Shareholders to be completed by Qualified Shareholders in order to exercise their Rights and participate in the Basic Subscription Right and (if applicable) the Additional Subscription Privilege.

"Subscription Funds" means any and all monies deposited with the Agent by the Qualified Shareholders for the purchase of an Interest in the Custody CVRs under the Basic Subscription Right and Additional Subscription Privilege, which monies must be in the form of a certified cheque or bank draft payable to the Agent.

"TICAF" means Tenor International & Commercial Arbitration Fund.

"Tenor" means Tenor Capital Management Company, L.P.

“Tenor Nominees” means Mr. Kay and Ms. Stylianides or any replacements thereof nominated by Tenor in accordance with the Settlement Agreement.

“Transferred CVRs” means in respect of each CVR Holder, the CVRs to be transferred by such CVR Holder to the Company pursuant to the Plan of Arrangement, which CVRs shall represent an entitlement, expressed as a percentage, to the gross amount of the Claim Proceeds calculated pursuant to the terms of the Plan of Arrangement.

“Trexs” means Trexs Investments, LLC, an entity managed by Tenor.

“TSX” means the Toronto Stock Exchange.

“VIF” means a voting instruction form.

“Waiver” has the meaning herein provided under the heading “Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – Covenants”.

“Waiver Termination Date” has the meaning herein provided under the heading “Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – Covenants”.

SUMMARY

The following is a summary of certain information contained elsewhere in this Circular, including the Appendices hereto, and is provided for convenience only and is qualified in its entirety by reference to the more complete and detailed information contained or referred to elsewhere in this Circular, the Appendices hereto and under the Company's profile on SEDAR at www.sedar.com.

THE MEETING

Details of the Meeting

The Meeting will be held at the offices of Norton Rose Fulbright Canada LLP, located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4, on Tuesday, October 10, 2017 at 10:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Meeting.

The Meeting constitutes the Company's annual general meeting of the shareholders and the Requisitioned Meeting. At the Meeting, shareholders will be asked to vote on the Settlement Resolutions, including among others, the Arrangement Resolution, the full text of which is set out in Appendix "A", and certain other resolutions that come before the Meeting. See "Section Three: Matters to be Voted On at the Meeting".

Record Date

The Record Date for determining the shareholders entitled to receive notice of and to vote at the Meeting is the close of business on August 11, 2017.

See "Section One: Proxy-Related Matters" for information on how to vote your proxy at the Meeting.

BACKGROUND TO THE SETTLEMENT

The Company and certain concerned shareholders have been involved in civil and regulatory proceedings primarily related to the refinancing transactions undertaken by the Company in 2016 involving Trexs and certain other shareholders, including the issuance of CVRs and Notes by the Company pursuant to those transactions. Responding to these proceedings has required the commitment of significant corporate resources and caused the Company to incur substantial expense. The Company and the concerned shareholders agreed that there is a commonality of interest in reducing the expenses related to the prosecution and defence of these proceedings and have agreed to propose the Settlement.

Accordingly, effective as of July 31, 2017, the Company and certain of its shareholders representing approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting, including the Shareholder Group, entered into the Settlement Agreement that provides, among other things, the calling of the Meeting and the resolution of all pending Litigation. The Settlement Agreement was amended and restated on September 11, 2017, removing, *inter alia*, any reference made to the previously proposed amendment of the Notes.

The transactions contemplated by the Settlement Agreement will, upon their implementation, resolve all outstanding Litigation relating to, among other things, the Company's composition of the Board of Directors, the investments by Trexs and others and the Meeting. In addition, Trexs has provided a temporary waiver of all existing defaults and events of default under the relevant Investment Transaction Documents, which waiver will become permanent upon completion of the Settlement.

The Settlement Agreement provides for the following, *inter alia*:

1. *New Board*: The existing Board of Directors was reconfigured to consist of five (5) members, comprising of two (2) Tenor Nominees (David Kay and Anna Stylianides), two (2) Shareholder Group Nominees (Courtenay Wolfe and Peter McRae) and one (1) Independent Director nominee (Lawrence Haber). Former members of the Board of Directors, Hubert Marleau, Derrick Weyrauch and Kevin O'Halloran, resigned on July 31, 2017. Mr. Kay and Ms. Wolfe each carry the title of "Co-Executive Chair" of the Company.
2. *The Meeting*: The Meeting also constitutes the Requisitioned Meeting and shareholders will be asked to vote on the Settlement Resolutions, including the cross-conditional Conditional Resolutions, as described herein under the heading "Summary of the Settlement Agreement – The Meeting and Settlement Resolutions".
3. *Certain Covenants*: The covenants agreed to under the Settlement Agreement include, among others, (a) the Company covenanted that they believe that future financings (equity, debt or otherwise), including but not limited to the Financing, should, if possible, be structured to enable all shareholders to participate on a *pro rata* basis (subject to the fiduciary duties of the Board of Directors), (b) the Settlement Shareholders covenanted to ensure that the Board of Directors establish an Arbitration and Budget Committee (see "Section Six: Corporate Governance – Committees – Arbitration and Budget Committee"), and (c) subject to certain exceptions, the Settlement Shareholders covenanted that the Company shall not, subject to certain exceptions, enter into any related party transactions (as defined under MI 61-101) and will not incur any funded indebtedness for borrowed money. The covenants agreed to under the Settlement Agreement are more fully described under the heading "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement".
4. *Standstill*: The Settlement Parties agreed to provide certain standstill assurances which will remain in effect until following the Company's annual general meeting of shareholders in 2022.
5. *Cancellation of New Shares*: An agreement that the Conversion that occurred on March 16, 2017 and resulted in the issuance of 10,600,000 New Shares shall be rescinded as part of the Arrangement.
6. *The Arrangement*: The Settlement Shareholders agreed to support the Arrangement, which is more fully described below under the heading "Summary – The Arrangement".
7. *Stay and Termination of Litigation*: All outstanding Litigation between the Settlement Parties was adjourned and the Settlement Parties have agreed that, following the approval of all of the Settlement Resolutions at the Meeting, the Settlement Parties will consent to the dismissal of such Litigation, without costs or prejudice and have generally agreed not to commence any further litigation against one another in any jurisdiction.

See "Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement" for more information.

THE ARRANGEMENT

This summary is qualified in its entirety by reference to full text of the Plan of Arrangement which is appended hereto as Appendix "D".

In accordance with the terms of the Settlement Agreement, shareholders will be asked to approve the Arrangement.

The Plan of Arrangement

Pursuant to the Arrangement, Qualified Shareholders are entitled to subscribe for non-transferrable Receipts to be issued by the Custodian evidencing an Interest in the Custody CVRs held by the Custodian. The Qualified Shareholders are entitled to subscribe for, under the Basic Subscription Privilege, their *Pro Rata Share* of the Basic Receipts and, in the event that not all Qualified Shareholders elect to exercise their Basic Subscription Right, Qualified Shareholders that fully participate in the Basic Subscription Right may elect to participate in the Additional Subscription Privilege.

As a step in the Plan of Arrangement, the Conversion will be rescinded, the New Shares will be cancelled and the Company will reinstate and reissue that portion of the Notes originally converted and that existed immediately prior to the issuance of the New Shares to the Noteholders. In addition, the May 8 Options will be terminated for no consideration.

The Arrangement Steps

Commencing at the Effective Time, the following events and transactions will occur and shall be deemed to occur in the following order in, unless otherwise stipulated, five (5) minute increments, without any further act or formality:

- each CVR Holder shall be deemed to have made its Transferred CVRs available for reallocation in accordance with the Plan of Arrangement and in connection therewith each CVR Holder shall be entitled to an amount equal to such CVR Holder's CVR Holder Amount;
- the following will occur concurrently:
 - the Rights shall be exercised;
 - each Participating Entitled Shareholder shall be entitled to its Interest in the Custody CVR to the extent they validly participated in the Basic Subscription Right and Additional Subscription Privilege and each such Participating Entitled Shareholder shall be entitled to a Receipt evidencing such fact;
 - the Company shall provide to the Custodian, for and on behalf of the Participating Entitled Shareholders, the Custody CVRs (and shall be required to furnish to the Custodian, the Custodian CVR Certificate representing the Custody CVRs);
 - the Company shall provide each CVR Holder replacement CVRs (and shall be required to furnish to each CVR Holder a replacement CVR certificate) representing the balance of their CVRs not transferred;
 - the Company will be deemed to have directed the Agent to pay the Subscription Funds owing to the Company to each CVR Holder in an amount equal to the CVR Holder Amount in full satisfaction of the Company's obligation to pay such amount to a CVR Holder for the Transferred CVRs;
 - the Subscription Funds held by the Agent in respect of the purchase price for Receipts received from the Participating Entitled Shareholders shall cease to be held by the Agent on behalf of the Participating Entitled Shareholder depositing such funds and instead shall be held by the Agent on behalf of the CVR Holders in an amount equal to their CVR Holder Amount and the balance of the Subscription Funds, representing overpayments by Entitled Shareholders, shall continue to be held by the Agent on behalf of the Entitled Shareholder depositing such Subscription Funds, which shall be refunded pursuant to the Plan of Arrangement;

- the Security Sharing Agreement Amendment and Joinder shall become effective and binding on the parties thereto and the Custodian shall hold the economic benefits of such agreement for the benefit of the holders of Receipts;
- the Conversion shall be rescinded and deemed to have been of no force or effect, the New Shares shall be cancelled and the principal amount of the Notes converted as part of the Conversion shall be reinstated in the name of the holder of each such Note, such that the Notes shall be outstanding in the principal amount of each such Note immediately prior to the Conversion and all interest shall be deemed to have accrued on full principal amount of the Notes as if the Conversion had not occurred; and
- the May 8 Options will be terminated for no consideration and shall cease to have any effect whatsoever.

The Rights

On September 8, 2017 the Company issued non-transferable Rights, on a *pro rata* basis, to each Registered Shareholder and Non-Registered Shareholder as of the Record Date. The Rights represent an entitlement to acquire an indirect interest in the economic benefit of the Claim Proceeds. Each Right will permit a Qualified Shareholder to subscribe their *Pro Rata Share* of the Basic Receipts under the Basic Subscription Right and will allow Qualified Shareholders that fully participate in the Basic Subscription Right to, under the Additional Subscription Privilege, acquire their *Pro Rata Share* of the Additional Receipts which will evidence, in aggregate, the remaining maximum number of Custody CVRs not allocated under the Basic Subscription Right.

For more information on the Rights, see “Section Five: The Arrangement – The Rights”.

Only Qualified Shareholders, being Entitled Shareholders in a Qualified Jurisdiction or an Approved Shareholder, will be permitted to exercise their Rights and acquire a Receipt. A Qualified Shareholder may elect to exercise its Right in accordance with the procedures described in the Subscription Form and this Circular at any time up until 5:00 p.m. (Toronto time) on October 4, 2017.

In order to qualify to participate in the Additional Subscription Privilege, Qualified Shareholders must deposit with the Agent an amount equal to not less than 150% of the Subscription Funds owing by it under the Basic Subscription Privilege.

For more information on whether you are a Qualified Shareholder and how to exercise your Rights, see “Section Five: The Arrangement – The Rights – Terms and Conditions of the Rights” and “Section Five: The Arrangement – The Rights – Exercise Procedure for the Rights”.

The Receipts

The Receipt will evidence a Participating Entitled Shareholder's Interest in the Custody CVRs. Holders of Receipts are not entitled to become registered holders of Custody CVRs and will hold their Interest in the Custody CVRs solely through a Receipt. The Custody CVRs will be held by the Custodian pursuant to the Custodian Agreement. The rights of Participating Entitled Shareholders to the economic benefit under the Claim Proceedings will be limited to their Interest in the Custody CVRs pursuant to the terms of the Custodian Agreement. The receipts are non-transferable. Holders of Receipts will not receive and are not entitled to request a physical certificate evidencing such Receipts.

For more information on the Receipts, see “Section Five: The Arrangement – The Receipts”.

The Contingent Value Rights (CVRs)

Each CVR represents the right to a specified percentage of the gross amount of the Claim Proceeds. Participating Entitled Shareholders will have an Interest in the Custody CVRs which Custody CVRs will be evidenced by the Custodian CVR Certificate. The Custodian CVR Certificate will be registered in the name of the Custodian and held for and on behalf of the Participating Entitled Shareholders, pursuant to the Custodian Agreement. Pursuant to the Custodian CVR Certificate, the Company will make certain representations, warranties and covenants to and in favour of the Custodian, the details of which are summarized under the heading “Section Five: The Arrangement – Contingent Value Rights (CVRs)”.

The obligations of the Company in respect of the CVRs are secured against substantially all of the assets of the Company.

Prior to any distribution of any and all Claim Proceeds, the Company will calculate the Contingent Value Rights Amount and submit a Distribution Statement, which will conform to a descending order of payments for the distribution of the Claim Proceeds.

For more information on the CVRs and the Custodian Agreement, see “Section Five: The Arrangement – Contingent Value Rights (CVRs)”.

Procedure for the Arrangement to Become Effective

Pursuant to the Settlement Agreement, shareholders will be asked at the Meeting to consider and, if deemed appropriate, approve the Arrangement Resolution. The Interim Order provides that the Arrangement Resolution will require the affirmative vote of at least 66 2/3% of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting, with each shareholder entitled to one (1) vote for each Share held on the Record Date.

If the Arrangement Resolution is approved at the Meeting and the other conditions to the Arrangement are met, the Company intends to promptly seek the Final Order and implement the Arrangement.

Court Approval

A plan of arrangement under the BCBCA requires Court approval. On September 12, 2017, the Company obtained an Interim Order from the Court authorizing and directing the Company to call, hold and conduct the Meeting and to submit the Arrangement to the shareholders for approval. The Company has filed a Notice of Hearing of Petition for the Final Order to approve the Arrangement. Subject to the terms of the Settlement Agreement and approval of the Arrangement Resolution by shareholders at the Meeting in the manner required by the Interim Order, the Company will make an application to the Court for the Final Order on October 12, 2017. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Copies of the Interim Order and the Notice of Hearing of Petition for the Final Order are attached as Appendices “B” and “C”, respectively, to this Circular.

Timing

Subject to attaining the requisite approvals specified in this Circular, the Company currently expects the Effective Date to occur in October, 2017, however it is not possible to determine with certainty when or if the Effective Date will occur.

The Settlement Agreement may be terminated in certain circumstances, see “Section Two: Background Information and Reasons for the Settlement – Summary of the Settlement Agreement – The Meeting and the Settlement Resolutions”. The Settlement Agreement provides that, if (i) any of the Settlement

Resolutions are not approved at the Meeting or in any event by the Outside Date, or (ii) the Financing is not approved by the New Board (including each of the Tenor Nominees) by November 30, 2017, then each of the Shareholder Group Nominees and the Independent Director shall be deemed to have immediately resigned and the Settlement Agreement shall terminate. However, in the case of clause (i) above only, if such failure results from delays in obtaining all required regulatory approvals that are beyond the control of the Company in certain circumstances, then the Company may continue to attempt to obtain such regulatory approvals until December 31, 2017, following which the resignations shall be deemed to occur.

RISK FACTORS

The following risk factors should be carefully considered by shareholders in evaluating whether to approve the Settlement Resolutions and should be considered in conjunction with the information contained in this Circular:

Risks Related to the Company

- Shareholders should carefully consider the risks described in the Company's management discussion and analysis and the 2017 AIF, which is filed under the Company's profile on SEDAR at www.sedar.com.

Risks Related to the Settlement Agreement and the Arrangement

- Completion of the Settlement is subject to a number of conditions precedent, including obtaining the requisite shareholder approval of the cross-conditional Conditional Resolutions and the granting of the Final Order;
- The Company is at risk of being delisted from the TSX and may seek a listing of its Shares on another recognized stock exchange in Canada;
- Completion of the Settlement may not be on the terms as described in this Circular and completion of the Arrangement may be delayed and Qualified Shareholders may have to wait longer than expected to receive their Interest in the Custody CVRs;
- If the Settlement is not completed, the outstanding Litigation involving the parties will resume, placing significant financial and management burdens on the Company in connection with its prosecution and defence;
- Any delay or deferral of the requisite regulatory approvals related to the Arrangement could adversely affect the business and operations of the Company, regardless of whether the Settlement is ultimately completed;
- The market price of the Shares may decline;
- Certain shareholders, directors and officers may have interests in the Settlement that are different from other shareholders; and
- The Arrangement may have adverse tax consequences for shareholders and no tax advice or opinion whatsoever is being provided in this Circular.

Risks Related to the Custody CVRs, Receipt and Rights

- Holders of Receipts may never receive Claim Proceeds as the payout of Claim Proceeds is dependent on the satisfaction of certain payout conditions;

- Qualified Shareholders who agree to participate in the Additional Subscription Privilege may be required to subscribe and pay for more than they anticipate if fewer than expected Qualified Shareholders exercise the Basic Subscription Right or Additional Subscription Privilege. Without knowing how many Qualified Shareholders will subscribe for Receipts under the Basic Subscription Rights and/or the Additional Subscription Privilege, the Company is unable to determine the applicable *Pro Rata Share* of Additional Receipts for each Qualified Shareholder participating in the Additional Subscription Privilege. Depending on these factors, a Qualified Shareholder agreeing to participate in the Additional Subscription Privilege may be required to subscribe and pay for all of the Receipts owed to a maximum of US\$1,110,000;
- Qualified Shareholders must act promptly to ensure that all required forms and payments, including any deficit payments related to the exercise of the Additional Subscription Privilege, are actually received by the Agent pursuant to the terms of the Subscription Form;
- The Canadian federal income tax consequences to a shareholder in respect of the receipt of the Receipts and an Interest in the Custody CVRs and the reporting of amounts in respect thereof are not entirely clear and therefore, Qualified Shareholders are urged to consult their own tax advisors;
- The Receipts and Interests in the Custody CVRs are not transferable;
- If the Company does not comply with the terms of the CVRs, the Company could be required to repay the full unpaid balance of the obligations under the CVRs and the Company can provide no assurance that additional funding would be available to it to pay such obligations or if such financing is available that it will be available on terms favourable to the Company; and
- The Custodian will have no direct obligation whatsoever to indemnify Trexs under the Security Sharing Agreement and instead, pursuant to the Custodian Agreement and the Security Sharing Agreement Amendment and Joinder, each of the Participating Entitled Shareholders shall be directly and personally (severally on a *pro rata* basis based on its entitlement to receive Claim Proceeds) responsible for, and by completing a Subscription Form will have agreed to, any such indemnity under the Security Sharing Agreement. It is important for Participating Entitled Shareholders to review the terms of the Custodian Agreement in its entirety, the form of which is available under the Company's profile on SEDAR at www.sedar.com.

See “Section Two: Background Information and Reasons for the Settlement – Risk Factors” for more information.

RECOMMENDATION OF THE BOARD OF DIRECTORS

After consulting its legal advisors, and after careful consideration of the terms of the Settlement Agreement and the transactions contemplated thereby, the Board of Directors (as constituted prior to the appointment of the New Board) unanimously (both with Mr. Kay and Ms. Stylianides abstaining from voting and with Mr. Kay and Ms. Stylianides voting) determined that the Settlement Agreement and the transactions contemplated thereby are in the best interests of the Company. The New Board has also determined that the Settlement Agreement and the transactions contemplated thereby are in the best interests of the Company.

The Board of Directors recommends that the shareholders vote FOR each of the Settlement Resolutions.

Reasons for the Recommendation of the Board of Directors

In evaluating and entering into the Settlement Agreement and in making their unanimous (both with Mr. Kay and Ms. Stylianides abstaining from voting and with Mr. Kay and Ms. Stylianides voting) recommendation that the shareholders vote in favour of the Settlement Resolutions, the Board of Directors (as constituted prior to the appointment of the New Board) considered and relied upon a number of factors, including the following, *inter alia*:

Procedural Fairness

- The Arrangement is the result of arm's-length negotiations between parties adverse in interest who represented a significant number of shareholders with divergent views;
- The transactions contemplated under the Settlement Agreement will only be completed if all of the Settlement Resolutions are approved by the shareholders at the Meeting;
- In order for shareholders to form a reasoned judgment with respect to the matters to be voted on at the Meeting, they will be provided with Meeting Materials that contain sufficient disclosure on the Settlement Agreement and the transactions contemplated thereby; and
- If the requisite shareholder approval of the Settlement Resolutions is obtained, completion of the Arrangement will be subject to judicial determination as to its substantive and procedural fairness.

Substantive Fairness

- Under the terms of the Arrangement, shareholders will have the opportunity to obtain the economic benefit of any award in the Claim Proceedings, similar to the CVR Holders;
- The Board of Directors (as constituted prior to the appointment of the New Board) and the independent directors of the Company obtained legal advice prior to entering into the Settlement Agreement;
- Following a period of uncertainty, the Settlement Agreement contemplates the termination of all outstanding Litigation, eliminating a significant burden on the Company and period of uncertainty in connection with the prosecution and defence of the outstanding Litigation; and
- Pursuant to the Settlement Agreement, the Settlement Shareholders, who together hold or exercise control and direction over approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting, have agreed to vote such Shares in favour of the Arrangement Resolution at the Meeting.

Risks

- The Board of Directors (as constituted prior to the appointment of the New Board) considered the risk of not completing the transactions contemplated under the Settlement Agreement for reasons out of the control of the Company and considered the potential adverse effect of not completing such transactions, taking into consideration the Company's business and business plan, Share price and ability to retain key talent; and
- The subscription for Receipts is subject to a number of risks, including, but not limited to, (a) no Claim Proceeds may be received as a result of unsuccessful Claim Proceedings, (b) an uncertain *Pro Rata Share* under the Additional Subscription Privilege whereby subscribers may receive more or less Receipts than anticipated once the Additional Subscription Privilege is completed, and (c) other risks associated with completing and submitting the Subscription Form appropriately.

The above noted reasons are not to be considered exhaustive and further details can be found under the heading “Section Two: Background Information and Reasons for the Settlement – Reasons for the Recommendation”.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON

In considering the recommendations of the Board of Directors, shareholders should be aware that, as disclosed in this Circular, certain members of the Board of Directors have interests in the Settlement or may receive benefits that may differ from, or be in addition to, the interests of the shareholders generally.

See “Section Eight: General Information – Interest of Certain Persons or Companies in Matters to be Acted On” for more information.

SECTION ONE: PROXY-RELATED MATTERS

SOLICITATION OF PROXIES

This solicitation is made on behalf of the management of the Company. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, by telephone, internet or fax by the directors and regular employees of the Company. Kingsdale Advisors has also been retained by the Company as its strategic shareholder advisor, proxy solicitation and information agent in connection with the solicitation of proxies for the Meeting. For solicitation services provided by Kingsdale Advisors, it will receive a fee of \$50,000, plus disbursements. If you have any questions, or require more information with regard to voting your proxy, please contact Kingsdale Advisors toll free in North America at 1-866-851-2484 or at 1-416-867-2272 outside of North America; or by e-mail at contactus@kingsdaleadvisors.com. All costs of the solicitation and costs incurred in the preparation and mailing of the form of proxy (in the form accompanying this Circular), Notice of Meeting, Subscription Form and this Circular will be borne by the Company.

For further information relating to Registered Shareholders and Non-Registered Shareholders, see the discussion below under the headings “Section One: Proxy-Related Matters – Information for Registered Owners of Shares” and “Section One: Proxy-Related Matters – Information for Non-Registered (Beneficial) Owners of Shares”.

APPOINTMENT OF PROXIES AND VOTING INSTRUCTIONS

The individuals named in the accompanying form of proxy are directors and/or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S OR COMPANY’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES OR BY COMPLETING ANOTHER FORM OF PROXY.** To be valid, a proxy must be in writing and executed by the shareholder or his or her attorney authorized in writing, unless the shareholder chooses to complete the proxy by telephone or internet as described in the enclosed proxy form. Completed proxies must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment(s) or postponement(s) thereof. Late proxies may be accepted or rejected by the Co-Chairs of the Meeting at their discretion. The Co-Chairs of the Meeting may waive or extend the proxy cut-off without notice.

INFORMATION FOR REGISTERED OWNERS OF SHARES

You are a “**Registered Shareholder**” if you hold Shares in your name and you have a share certificate or evidence of ownership under a Direct Registration System, such as a DRS advice/statement. As a Registered Shareholder, you are identified on the share register maintained by the Company’s register and transfer agent, Computershare Investor Services Inc., as being a shareholder. If you are a Registered Shareholder, you may vote in person at the Meeting, you may appoint another person to represent you as proxyholder and vote your Shares at the Meeting or you may vote by mail, telephone, internet or fax. If you do not wish to attend the Meeting or do not wish to vote in person, you may complete and return the enclosed proxy in accordance with the instructions provided therein and below.

Before the official start of the Meeting on October 10, 2017, please register with the representative(s) from Computershare Investor Services Inc., which will be acting as scrutineer at the Meeting, who will be situated at a welcome table outside the room in which the Meeting will be held. Once you are registered with the scrutineer, your proxy will only be revoked and your vote will be requested and counted at the Meeting on your request to the scrutineer.

The persons named in the accompanying proxy are directors and/or officers of the Company and are nominees of management. You can choose to have management's appointee vote your Shares or you may appoint a person of your choice by striking out the printed names and inserting the desired person's name and address in the blank space provided. Please note that your vote can only be counted if the person you appointed attends the Meeting and votes on your behalf and the proxy has been properly completed and executed.

If you are able to join us in person for the Meeting and wish to vote your Shares in person, you are still encouraged to complete and return the enclosed proxy.

To be valid, the balance of the proxy must be completed, signed and delivered to:

**Computershare Investor Services Inc.
Proxy Department, 100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1**

Proxies must be received no later than 10:00 a.m. (Toronto time) on October 5, 2017, or, if the Meeting is adjourned or postponed, no later than 10:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and holidays) that is 48 hours preceding the time of the adjourned or postponed Meeting. The Co-Chairs of the Meeting may waive or extend the proxy cut-off time at his/her discretion without notice.

You may also vote by any touch-tone telephone by calling toll free in Canada and U.S. at 1-866-732-VOTE (8683) or by internet at www.investorvote.com and enter your control number located on the enclosed form of proxy.

Revoking Your Proxy

If you have submitted a proxy and later wish to revoke it, you can do so by re-voting your proxy by telephone or by completing and signing a proxy bearing a later date and sending it to Computershare Investor Services Inc. Your vote must be received no later than 10:00 a.m. (Toronto time) on October 5, 2017 or, if the Meeting is adjourned or postponed, no later than 10:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and holidays) that is 48 hours preceding the time of the adjourned or postponed Meeting. A later dated proxy automatically revokes any previously submitted proxy. You can also send a written statement indicating you wish to have your proxy revoked. This written statement must be (i) received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to 10:00 a.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used, or (ii) deposited with the Co-Chairs of the Meeting before the Meeting starts on the day of the Meeting or any adjournment(s) or postponement(s) thereof.

INFORMATION FOR NON-REGISTERED (BENEFICIAL) OWNERS OF SHARES

The Shares owned by many shareholders of the Company are not registered on the records of the Company in the beneficial shareholders' own names. Rather, such Shares are registered in the name of a bank, broker, trust company or other intermediary, or in the name of a clearing agency (referred to in this Circular as an "**intermediary**" or "**intermediaries**"). Shareholders who do not hold their Shares in their own names ("**Non-Registered Shareholders**") should note that **only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. A Non-Registered Shareholder cannot be recognized at the Meeting for the purpose of voting his or her Shares unless such holder is appointed by the applicable intermediary as a proxyholder.**

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBOs**". Those Non-Registered Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as "**OBOs**". The Company intends to pay for intermediaries to forward the

Meeting Materials to OBOs under NI 54-101 and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*.

Meeting Materials sent to Non-Registered Shareholders are accompanied by a VIF. This form is provided instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Shareholder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs, whether provided by the Company or by an intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Shares that they beneficially own. If a Non-Registered Shareholder who receives a VIF wishes to attend the Meeting or have someone else attend the Meeting on his or her behalf, then the Non-Registered Shareholder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Shareholder or his or her nominee the right to attend and vote at the Meeting.

In addition to those procedures, NI 54-101 allows a NOBO to submit to the Company or an applicable intermediary a document in writing that requests that such NOBO or its nominee be appointed as the NOBO's proxyholder. If such a request is received, the Company or the intermediary, as applicable, must arrange, without expense to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions at least 24 hours (excluding Saturdays, Sundays and holidays) prior to the time at which proxies are to be submitted for use at the Meeting; accordingly, any such request must be received by 10:00 a.m. (Toronto time) on October 5, 2017.

IF YOU ARE A NON-REGISTERED SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE "REQUEST FOR VOTING INSTRUCTIONS" THAT ACCOMPANIES THIS CIRCULAR.

Revoking Voting Instructions

If you have submitted a VIF and later wish to revoke it, you can do so by re-voting your VIF by telephone or by completing and signing a VIF bearing a later date and sending it to the address set out on the VIF. Your vote must be received no later than 10:00 a.m. (Toronto time) on October 5, 2017 or, if the Meeting is adjourned or postponed, no later than 10:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and holidays) that is 48 hours preceding the time of the adjourned or postponed Meeting. A later dated VIF automatically revokes any previously submitted VIF. You can also revoke your voting instructions by following the procedures provided by your intermediary. Your intermediary must send a written statement indicating you wish to have your voting instructions revoked. This written statement must be (i) received Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to 10:00 a.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used, or (ii) deposited with the Co-Chairs of the Meeting before the Meeting starts on the day of the Meeting or any adjournment(s) or postponement(s) thereof.

EXERCISE OF DISCRETION

The management representatives designated in the enclosed proxy will vote or withhold from voting your Shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with your instructions as indicated on the proxy and if you specify a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

SHARES REPRESENTED BY PROXY WILL BE VOTED FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.

In the absence of any direction, your Shares will be voted by the management representatives as follows:

- FOR the size of the Company's number of directors to be set at five (5);
- FOR the election of the Company's nominees to the Board of Directors;
- FOR the appointment of Davidson & Company LLP as auditor of the Company;
- FOR the approval of the unallocated options to purchase Shares under the Option Plan of the Company;
- FOR the Arrangement Resolution;
- FOR the resolution approving the amendments to the Investment Agreement and the Security Sharing Agreement; and
- FOR the resolution approving the MIP Amendment.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed as proxyholder thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested.

At the time of the printing of this Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of Shares. As at the date hereof, the Company has 117,124,953 fully paid and non-assessable Shares issued and outstanding, each Share carrying the right to one vote. However, as a result of the OSC Order, only 106,524,953 Shares are entitled to vote at the Meeting. The Company has no other classes of voting securities.

Any shareholder of record at the close of business on August 11, 2017, who either personally attends the Meeting or who has completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have his or her Shares (other than, in accordance with the OSC Order, the New Shares) voted at the Meeting. A quorum for the transaction of business at the Meeting will consist of two or more persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 5% of the Shares entitled to vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, the only persons or companies who beneficially own, or control or direct, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares as at the date hereof are:

Name	No. of Shares⁽¹⁾	Percentage of the Class⁽¹⁾
Trexs, an entity managed by Tenor	18,355,733	15.7%
Amber Capital LP, on behalf of one or more of the funds or other discretionary client accounts managed by it	22,203,658	19.0%
Paulson & Co. Inc.	13,339,961	11.4%

Notes:

- (1) Pursuant to the OSC Order, 7,747,508, 1,655,150, 1,162,126 Shares held by Trexs, Amber and Paulson, respectively, are not permitted to be voted at the Meeting and will not be voted.

SECTION TWO: BACKGROUND INFORMATION AND REASONS FOR THE SETTLEMENT

BACKGROUND TO THE SETTLEMENT

Over the past several months, the Company has been involved in both prosecuting and defending multiple complex and protracted civil and regulatory proceedings initiated in the provinces of British Columbia and Ontario involving several groups of concerned shareholders of the Company. The proceedings primarily relate to the refinancing transactions completed by the Company in 2016 involving Trexs and certain other existing shareholders as well as the CVRs and Notes issued by the Company pursuant to those transactions. These proceedings have required extensive management oversight and the dedication of significant corporate resources and have obligated the Company to retain legal counsel in multiple jurisdictions at a significant financial cost.

In early June 2017, respective legal counsel from each of the Company, the Shareholder Group and Trexs discussed the possibility of a potential resolution of the outstanding Litigation. At that point it was agreed that there was a commonality of interest amongst the parties in reducing legal expenses and management distraction and allowing the Company to focus principally on executing its business plan with a reconstituted Board of Directors. Accordingly, each of the counsel undertook to discuss with its clients, without prejudice, the possibility of achieving a potential framework within which the CVR Holders, the Company, the Shareholder Group and certain other shareholders could attempt to resolve their respective concerns.

Over the course of the next few weeks, representatives of the CVR Holders, the Shareholder Group and certain other shareholders and their respective legal counsel worked diligently at negotiating a comprehensive solution to their primary concerns.

By late June 2017, it was believed that the framework had advanced sufficiently to allow legal counsel to the Company an opportunity to provide structural input to ensure the feasibility of the framework from the Company's perspective and to ensure that the proposals being considered could reasonably be implemented by the Company in a timely manner. The Company's counsel was provided a draft of the Settlement Agreement for review on June 27, 2017.

Negotiations among all parties continued until a final settlement was reached among the parties on July 31, 2017. The Settlement Agreement was approved by the Board of Directors as it was constituted on July 31, 2017 (which consisted of Ms. Stylianides, Mr. Kay, Mr. Weyrauch, Mr. O'Hallaran, and Mr. Marleau). Mr. Kay and Ms. Stylianides declared their interest in, and abstained from voting on approval of, the Settlement Agreement. In accordance with the Settlement Agreement, Mr. O'Hallaran, Mr. Marleau and Mr. Weyrauch resigned as directors of the Company and were replaced by Ms. Wolfe, Mr. McRae and Mr. Haber.

On August 3, 2017, the New Board held their first meeting and among other things, ratified and confirmed the Settlement Agreement and the board recommendation.

The Settlement Agreement was amended and restated on September 11, 2017, removing, *inter alia*, any reference made to the previously proposed amendment of the Notes.

SUMMARY OF THE SETTLEMENT AGREEMENT

The following is a summary of certain material terms of the Settlement Agreement, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. This summary does not purport to be complete and is qualified in its entirety by reference to the Settlement Agreement. Therefore, shareholders should read the Settlement Agreement carefully and in its entirety, as the rights and obligations of the Settlement Parties are governed by the Settlement Agreement and not by this summary or any other information contained in this Circular.

The Settlement Agreement contains representations and warranties made by the Settlement Parties. These representations and warranties, which are set forth in the Settlement Agreement, were made by the Settlement Parties for the purposes of the Settlement Agreement (and not to other parties such as the shareholders) and are subject to qualifications and limitations agreed to by the Settlement Parties in connection with negotiating and entering into the Settlement Agreement. In addition, these representations and warranties were made as of specified dates, and may be subject to a contractual standard of materiality different from what may be viewed as material to shareholders, or may have been used for the purpose of allocating risk between the Settlement Parties instead of establishing such matters as facts.

General

The Company entered into the Settlement Agreement with, *inter alios*, thirteen (13) shareholders representing approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting. The transactions contemplated by the Settlement Agreement will, upon their implementation, resolve all outstanding Litigation relating to, among other things, the composition of the Board of Directors, the investments by Trexs and others and the Meeting and, in connection therewith, Trexs has provided a temporary waiver of all existing defaults and events of default under the relevant Investment Transaction Documents, which waiver will become permanent upon completion of the Settlement.

New Board

Pursuant to the Settlement Agreement, the existing Board of Directors was reconfigured to consist of two (2) Tenor Nominees (Ms. Stylianides and Mr. Kay), two (2) Shareholder Group Nominees (Ms. Wolfe and Mr. McRae) and one (1) Independent Director (Mr. Haber). In order to effect the foregoing, each of Mr. Marleau, Mr. Weyrauch and Mr. O'Halloran resigned from the Board of Directors.

In accordance with the terms of the Settlement Agreement, until the close of the Company's annual general meeting in 2022, each of the Settlement Shareholders has agreed to vote the securities of the Company which they own, or exercise control or authority over, in favour of election of the Elected Directors. Moreover, Trexs is entitled to replace a vacancy in the Tenor Nominees, Ms. Wolfe is entitled to replace a vacancy in the Shareholder Group Nominees, and the Independent Director Process will be used to replace the Independent Director in the event of a vacancy.

The Settlement Agreement also provides that, on or after July 31, 2018, the Tenor Nominees may choose from the Elected Directors (with the consent of such director), a director to act as an "Executive Director", provided that such title will not carry with it any additional powers, duties or responsibilities and such designation alone shall not make such person an officer or employee of the Company.

The Meeting and the Settlement Resolutions

The Settlement Agreement provides that the Meeting, which also constitutes the Requisitioned Meeting, will be held by October 10, 2017. The Settlement Agreement also provides that the record date for the Meeting must be no later than August 14, 2017. The Record Date has been set for August 11, 2017. In accordance with the Settlement Agreement, the Meeting will be co-chaired by Mr. Kay and Ms. Wolfe and Mr. Kay will act as the designated management proxyholder (or failing him, Ms. Wolfe).

At the Meeting, shareholders will be asked to vote on resolutions approving the following matters (each of the following collectively constituting, the "**Settlement Resolutions**", and each of (a), (b), (e), (f) and (g) collectively constituting, the "**Conditional Resolutions**"):

- (a) setting the number of directors at five (5), the approval of which is conditional on the approval of the resolutions in subsections (b), (e), (f) and (g) also being approved;

- (b) electing the Elected Directors as directors of the Company, the approval of which is conditional on the approval of the resolutions in subsections (a), (e), (f) and (g) also being approved;
- (c) appointing the auditors of the Company;
- (d) approving the unallocated options to purchase Shares under the Option Plan;
- (e) approving the Arrangement, the approval of which is conditional on the resolutions in subsections (a), (b), (f) and (g) being approved;
- (f) approving the Investment Agreement Amendment and the Security Sharing Agreement Amendment, the approval of which is conditional on the resolutions in subsections (a), (b), (e) and (g) being approved; and
- (g) approving the MIP Amendment, the approval of which is conditional on the resolutions in subsections (a), (b), (e) and (f) being approved.

Pursuant to the Settlement Agreement, the Company has agreed to take any and all reasonable steps necessary and advisable to (i) recommend to the Company's shareholders that the shareholders vote in favour of the election of the Elected Directors and all of the other Settlement Resolutions; (ii) obtain all necessary regulatory approvals in order to give effect to the Settlement Resolutions; and (iii) cause all proxies received by the Company to be voted in the manner specified by such proxies. Each Settlement Shareholder, for its part, has agreed that it will not option, sell, transfer, pledge, encumber, grant a security interest in, hypothecate or otherwise convey any of its Shares prior to the Meeting if doing so would prevent the Shares from being voted in accordance with the requirements of the Settlement Agreement. Each Settlement Shareholder has also agreed to deliver duly executed proxies directing the holder of such proxies to vote in favour of each of the Settlement Resolutions at the Meeting.

The Settlement Agreement provides that, if (i) any of the Settlement Resolutions are not approved at the Meeting or in any event by the Outside Date, or (ii) a financing of no more than US\$6.5 million (the "**Financing**") is not approved by the New Board (including each of the Tenor Nominees) by November 30, 2017, then each of the Shareholder Group Nominees and the Independent Director shall be deemed to have immediately resigned and the Settlement Agreement shall terminate. However, in the case of clause (i) above only, if such failure results from delays in obtaining all required regulatory approvals that are beyond the control of the Company in certain circumstances, then the Company may continue to attempt to obtain such regulatory approvals until December 31, 2017, following which the resignations shall be deemed to occur. Furthermore, if any of the Company or the CVR Holders are found to have directly breached the terms of the Settlement Agreement, such resignations shall be deemed to have occurred unless such breach has actually been proven and judicially determined by a court within a four (4) week period commencing on the date that the good faith allegation of such breach is first made. Accordingly, the Settlement Agreement provides that the Shareholder Group Nominees and the Independent Director shall not be deemed to have resigned and no resignation shall be effective for a period of four (4) weeks from the date that the good faith allegation of such breach is first made, provided that (i) such good faith allegation must be made (in writing) prior to the date that the Shareholder Group Nominees and the Independent Director would otherwise be required to resign from the New Board, and (ii) the Company, the Shareholder Group, the Shareholder Group Nominees or the Independent Director, as applicable, has actually commenced, in good faith, legal proceedings for a judicial determination that the Company or a CVR Holder has committed such a direct breach of the Settlement Agreement that remains uncured. The Settlement Agreement also provides, however, that regardless of the status of any legal proceeding in respect of a good faith allegation of a direct breach of the Settlement Agreement, at the end of any such four (4) week period as described in the preceding sentence, the Shareholder Group Nominees and the Independent Director shall be deemed to have immediately resigned unless there has been a judicial determination and finding within such time of a direct breach of the Settlement Agreement.

Covenants

The Settlement Agreement also set out a number of covenants, including:

- each of Ms. Stylianides, Mr. Robertson, Mr. Marleau, Mr. Moseley-Williams, Mr. Weyrauch and Mr. O'Halloran has agreed not to exercise any of the May 8 Options until following the Meeting and that upon approval of all Settlement Resolutions at the Meeting, the May 8 Options will terminate and have no effect;
- the Company and the New Board covenanted that they believe that future financings (equity, debt or otherwise), including but not limited to the Financing, should, if possible, be structured to enable all shareholders to participate on a *pro rata* basis. Notwithstanding the foregoing, nothing in the Settlement Agreement is intended to prevent the exercise of the fiduciary duties of the directors;
- the Company will pay all incurred fees and expenses of Trexs, Cassels Brock & Blackwell LLP, Norton Rose Fulbright Canada LLP and Blake, Cassels & Graydon LLP;
- the CVR Holders, or Trexs on their behalf, will deliver a temporary waiver (the "**Waiver**") of any and all breaches by the Company under any of the Investment Transaction Documents which occurred prior to the date of the Settlement Agreement or which may occur from the date of the Settlement Agreement until the earliest of (i) the implementation of the Proposed Arrangement, (ii) the Outside Date (or December 31, 2017 if such date becomes applicable pursuant to section 10 of the Settlement Agreement) or (iii) the date of termination of the Settlement Agreement (the earliest of such dates being the "**Waiver Termination Date**"). The temporary waiver automatically becomes a permanent waiver of the Initial Defaults (as defined in the Settlement Agreement) if the Waiver Termination Date occurs as a result of the occurrence of clause (i). Nothing in the Waiver prohibits or restricts Trexs in any way from exercising any and all rights and remedies available to it in respect of any breaches or defaults by the Company under the Investment Transaction Documents which may occur after the Waiver Termination Date; and
- the Settlement Shareholders covenanted to ensure that: (i) the number of directors of the Company shall be five (5); (ii) each of Mr. Kay and Ms. Wolfe be named "Co-Executive Chair" of the Company; (iii) the Arbitration and Budget Committee will be established (the initial members of which are Mr. Kay and Ms. Wolfe); (iv) the New Board will pass a resolution retaining new independent Canadian corporate counsel following implementation of the Settlement Agreement; (v) the Company and the Elected Directors will strictly comply with the Investment Transaction Documents, the Security Sharing Agreement, and any amendments thereto; (vi) the Company and the Elected Directors will comply with the amended MIP and will not seek to convert any debt or other securities except by unanimous resolution of the Elected Directors; (vi) the Company shall not, subject to certain exceptions, enter into any related party transactions (as defined under MI 61-101) and will not incur any funded indebtedness for borrowed money; (vii) McMillan LLP, Cassels, Brock & Blackwell LLP and Farris Vaughan Wills & Murphy LLP will be counsel to the Shareholder Group, Trexs and Amber/Paulson, respectively, in connection with the Meeting, the Arrangement and future financings; and (viii) all reasonable and documented fees of McMillan LLP, Cassels, Brock & Blackwell LLP and Farris Vaughan Wills & Murphy LLP for such services will be paid by the Company within five (5) days of presentation of invoices.

Standstill

The Settlement Agreement contains standstill assurances that remain in effect until following the Company's annual general meeting of shareholders to be held in 2022 which prohibit each of the Settlement Parties from: (i) voting their Shares in a manner inconsistent with the Settlement Agreement; (ii) requisitioning, alone or together with others, a meeting of shareholders of the Company for the purpose of replacing the Board of Directors or for any purpose inconsistent with the Settlement

Agreement; (iii) participating in the solicitation of proxies to vote, or influence any other person to vote, any Shares in a manner inconsistent with the Settlement Agreement; (iv) seeking, alone or together with others, to control the management, Board of Directors or corporate policies of the Company except in accordance with the Settlement Agreement; (v) except as permitted under the terms of the Investment Transaction Documents, as amended, seeking, alone or together with others, to provide financing or support any effort by a third party to provide financing, whether debt or equity, to the Company; (vi) interfering with, challenging the legality, enforceability or otherwise seeking to undo or unwind the Investment Transaction Documents, as amended; (vii) taking steps to interfere with the Company's prosecution of the Claim Proceedings; (viii) participating in any transaction involving the acquisition of all or material portion of the assets of the Company (including the Claim Proceedings); (ix) taking steps to change current arbitration counsel; or (x) publicly announcing an intention to any of the foregoing. The standstill provisions of the Settlement Agreement are subject to an overall ability of a director or officer of the Company to exercise his or her fiduciary obligations as a director or officer of the Company.

Cancellation of New Shares

In accordance with the Settlement Agreement, each of the Company, Amber, Paulson, Ms. Stylianides and Trexs has agreed to take such steps as are required to rescind the Conversion that occurred on March 16, 2017. Accordingly, as a step in the Arrangement, the Conversion shall be rescinded and deemed to have been of no force or effect, the New Shares shall be cancelled and the principal amount of the Notes converted as part of the Conversion shall be reinstated in the name of the holder of each such Note.

The Arrangement

Pursuant to the Settlement Agreement, the CVR Holders have agreed to support the Arrangement that will result in (i) up to 17.17% of the currently outstanding CVRs, and (ii) new CVRs representing 2% of the Claim Proceeds, being made available to shareholders on the Record Date (other than CVR Holders) at a price payable in cash equal to the original subscription price paid for the CVRs on November 9, 2016 (or US\$1,110,000.00 in the aggregate). The Arrangement will be a plan of arrangement under the BCBCA that will allow Qualified Shareholders to subscribe for non-transferable Receipts to be issued by the Custodian evidencing an Interest in the Custody CVRs held by the Custodian. The Settlement Agreement contemplates a subscription process that will be made available to Qualified Shareholders to subscribe for their *pro rata* portion of the Custody CVRs, including an Additional Subscription Privilege in the event that not all Qualified Shareholders elect to exercise their Basic Subscription Right. Such subscriptions will be satisfied first by the Company 2% CVRs and then by the Existing CVRs. In the event that all the Existing CVRs are not acquired, the CVR Holders will retain a *pro rata* share of the unsubscribed CVRs based on the Interest in the Custody CVRs agreed to be disposed of by each CVR Holder. In the event that all the Custody CVRs are acquired, Participating Entitled Shareholders will hold CVRs representing approximately 14.1% of the Claim Proceedings.

The Settlement Agreement provides that the Company will use its reasonable commercial efforts to give effect to the Arrangement by applying for an Interim Order of the Court and presenting the Arrangement for approval by the shareholders at the Meeting. The Company has agreed to be responsible for all costs incurred in connection with the Arrangement (including annual costs for the Custodian of up to \$25,000).

For more information on the Arrangement and the steps of the Plan of Arrangement, see "Section Five: The Arrangement".

Amendment to Investment Transaction Documents

Pursuant to the Settlement Agreement, all terms of the Investment Agreement, CVR Certificates and Notes remain in force subject to the Investment Agreement Amendment and the Security Sharing Agreement Amendment, and each of the Settlement Parties has agreed that the ability of the Company to convert the CVRs issued by the Company has expired.

For more information regarding the Investment Agreement Amendment and the Security Sharing Agreement Amendment, see “Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements”.

Press Release

In accordance with the Settlement Agreement, a press release, in a form accepted by the Settlement Parties, was issued on August 1, 2017. Further public announcements regarding the Settlement Agreements are subject to a review protocol as set forth in the Settlement Agreement.

Stay and Termination of Litigation

In accordance with the Settlement Agreement, all outstanding Litigation between the Settlement Parties has been adjourned and the Settlement Parties have generally agreed not to commence any further litigation against one another in any jurisdiction. The Settlement Parties have agreed that following the approval of all of the Settlement Resolutions at the Meeting, they will consent to the dismissal of such Litigation, without costs or prejudice.

Miscellaneous

The Settlement Agreement also provides that:

- each Settlement Party (other than Mr. Haber, Mr. McRae and Mr. Robertson) will execute a full and final mutual release (which will be held in escrow pending confirmation that the Litigation has been terminated following the completion of the Meeting);
- each Settlement Party will execute a non-disparagement covenant agreeing not to make any adverse, negative or disparaging statements regarding any other Settlement Party, the Litigation or the Requisitioned Meeting;
- the New Board will make a payment to McMillan LLP, in trust, to reimburse the Shareholder Group, Rocco Meliambro, Philip, J. Meliambro, Cathy Wolfe, Susan Milton and Donata Pica for legal fees and expenses in connection with the Requisitioned Meeting and all Litigation. The amounts paid will be held by McMillan LLP, in trust, and will be paid out on the earlier of: (i) the approval of all Settlement Resolutions at the Meeting; and (ii) a judicial determination of a breach (which has not been cured within ten (10) days of notice) by any of the CVR Holders, Mr. Kay, Mr. Marleau, Mr. Weyrauch or Mr. O'Halloran of any of their respective obligations under the Settlement Agreement; and
- the Company will pay all fees and expenses incurred by a petitioning party in connection with any determination that any of the Company, a CVR Holder, Mr. Kay, Mr. Marleau, Mr. Weyrauch or O'Halloran has directly breached the Settlement Agreement.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors (as constituted prior to the appointment of the New Board), having undertaken a review of, and having carefully considered, the terms of the Settlement Agreement and the transactions contemplated thereby, including the independence requirements for the New Board, the comprehensive settlement of all of the outstanding litigation, and the terms of the proposed Arrangement, and weighing it against the alternative of not implementing a comprehensive solution to all of the outstanding proceedings and other issues relating to the Company, and after consulting with its legal advisors, has unanimously determined (both with Mr. Kay and Ms. Stylianides abstaining from voting and with Mr. Kay and Ms. Stylianides voting) that the Settlement Agreement and the related transactions are in the best interests of the Company (considering the interests of all affected stakeholders). Accordingly, the Board of Directors

(both as constituted before and after the appointment of the New Board) recommends that shareholders vote in favour of the Settlement Resolutions.

REASONS FOR THE RECOMMENDATION

In its review of the Settlement Agreement and the transactions contemplated thereby, and its determination that entering into the Settlement Agreement was in the best interests of the Company, the Board of Directors (as constituted prior to the appointment of the New Board) considered issues of procedural fairness and issues of substantive fairness. In making its determination, the Board of Directors concluded that, in its judgment, on balance, the positive procedural and substantive factors outweighed any negative factors, as further outlined below. The Board of Directors (as constituted prior to the appointment of the New Board) based their recommendation that shareholders vote in favour of the Settlement Resolutions upon the totality of the information presented to and considered by it in light of their knowledge of the business, financial condition and prospects of the Company after taking into account the advice of their legal advisors and the input of management of the Company.

The following summary of the information and factors considered by the Board of Directors (as constituted prior to the appointment of the New Board) is not intended to be exhaustive, but includes a summary of the material information and factors taken into account in the consideration of the Settlement Agreement and the transactions contemplated thereby. In view of the variety of factors and the amount of information taken into account in consideration of the Settlement Agreement and the transactions contemplated thereby, the Board of Directors (as constituted prior to the appointment of the New Board) did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations.

The full Board of Directors (as constituted prior to the appointment of the New Board) was present at the August 1, 2017 meeting of the Board of Directors at which the decision to enter into the Settlement Agreement was re-confirmed and the Board of Directors (as constituted prior to the appointment of the New Board) was unanimous (subject to Mr. Kay and Ms. Stylianides abstaining) in its recommendation to the shareholders to vote in favour of the transactions contemplated by the Settlement Agreement.

Procedural Fairness

In respect of the issues of procedural fairness, the Board of Directors (as constituted prior to the appointment of the New Board) considered the following factors:

- *Arm's Length Negotiations.* The Arrangement is the result of arm's-length negotiations between parties adverse in interest who represented a significant number of shareholders with divergent views.
- *Shareholder Approval.* The Settlement Agreement will only be implemented if all of the Settlement Resolutions are approved at the Meeting. The Arrangement Resolution must be approved by at least two-thirds of the votes cast by holders of Shares present in person or represented by proxy and entitled to vote at the Meeting.
- *Disclosure.* Shareholders will receive Meeting Materials containing sufficient information to permit shareholders to form a reasoned judgment concerning the matters to be voted on at the Meeting.
- *Court Approval.* Completion of the Arrangement will be subject to the important oversight of a judicial determination as to its substantive and procedural fairness at a hearing at which shareholders will be entitled to appear and make submissions.
- *Timing.* The Board of Directors believes that the Arrangement is likely to be completed in accordance with its terms and within a reasonable time. Completion of the Arrangement is currently expected to occur by October, 2017 thereby allowing Qualified Shareholders

subscribing under the Basic Subscription Right and the Additional Subscription Privilege, as applicable, to receive the Rights and Additional Rights, respectively, in a relatively short time frame.

Substantive Fairness

In respect of the issues of substantive fairness, the Board of Directors (as constituted prior to the appointment of the New Board) considered the following factors, among others:

- *Comprehensive Settlement of all Outstanding Proceedings.* Implementation of the Settlement Agreement will require all of the Settlement Parties to terminate all of the outstanding Litigation. This will eliminate a significant burden placed upon the Company in connection with the prosecution and defence of the outstanding Litigation, freeing up both financial and management resources.
- *Opportunity to Obtain the Economic Benefit of any Award in the Claim Proceedings.* Shareholders of the Company will be provided (through the Arrangement) with the opportunity to subscribe for non-transferable Receipts which will evidence an entitlement to receive an Interest in the Custody CVRs and, therefore, in the results of the Claim Proceedings. Shareholders will therefore, similar to the CVR Holders, be entitled to a portion of any Claim Proceeds.
- *Legal Advice.* The Board of Directors (as constituted prior to the appointment of the New Board) and the independent directors of the Company received advice on relevant legal considerations, including the appropriate discharge of their fiduciary duties in the context of the Settlement Agreement and the transactions contemplated thereby as well as the implications of statutory and TSX protections for minority shareholders in respect of required shareholder approvals for the transaction contemplated by the Settlement Agreement.
- *Certainty.* After a long period of uncertainty and contention, the Settlement Agreement provides the Company with certainty and will allow management to refocus its efforts on pursuing the Claim Proceedings.
- *Shareholder Support.* Pursuant to the Settlement Agreement, Settlement Shareholders who together hold or exercise control and direction over approximately 66.3% of the issued and outstanding Shares entitled to vote at the Meeting, have agreed to vote such Shares in favour of the Arrangement Resolution at the Meeting.

Risks

In the course of their deliberations, the Board of Directors (as constituted prior to the appointment of the New Board) also identified and considered a variety of risks (as described in greater detail hereunder) and potentially negative factors relating to the Settlement Agreement and related transactions, including, but not limited to, the following:

- *Risk of not completing the Settlement Agreement.* The completion of the Settlement is subject to a number of conditions precedent, some of which are outside of the control of Eco Oro, including approval of the shareholders and the granting of the Final Order.
- *Adverse effect of not completing the Settlement.* The Board of Directors considered the potential adverse effect on Eco Oro's business and business plan, share price and ability to retain key employees if the Settlement was announced but not consummated.
- *Risks and uncertainty associated with the Receipts.* The subscription for Receipts is subject to a number of risks, including, without limitation:

- that the Claim Proceedings will be unsuccessful and no Claim Proceeds will ever be received.
- that Qualified Shareholders who subscribe for Receipts under the Basic Subscription Rights and the Additional Subscription Privilege will not definitively know what their *Pro Rata Share* is until the Additional Subscription Privilege is completed and, as a consequence, may receive fewer Receipts than anticipated or be obligated to purchase more Receipts than anticipated when exercising their Additional Subscription Privilege.
- that a Qualified Shareholder may fail to complete and sign the correct Subscription Forms in a timely manner, or send an incorrect payment or otherwise fail to follow the subscription procedures and, as a result, have their Basic Subscription Right and Additional Subscription Privilege rejected by the Agent or the Company.

The Board of Directors' reasons for unanimously recommending (subject to abstentions) the Settlement Agreement and related transactions to shareholders include certain assumptions relating to forward-looking information, and such assumptions are subject to various risks as more fully described under the heading "Advisories – Cautionary Statement Regarding Forward-Looking Information".

RISK FACTORS

The following risk factors should be carefully considered by shareholders in evaluating whether to approve the Settlement Resolutions. These risk factors relate to the Company, the Settlement Agreement (including the Arrangement and the issuance of Rights and Receipts) and should be considered in conjunction with the other information contained in or incorporated by reference into this Circular. Additional risks and uncertainties, including those currently unknown to or considered immaterial by Eco Oro, may also adversely affect the Arrangement.

Risks Relating to the Company

In assessing the Arrangement, shareholders should carefully consider the risks described in the Company's management discussion and analysis and the 2017 AIF, which is available under the Company's profile on SEDAR at www.sedar.com, together with the other information contained in this Circular.

Risks Relating to the Settlement Agreement and the Arrangement

Completion of the Settlement and the Arrangement is subject to several conditions that must be satisfied or waived

The completion of the Settlement is subject to a number of conditions precedent, some of which are outside of the control of Eco Oro, including approval of all of the Settlement Resolutions by the shareholders and, in the case of the Arrangement, the granting of the Final Order. There can be no certainty, nor can Eco Oro provide any assurance, that these conditions will be satisfied or, if satisfied, that they will be satisfied on a timely basis. Moreover, a substantial delay in obtaining regulatory approvals could result in the Settlement Agreement being terminated. Each of the Conditional Resolutions is cross-conditional on the approval of the other Conditional Resolutions and therefore, if shareholders do not approve each Settlement Resolution, including each Conditional Resolution, the Settlement Agreement will terminate and the Settlement will not proceed. If the Settlement is not completed for any reason, there are risks that the announcement of the Settlement and the dedication of substantial resources of Eco Oro to the completion thereof could have a material adverse effect on the current and future operations, financial condition and prospects of Eco Oro.

There can be no certainty, nor can the Company provide any assurance, that all conditions precedent to the Settlement will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If the Settlement is not completed, the market price of the Shares may be materially adversely affected.

The Company is at risk of being delisted from the TSX

On May 24, 2017, the Company received notice from the TSX advising that, pursuant to Part VII of the TSX Company Manual, the eligibility for continued listing of the Shares on the TSX was under review by the TSX as the Company, which is now focused on the Claim Proceedings, has ceased to be actively engaged in ongoing business (section 710(a)(ii)) and has discontinued or divested in a substantial portion of its operations (section 710(a)(iii)). The Company was granted 120 days to comply with all requirements for continued listing. If the Company does not demonstrate that it meets all TSX requirements set out in Part VII of the TSX Company Manual on or before September 22, 2017, the Shares will be delisted from the TSX. The Company does not intend to appeal the TSX decision and expects its Shares to be delisted from the TSX by the end of October, 2017.

The Company is considering its alternatives, including a listing on another recognized exchange in Canada. There can be no assurance that the Company will maintain its listing on the TSX or another recognized exchange. Failure to be listed on a recognized exchange may have a material adverse effect on the value of the Shares and other securities of the Company, which may be an event of default under certain of the Company's material agreements and can adversely affect the Company's ability to raise capital on favourable terms in the future.

Completion of the Settlement may not occur in time or manner expected, if at all

Even if the Settlement is completed, it may not be completed on the terms described in this Circular. In addition, completion of the Arrangement may be delayed and Qualified Shareholders may have to wait longer than expected to receive their Interest in the Custody CVRs. Furthermore, if the Settlement is not completed on the terms or schedule described in this Circular, the Company may incur additional expenses.

Failure to complete the Settlement and effect on the Litigation

If the Settlement is not completed for any reason, the outstanding Litigation will resume. This would again place a significant burden on the Company in connection with the prosecution and defence of the outstanding Litigation, limiting the Company's resources both financially and in terms of management resources.

Uncertainty surrounding the Settlement

As the Arrangement is dependent upon receipt of, among other things, certain regulatory approvals and satisfaction of certain other conditions, their completion and therefore the completion of the entire Settlement, is uncertain. Any delay or deferral of regulatory approvals could adversely affect the business and operations of the Company, regardless of whether the Settlement is ultimately completed.

The market price for the Shares may decline

If the Settlement is not completed, the market price of the Shares may decline to the extent that the current market price of the Shares reflects a market assumption that the Settlement will be completed.

In addition, the market price of the Shares could nevertheless decline if the Settlement is completed for various reasons including that shareholders may consider that better returns may be obtained through a holding in CVRs rather than Shares.

The Receipts are illiquid and non-transferable

The Receipts and the Interest in the Custody CVRs are non-transferrable, and therefore illiquid. Such illiquidity may limit the ability of Participating Eligible Shareholders to vary their investment promptly in response to changing economic or investment conditions. In addition, Participating Eligible Shareholders

may be exposed to the adverse and uncertain effects of the Claim Proceedings and they are unable to offload any economic risk related to the Receipts and the Interest in the Custody CVRs.

Certain shareholders, directors and officers may have interests in the Settlement that are different from other shareholders, directors and officers

Shareholders should be aware that certain shareholders may have interests in the Settlement that are different from other shareholders. In particular, each of Trexs, Amber, Paulson and Ms. Stylianides have an interest in rescission of the Conversion that differs from the interests of other shareholders, the CVR Holders have an interest in the Arrangement that differs from that of the Qualified Shareholders and certain directors and officers of the Company have an interest in the MIP Amendment that differs from other shareholders. See "Section Eight: General Information– Interest of Certain Persons or Companies in Matters to be Acted On".

This Circular does not provide any tax advice or opinion in respect of the Arrangement

The Arrangement may have adverse tax consequences for shareholders. No tax advice or opinion whatsoever is being provided in this Circular. Shareholders are urged to consult their own independent tax advisors with respect to the relevant tax implications of the Arrangement and for advice regarding the specific tax considerations applicable to them, including, without limitation, any associated filing requirements, in such jurisdictions.

Risks Related to the Custody CVRs, Receipts and Rights

Holders of Receipts may never receive Claim Proceeds

A payout of Claim Proceeds is dependent on the satisfaction of certain payout conditions, including that the Claim Proceedings are successful and the Company will receive Claim Proceeds. If the payout conditions are not achieved for any reason, no Claim Proceeds will be paid to holders of Receipts.

The number of Receipts that may be purchased is subject to proration

Pursuant to the Arrangement, each Right will, in addition to the Basic Subscription Right, also permit a Qualified Shareholder to subscribe for, under the Additional Subscription Privilege, a *Pro Rata Share* of the Additional Receipts representing an Interest in the Custody CVRs not allocated under the Basic Subscription Right. Without knowing how many Qualified Shareholders will subscribe for Receipts under the Basic Subscription Rights and/or the Additional Subscription Privilege, the Company is unable to determine the applicable *Pro Rata Share* of Additional Receipts for each Qualified Shareholder. A Qualified Shareholder agreeing to participate in the Additional Subscription Privilege may be required to subscribe and pay for all of the Receipts owed to a maximum of US\$1,110,000.

Qualified Shareholders need to act promptly and follow subscription instructions

Qualified Shareholders who desire to subscribe for, under the Basic Subscription Right or the Additional Subscription Privilege, as applicable, a Receipt evidencing an Interest in the Custody CVRs, must act promptly to ensure that all required forms and payments are actually received by the Agent prior to the Subscription Deadline, and any permitted extension thereof. In order to qualify to participate in the Additional Subscription Privilege, Qualified Shareholders must deposit with the Agent an amount equal to at least 150% of the Subscription Funds owing by it under the Basic Subscription Privilege. Such amount may, or may not, be sufficient to satisfy the Qualified Shareholder's obligations to pay for the Additional Receipts and, if such amount is insufficient, the Qualified Shareholder participating in the Additional Subscription Privilege will be called on to fund any deficit within five (5) business days of receiving notice that additional funds are required. If Qualified Shareholders fail to complete and sign the required Subscription Forms, send an insufficient payment amount, or otherwise fail to strictly follow the subscription procedures that apply to the exercise of Rights by the Qualified Shareholder, the Agent may, depending on the circumstances, reject the subscription or accept it to the extent of the payment

received. Neither the Company nor the Agent undertakes to Qualified Shareholders concerning, or will attempt to correct, an incomplete or incorrect Subscription Form or payment. Each of the Company and the Agent has the sole and absolute discretion to determine whether an exercise of Rights properly follows the subscription procedures.

Characterization of the Receipts for Canadian Federal Income Tax purposes

No advice is provided herein as to the Canadian federal income tax consequences to a shareholder in respect of the receipt of Receipts and an Interest in the Custody CVRs, nor the reporting of amounts in respect thereof for Canadian federal income tax purposes. Therefore, Qualified Shareholders are urged to consult their own tax advisors regarding the consequences to them of the acquisition and holding of Receipts and an Interest in the Custody CVRs.

The Receipts are not transferable

The Receipts and Interests in the Custody CVRs are not transferable. This means that the holders thereof may not have any ability to recognize the value of Claim Proceeds (if any) prior to the Final Award Date, if any.

Events of default, covenants and restrictions on the business of the Company

The CVRs are secured by substantially all of the assets of the Company and under the CVRs the Company must comply with covenants and restrictions on the business of the Company customary for an investment of this nature. If the Company does not comply with the terms of the CVRs, the Company could be required to repay the full unpaid balance of the obligations under the CVRs. The Company can provide no assurance that additional funding would be available to it to pay such obligations or, if such financing is available, that it will be available on terms favourable to the Company.

Participating Entitled Shareholders are required to provide an indemnity under the Custodian Agreement and any delay or failure to do so may affect their rights and/or Interest in the Custody CVRs

Under the terms of the Custodian Agreement, the Custodian will be required to deliver, within seven (7) business days of receiving the same, written notice to the Participating Entitled Shareholders of any claim for indemnity from Trexs pursuant to the Security Sharing Agreement. **Each of the Participating Entitled Shareholders shall be directly and personally (severally on a pro rata basis based on its entitlement to receive Claim Proceeds) responsible for, and by completing a Subscription Form will have agreed to, any such indemnity under the Security Sharing Agreement.** If a Participating Entitled Shareholder fails to fund its *pro rata* portion (based on its entitlement to receive Claim Proceeds) of the indemnity claim referred to above within forty-five (45) days of delivery of notice of the indemnity claim from the Custodian, such Participating Entitled Shareholder shall be deemed to have provided (i) a written notice to Trexs that it does not agree with or support the action and (ii) an acknowledgement that it shall not benefit from or participate in the proceeds or other results of any such action, which notice and acknowledgement will be binding for all purposes. The timing and quantum of such indemnity, and therefore the additional amounts that may be owing by a Participating Entitled Shareholder, are unknown and may be significant. The failure of a Participating Entitled Shareholder to strictly comply with the indemnity procedures set out in the Custodian Agreement may have a material adverse effect on the on the Participating Entitled Shareholders' rights and/or interest in the Custody CVRs. See "Section 5: The Arrangement – The Custodian and the Custodian Agreement" and "Section 5: The Arrangement – The Contingent Value Rights (CVRs)". It is important for Participating Entitled Shareholders to review the terms of the Custodian Agreement in its entirety, the form of which is available under the Company's profile on SEDAR at www.sedar.com.

SECTION THREE: MATTERS TO BE VOTED ON AT THE MEETING

On February 10, 2017, the Company received a requisition for a general meeting of shareholders of the Company from the Shareholder Group pursuant to subsection 167(2) of the BCBCA (the “**Requisitioned Meeting**”).

The Meeting constitutes the Company’s annual general meeting of the shareholders and the Requisitioned Meeting. The Meeting has been called pursuant to the BCBCA and will be held and conducted in accordance with the Notice of Meeting accompanying this Circular, the BCBCA, applicable securities laws, the constating documents of the Company, the terms of the Interim Order, any further order of the Court and the rulings and direction of the Co-Chairs of the Meeting. To the extent of any inconsistency or discrepancy between the Interim Order and the any of the foregoing, the Interim Order shall govern. A copy of the Interim Order is attached as Appendix “B” to this Circular.

It is important to note that, pursuant to the Settlement Agreement, the matters to be voted on under the headings “2. Number of Directors”, “3. Election of Directors”, “6. Plan of Arrangement” and “7. Amendments to Material Agreements”, being the Conditional Resolutions, will not be considered to be approved unless each of such matters is approved by shareholders. Accordingly, each resolution referred to under such headings will be conditional on shareholders approving the other Conditional Resolutions such that each such resolution will have no effect unless all of the Conditional Resolutions are approved. The Company and the other Settlement Parties believe that this approval structure is important from a governance perspective and for greater transparency into the basis on which the Settlement Parties agreed to the Settlement Agreement. In this regard, it is noteworthy that shareholder approval is being sought for the resolutions set out under the following headings notwithstanding that there is no legal obligation to obtain such approval: “7. Amendments to Material Agreements – A. Investment Agreement Amendment and the Security Sharing Agreement Amendment” and “7. Amendments to Material Agreements – B. MIP Amendment”.

1. FINANCIAL STATEMENTS

Our audited financial statements for the year ended December 31, 2016 and the report of the auditors thereon will be placed before the Meeting. These audited consolidated financial statements may be obtained from the Corporate Secretary upon request and will be available at the Meeting. The full text of the audited financial statements is available on our website at www.eco-oro.com and has been filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

2. NUMBER OF DIRECTORS

The Board of Directors presently consists of five (5) directors. In accordance with the Settlement Agreement, the Board of Directors has decided that five (5) directors will be elected this year based on the mix of skills and experience the Board of Directors believes is necessary to effectively fulfill its duties and responsibilities. At the Meeting, shareholders will be asked to consider and vote upon an ordinary resolution setting the number of directors of the Company at five (5). In addition to the receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR setting the size of the Board of Directors at five (5).

3. ELECTION OF DIRECTORS

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management’s nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not

contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Company or with the provisions of the BCBCA.

Our nominees for election as directors are set out below. Each nominee is currently a member of the Board of Directors:

Lawrence Haber

David Kay

Peter McRae

Anna Stylianides

Courtenay Wolfe

The Company's existing five (5) member Board of Directors was constituted pursuant to the Settlement Agreement and is comprised of (i) Trexs' nominees, Mr. Kay and Ms. Stylianides, (ii) the Shareholder Group's nominees, Ms. Wolfe and Mr. McRae, and (iii) an independent director, Mr. Haber, who was selected by the Shareholder Group and Trexs pursuant to the terms of the Settlement Agreement.

The Settlement Agreement contemplates that the same nominees, or other nominees appointed by the person or persons entitled to nominate a director, will stand for election at the Meeting and requires the Settlement Shareholders to, until the conclusion of the Company's 2022 annual general meeting, cause their respective voting securities of the Company to be counted as present for purposes of establishing quorum and vote (or cause to be voted) such voting securities in favour of the election of the directors nominated in accordance with the Settlement Agreement.

We believe we have an outstanding group of directors with the right mix of skills, perspectives, experience and expertise to continue to oversee the Company's strategy and the continued creation of shareholder value through the prosecution of the Claim Proceedings.

At the Meeting, shareholders will be asked to consider and vote upon an ordinary resolution approving these nominees as directors of the Company. In addition to receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR the election of the Company's nominees.

See "Section Four: About Eco Oro's Nominees" for information relating to each of the directors nominated by the Company.

Majority Voting For Directors

Under Canadian corporate law, director elections are based on the plurality system, where shareholders vote "for" or "withhold" their votes for a director. Votes withheld are not counted, with the result that a director could be elected to the Board of Directors with just one vote in favour. The Board of Directors believes that each of its members should have the confidence and support of the shareholders of the Company. On March 26, 2013, the directors unanimously adopted a majority voting policy (the "**Majority Voting Policy**"). The Majority Voting Policy states that if, in an uncontested election, a director nominee

has more votes withheld than are voted in favour of him or her, the nominee will be considered by the Board of Directors not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be required forthwith to submit his or her resignation to the Board of Directors, effective upon acceptance by the Board of Directors. The Board of Directors will refer the resignation to the Company's Nominating and Corporate Governance Committee for consideration and a recommendation. Within 90 days after the meeting, the Board of Directors will make its decision as to whether or not to accept the resignation and announce it by way of news release. The Majority Voting Policy does not apply in a contested election.

4. APPOINTMENT OF AUDITORS

At the Meeting, shareholders will be asked to consider and vote upon an ordinary resolution appointing Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, as auditor, to hold office until our next annual general meeting. Davidson & Company LLP were first appointed as auditors of the Company on November 16, 2015.

The Board of Directors unanimously recommends that the shareholders vote FOR the re-appointment of Davidson & Company LLP.

5. RE-APPROVAL OF UNALLOCATED OPTIONS UNDER AMENDED AND RESTATED INCENTIVE SHARE OPTION PLAN

On March 15, 2005, the Board of Directors of the Company adopted the Option Plan which does not have a fixed maximum number of Shares issuable thereunder. The shareholders approved the Option Plan, by a majority of the votes cast, on April 29, 2005 and most recently re-approved the plan on May 9, 2014. The rules of the TSX provide that all unallocated options, rights or other entitlements under a security-based compensation arrangement, which does not have a fixed maximum number of securities issuable, must be approved every three years by the shareholders of the Company and by a majority of the directors of the Company. The Board of Directors has approved the unallocated options under the Option Plan. Any previously granted options remain in effect.

The rules of the TSX require the approval of unallocated options under the Option Plan by a majority of the votes cast on the resolution at the Meeting. If the requisite shareholder approval is not obtained, no unallocated options may be granted and any options that are outstanding and that expire or terminate without being exercised will not be available for re-grant.

Accordingly, the shareholders will be asked at the Meeting to pass an ordinary resolution, approving all unallocated options, rights or other entitlements under the Option Plan and authorizing the Company to continue granting options under the Option Plan until October 10, 2020, the date that is three years from the date where shareholder approval is being sought.

The Board of Directors unanimously recommends that the shareholders vote FOR the re-approval of the unallocated options under Option Plan.

6. PLAN OF ARRANGEMENT

Under the terms of the Settlement Agreement and the Interim Order, shareholders are being asked to approve the transactions contemplated by the Plan of Arrangement. The purpose of the Plan of Arrangement is to provide Entitled Shareholders with the opportunity to acquire an Interest in the Custody CVRs by validly exercising their Rights to subscribe for Receipts. The Custody CVRs will represent, in aggregate, the right to approximately 14.1% of any Claim Proceeds. The Custody CVRs will be held by the Custodian for and on behalf of the Qualified Shareholders and Qualified Shareholders' entitlement to the economic benefits of the Custody CVRs will be represented by the Receipts. The Receipts and Interests in the Custody CVRs will be non-transferable and will be evidenced solely by an entry in the

Register maintained by the Custodian. Holders of Receipts will not receive and are not entitled to request a physical certificate evidencing such Receipts.

The Plan of Arrangement is described more fully under the heading “Section Five: The Arrangement”.

Accordingly, the shareholders will be asked at the Meeting to pass the Arrangement Resolution as a special resolution, the full text of which is included in Appendix “A”. In addition to receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR the Arrangement Resolution.

7. AMENDMENTS TO MATERIAL AGREEMENTS

The Settlement Agreement contemplates certain amendments to the Investment Agreement, the Security Sharing Agreement and the MIP as more particularly described below.

Under the terms of the Settlement Agreement, it is a condition to completion of the Arrangement that the Investment Agreement Amendment, the Security Sharing Agreement Amendment and the MIP Amendment are all approved by shareholders at the Meeting. Notwithstanding that there is no legal obligation to obtain shareholder approval of the Investment Agreement Amendment, the Security Sharing Agreement Amendment and the MIP Amendment, the Board of Directors believes shareholders have an interest in these matters which form part of the larger Settlement and should therefore be entitled to consider and, if deemed advisable, approve such matters.

A. Investment Agreement Amendment and the Security Sharing Agreement Amendment

The amendment to the Investment Agreement provides that the representations, warranties, acknowledgements and covenants contained in the Investment Agreement will continue in full force and effect until November 9, 2022 (the “**Investment Agreement Amendment**”). Previously, these representations, warranties, acknowledgements and covenants expired, in certain cases, within one year of the “Second Tranche Closing Date”, being November 9, 2016, or, in certain other circumstances, on the occurrence of certain events.

The Security Sharing Agreement is made among the CVR Holders and is intended to govern the relationship among those parties in respect of matters relating to the security that has been provided for the CVRs. At present, the Security Sharing Agreement provides that the holders of 51% of the CVRs may direct the security trustee under the Security Sharing Agreement in respect of any action to be taken, not to be taken or to be omitted from being taken in connection with Security Sharing Agreement, the CVRs (including any security granted in respect thereof), the Notes or the Investment Agreement including, without limitation, actions to be taken in connection with proceedings taken under any insolvency legislation in respect of the Company. The proposed amendment to such agreement provide that the requisite percentage of the CVRs that must be held in order to so direct the trustee will be equal to 42.24% (the “**Security Sharing Agreement Amendment**”).

In addition, the Custodian will confirm (for and on behalf of itself and the Participating Entitled Shareholders) that it is bound by all obligations of the Security Sharing Agreement as if the Custodian had executed and delivered the Security Sharing Agreement, provided that the Custodian will have no direct obligation whatsoever to indemnify Trexs under the Security Sharing Agreement and instead, pursuant to the Custodian Agreement and the Security Sharing Agreement Amendment and Joinder, each of the Participating Entitled Shareholders shall be directly and personally (severally on a *pro rata* basis based on its entitlement to receive Claim Proceeds) responsible for, and by completing a Subscription Form will have agreed to, any such indemnity under the Security Sharing Agreement. See

“Section 5: The Arrangement – The Custodian and the Custodian Agreement” and “Section 5: The Arrangement – The Contingent Value Rights (CVRs)”.

Accordingly, the shareholders will be asked at the Meeting to pass an ordinary resolution, approving the amendments to the Investment Agreement and the Security Sharing Agreement. In addition to receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR the resolution approving the amendments to the Investment Agreement and the Security Sharing Agreement.

B. MIP Amendment

The purpose of the MIP is to retain management, directors, employees and consultants to assist the Company in the prosecution of the Claim Proceedings to their conclusion. The MIP is administered by the MIP Committee comprised of not more than three (3) members, which is entitled to grant retention amounts to participants based on various factors from a pool of funds established from the Claim Proceeds.

The MIP Amendment means the amendment to the MIP to amend the definition of: (i) “Participants”, to remove Ms. Stylianides and to make such other amendments to ensure that the MIP Committee can add other participants, including current or former employees, consultants or directors of the Company, (ii) “Committee”, to replace Kevin O’Halloran and Mr. Weyrauch, both former directors, with Mr. Haber and Ms. Wolfe, respectively, and (iii) “Cash Retention Amount Pool”, by replacing “7%” with “5%” (the “**MIP Amendment**”).

The amendments described in clauses (i) and (ii) in the preceding paragraph are administrative in nature and were required as a result of the changes to the composition of the Board of Directors that were brought about under the terms of the Settlement Agreement. The reduction of the “Cash Retention Amount Pool” was proposed in order to make available the Company 2% CVR under the Plan of Arrangement without decreasing the potential percentage of the Claim Proceeds available to persons other than the Company and its directors, officers, employees and consultants.

Accordingly, the shareholders will be asked at the Meeting to pass an ordinary resolution approving the amendments to the MIP. In addition to receipt of the requisite shareholder approval, such resolution will be conditional on shareholders approving the other Conditional Resolutions such that this resolution will have no effect unless all of the other Conditional Resolutions are approved.

The Board of Directors unanimously recommends that the shareholders vote FOR the resolution approving the MIP Amendment.

8. OTHER BUSINESS

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

SECTION FOUR: ABOUT ECO ORO'S NOMINEES

The following table sets out the names of the nominees for election as directors, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, and the number of Shares of the Company or any of its subsidiaries beneficially owned by each, or controlled or directed, directly or indirectly, as at the date hereof.

Name, Position, Province/State and Country of Residence ⁽¹⁾	Principal Occupation and Biography ⁽¹⁾	No. of Shares ⁽¹⁾
David Kay Co-Executive Chair, Director Residence: New York, United States Period as a Director: July 26, 2016 to date	Partner of Tenor and the portfolio manager of TICAF since 2009; previously an investment banker at Jefferies & Company and an attorney at Akin Gump Strauss Hauer & Feld LLP. Current Committee Membership: <ul style="list-style-type: none"> • Compensation Committee • Arbitration and Budget Committee 	Nil ^{(2),(3)}
Courtenay Wolfe Co-Executive Chair, Director Residence: Ontario, Canada Period as a Director: July 31, 2017 to date	Principal of Canopy Capital Inc. since 2011; Chair of the board of directors of Vital Alert Communication Inc. since 2009; Director of FB Sciences, Inc. since September 2016; Executive Chair of the board of directors of Founders Advantage Capital Corp. (formerly FCF Capital Inc. and Brilliant Resources Inc.) from October 2013 to February 2016; President and Chief Executive Officer of Salida Capital LP from 2008 to 2013. Current Committee Membership: <ul style="list-style-type: none"> • Audit Committee • Compensation Committee • Arbitration and Budget Committee 	1,000,000
Lawrence Haber Director Residence: Ontario, Canada Period as a Director: July 31, 2017 to date	Private adviser, consultant and Chair of the board of directors of Diversified Royalty Corp. (formerly Benev Capital Inc.) since August 2013; President and Chief Executive Officer of Diversified Royalty Corp. from June 2011 to August 2013; formerly a securities lawyer and a senior partner in the Toronto law firm of Fogler, Rubloff LLP from 1985 to 2000; subsequently worked for 10 years as a senior executive with National Bank Financial and DundeeWealth Inc.; in 2014 and 2015, acted as a Special Advisor to the OSC staff regarding a number of policy projects and in 2015 and 2016 acted as a member of an Expert Committee tasked by the Ontario Minister of Finance to provide advice regarding the regulation of financial advice and financial planning advice.	Nil

Name, Position, Province/State and Country of Residence ⁽¹⁾	Principal Occupation and Biography ⁽¹⁾	No. of Shares ⁽¹⁾
	Current Committee Membership: <ul style="list-style-type: none"> • Nominating and Corporate Governance Committee • Compensation Committee • Audit Committee 	
Peter McRae Director Residence: Ontario, Canada Period as a Director: July 31, 2017 to date	Director of Founders Advantage Capital Corp. since April 2015; Chairman of Freedom International Brokerage Company since December 2015; previously President and Chief Executive Officer of Freedom International Brokerage Company from February 1994 to December 2015. Current Committee Membership: <ul style="list-style-type: none"> • Nominating and Corporate Governance Committee • Audit Committee 	Nil
Anna Stylianides Director Residence: British Columbia, Canada Period as a Director: June 3, 2011 to date	Executive Chairman of the Board of Directors from January 2016 to July 2017 and President and Chief Executive Officer of the Company from May 2014 to January 2016 and from September 2011 to June 2012; Chief Executive Officer of Fintec Holdings Corp., a corporate financial services company, from 2011 to present; previously Chief Executive Officer of Callinex Mines Inc., a mineral exploration company, from March 2012 to December 2012; previously Chief Executive Officer and a director of Surgical Spaces, Inc., a private health care consolidator. Current Committee Membership: <ul style="list-style-type: none"> • Nominating and Corporate Governance Committee 	279,495 ⁽³⁾

Notes:

- (1) The information as to province/state and country of residence, principal occupation or employment and Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of the management of the Company and has been furnished by the respective nominees. The description of the principal occupation or employment for all of the proposed nominees is for the past five years.
- (2) Trexs, an affiliate of TICAF, owns 18,355,733 Shares (or 15.7% of the currently issued and outstanding Shares). Pursuant to the Investment Agreement, Trexs has nominated Mr. Kay as its nominee on the Board of Directors. Mr. Kay is a partner at Tenor and the portfolio manager of TICAF and accordingly has direction over the securities of the Company held by Trexs.
- (3) In accordance with the Arrangement, the Conversion that occurred on March 16, 2017 will be rescinded. Accordingly, 35,216 and 7,747,508 Shares of Ms. Stylianides and Trexs, respectively, will, as a result of the rescission, be reduced from the total number of Shares owned by each of Ms. Stylianides and Trexs.

ORDERS & BANKRUPTCIES

Other than as mentioned below, none of the proposed nominees for election as a director the Company:

(a) is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- i. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, which order was in effect

for a period of more than 30 consecutive days (an “**Order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- ii. was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

David Kay

On June 27, 2012, Mr. Kay was elected to the board of directors of Crystallex. Crystallex obtained an order from the Ontario Superior Court of Justice (Commercial List) for protection under the CCAA on December 23, 2011 to deal with a liquidity crisis resulting from the maturity of certain senior unsecured notes issued by Crystallex. On December 28, 2011, the Corporation obtained an order from the United States Bankruptcy Court for the District of Delaware under Chapter 15 of the U.S. Bankruptcy Code recognizing the initial CCAA order. The United States Bankruptcy Court has recognized Crystallex's CCAA proceedings as well as the initial order and subsequent stay extensions of the Ontario Superior Court of Justice (Commercial List).

Mr. Kay was elected to the board of managers of Lighting on September 9, 2011. On March 14, 2017, Lighting and its direct corporate parent, Los Lobos Renewable Power, LLC, each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of New Mexico.

SECTION FIVE: THE ARRANGEMENT

REQUIRED SHAREHOLDER APPROVAL

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, approve the Arrangement Resolution. Subject to any further order of the Court, the Interim Order provides that approval of the Arrangement Resolution will require an affirmative vote of at least 66 2/3% of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting with each shareholder entitled to one (1) vote for each Share held on the Record Date. The Arrangement Resolution must receive the requisite shareholder approval in order for the Company to seek the Final Order. In addition to receipt of the requisite shareholder approval, the Arrangement Resolution will be conditional on shareholders approving the other Conditional Resolutions such that the Arrangement Resolution will have no effect unless all of the Conditional Resolutions are approved. Notwithstanding the approval by shareholders of the Arrangement Resolution, the Company reserves the right to not proceed with the Arrangement.

If the Arrangement Resolution is approved at the Meeting and the other conditions to the Arrangement are met (see “Section Two: Background Information and Reasons for the Settlement”), the Company intends to promptly seek the Final Order and implement the Arrangement on the Effective Date pursuant to the terms of the Final Order.

ARRANGEMENT STEPS

The following summarizes the steps that will occur under the Plan of Arrangement on the Effective Date, if all conditions to the completion of the Arrangement have been satisfied or waived. The following description of steps is qualified in its entirety by reference to the full text of the Plan of Arrangement attached as Appendix “D” to this Circular.

Pursuant to the Arrangement, commencing at the Effective Time, the following events and transactions will occur and shall be deemed to occur in the following order in, unless otherwise stipulated, five (5) minute increments, without any further act or formality:

- each CVR Holder shall be deemed to have made its Transferred CVRs available for reallocation in accordance with the Plan of Arrangement and, in connection therewith, each CVR Holder shall be entitled to an amount equal to such CVR Holder’s CVR Holder Amount;
- the following will occur concurrently:
 - the Rights shall be exercised;
 - each Participating Entitled Shareholder shall be entitled to its Interest in the Custody CVR to the extent they validly participated in the Basic Subscription Right and Additional Subscription Privilege and each such Participating Entitled Shareholder shall be entitled to a Receipt evidencing such fact;
 - the Company shall provide to the Custodian, for and on behalf of the Participating Entitled Shareholders, the Custody CVRs (and shall be required to furnish to the Custodian the Custodian CVR Certificate representing the Custody CVRs);
 - the Company shall provide each CVR Holder replacement CVRs (and shall be required to furnish to each CVR Holder a replacement CVR certificate) representing the balance of their CVRs not transferred;
 - the Company will be deemed to have directed the Agent to pay the Subscription Funds owing to the Company to each CVR Holder in an amount equal to the CVR Holder

Amount in full satisfaction of the Company's obligation to pay such amount to a CVR Holder for the Transferred CVRs;

- the Subscription Funds held by the Agent in respect of the purchase price for Receipts received from the Participating Entitled Shareholders shall cease to be held by the Agent on behalf of the Participating Entitled Shareholder depositing such funds and instead shall be held by the Agent on behalf of the CVR Holders in an amount equal to their CVR Holder Amount and the balance of the Subscription Funds, representing overpayments by Entitled Shareholders, shall continue to be held by the Agent on behalf of the Entitled Shareholder depositing such Subscription Funds, which shall be refunded pursuant to the Plan of Arrangement;
- the Security Sharing Agreement Amendment and Joinder shall become effective and binding on the parties thereto and the Custodian shall hold the economic benefits of such agreement for the benefit of the holders of Receipts;
- the Conversion shall be rescinded and deemed to have been of no force or effect, the New Shares shall be cancelled and the principal amount of the Notes converted as part of the Conversion shall be reinstated in the name of the holder of each such Note, such that the Notes shall be outstanding in the principal amount of each such Note immediately prior to the Conversion and all interest shall be deemed to have accrued on full principal amount of the Notes as if the Conversion had not occurred; and
- the May 8 Options will be terminated for no consideration and shall cease to have any effect whatsoever.

THE RIGHTS

Background

On September 8, 2017 the Company issued a non-transferable Right to each Registered Shareholder and Non-Registered Shareholder as of the Record Date. The Rights, which are uncertificated, represent, subject to the terms and conditions described below and in the Subscription Form, an entitlement to acquire an indirect interest in the economic benefit of the Claim Proceeds. Each Right will permit a Qualified Shareholder to subscribe for, under the Basic Subscription Right, a Receipt evidencing a non-transferable undivided Interest in the Custody CVRs which interest will, if the Basic Subscription Right is exercised in full, represent approximately 0.0002326% of the Claim Proceeds for every 1,000 Shares held by the Qualified Shareholder on the Record Date. Each Right will also permit a Qualified Shareholder to subscribe for, under the Additional Subscription Privilege, a *Pro Rata Share* of the Additional Receipts representing an Interest in the Custody CVRs not allocated under the Basic Subscription Right.

Terms and Conditions of the Rights

Each Right represents a right to acquire a Receipt which evidences an Interest in the Custody CVRs, which Custody CVRs (as more particularly described under the heading "Section Five: The Arrangement – The Receipts") entitle the holder thereof to a portion of the Claim Proceeds. The Custody CVRs will be held by the Custodian pursuant to the Custodian Agreement. Each Participating Entitled Shareholder that acquires an Interest in the Custody CVRs will have acknowledged and agreed to be bound by the terms of the Custodian and Depositary Agreement as described below under the headings "Section Five: The Arrangement – The Receipts" and "Section Five: The Arrangement – The Custodian and Depositary Agreement".

The Rights were distributed on a *pro rata* basis to all shareholders on the Record Date and are non-transferable.

While the Rights were distributed to all shareholders, only Qualified Shareholders will be permitted to exercise their Rights and acquire a Receipt. A Qualified Shareholder is an Entitled Shareholder (being a shareholder who is not currently a CVR Holder) who is resident in a Qualified Jurisdiction or who is resident in a Non-Qualified Jurisdiction but that, prior to October 4, 2017 (or such later date as the Company may determine in its sole and absolute discretion), demonstrates to the Agent and Company, in their sole and absolute discretion, that such shareholder is an "Approved Shareholder", being a shareholder that may hold and exercise the Rights: (i) in compliance with the laws of its Non-Qualified Jurisdiction of residence (ii) without obligating the Company or any of the CVR Holders to file or issue a prospectus, registration statement or any other similar document qualifying or registering the issue, sale or distribution of the Rights, the Receipts or the CVRs; and (iii) without imposing any significant costs on the Company in order to comply with applicable laws of such Non-Qualified Jurisdiction.

In determining whether an Entitled Shareholder resident in a Non-Qualified Jurisdiction is an Approved Shareholder, such shareholder must, in addition to satisfying the other conditions to the exercise of a Right, duly complete and return to the Agent the "Rep Letter" in the applicable form attached to the Subscription Form. Moreover, the Company or the Agent may require that the Entitled Shareholder (at its sole cost) furnish such evidence (including certificates and opinions of counsel), as shall be satisfactory to the Company and to the Agent in their sole and absolute discretion, to demonstrate that such Entitled Shareholder qualifies as an Approved Shareholder.

Each Right entitles a Qualified Shareholder, under the Basic Subscription Right, to subscribe for a Receipt evidencing up to its *Pro Rata Share* of the Basic Receipts. For these purposes, *Pro Rata Share* is calculated as the number determined by dividing (a) the number of Shares held by a Qualified Shareholder on the Record Date by (b) the total number of Shares held by Eligible Shareholders on the Record Date.

In addition to the Basic Subscription Right, the Rights represent an entitlement to participate in the Additional Subscription Privilege which will allow Qualified Shareholders that fully participate in the Basic Subscription Right to acquire their *Pro Rata Share* of the Additional Receipts which will evidence the remaining maximum number of Custody CVRs not allocated under the Basic Subscription Right. For these purposes, *Pro Rata Share* is calculated as the number determined by dividing (a) the number of Shares held by a Qualified Shareholder on the Record Date that exercises the Additional Subscription Privilege by (b) the total number of Shares held by all Qualified Shareholders on the Record Date that have exercised the Additional Subscription Privilege.

The Rights are non-transferable and the Agent will not permit any transfer of any Right and will not amend or revise the register of Rights to reflect any purported transfer of a Right.

A Qualified Shareholder may elect to exercise its Right in accordance with the procedures described in the Subscription Form and under the heading "Section Five: The Agreement – Rights – Exercise Procedure for the Rights" at any time up until 5:00 p.m. (Toronto time) on October 4, 2017. Once a Qualified Shareholder elects to exercise, in whole or in part, its Right, such Qualified Shareholder may not amend, withdraw, cancel, terminate or revoke such election. The deadline for receipt of Subscription Forms may be waived or extended by the Company in its sole discretion, without notice. The Company is under no obligation to accept or reject any particular late Subscription Form.

BY EXERCISING THE ADDITIONAL SUBSCRIPTION PRIVILEGE, A QUALIFIED SHAREHOLDER AGREES TO ACQUIRE ITS ENTIRE ENTITLEMENT TO ADDITIONAL RECEIPTS WHICH IS THE NUMBER OF RECEIPTS THAT REMAIN UNSUBSCRIBED FOLLOWING EXERCISE OF THE BASIC SUBSCRIPTION RIGHT ALLOCATED PRO RATA AMONG THOSE QUALIFIED SHAREHOLDERS AGREEING TO PARTICIPATE IN THE ADDITIONAL SUBSCRIPTION PRIVILEGE. ACCORDINGLY, THE NUMBER OF ADDITIONAL RECEIPTS WILL DEPEND ON THE PARTICIPATION OF QUALIFIED SHAREHOLDERS IN THE BASIC SUBSCRIPTION RIGHT AND THE ADDITIONAL SUBSCRIPTION PRIVILEGE. DEPENDING ON THESE FACTORS, A QUALIFIED SHAREHOLDER AGREEING TO PARTICIPATE IN THE ADDITIONAL SUBSCRIPTION PRIVILEGE MAY BE REQUIRED TO SUBSCRIBE AND PAY FOR ALL OF THE RECEIPTS AND OWE A MAXIMUM OF US\$1,110,000.

QUALIFIED SHAREHOLDERS ARE CAUTIONED THAT NEITHER THE AGENT NOR THE COMPANY CAN, PRIOR TO THE SUBSCRIPTION DEADLINE, DETERMINE IF, AND TO WHAT EXTENT, A QUALIFIED SHAREHOLDER WILL PARTICIPATE IN THE ADDITIONAL SUBSCRIPTION PRIVILEGE AND THEREFORE THE SUBSCRIPTION FUNDS OWING BY A QUALIFIED SHAREHOLDER TO SATISFY ITS OBLIGATIONS UNDER THE ADDITIONAL SUBSCRIPTION PRIVILEGE CANNOT BE DETERMINED IN ADVANCE. THESE OBLIGATIONS CAN BE SIGNIFICANT AND WILL BE CONSIDERED AS INDEBTEDNESS OF THE QUALIFIED SHAREHOLDER.

Exercise Procedure for the Rights

Registered Shareholders should have received a BLUE copy of the Subscription Form and Non-Registered Shareholders should have received a GREEN copy of the Subscription Form with this Circular. If you did not receive a Subscription Form with this Circular please contact Kingsdale Advisors immediately by telephone at 1-866-851-2484 or by collect call outside North America at 1-416-867-2272 or by email at contactus@kingsdaleadvisors.com.

The procedures set out in this Circular and the Subscription Form must be complied with strictly in order for a Qualified Shareholder to validly exercise its Rights and participate in the Basic Subscription Right and the Additional Subscription Privilege, if it so chooses. The Subscription Form contains additional procedural information relating to the exercise of Rights and participation in the Basic Subscription Right and the Additional Subscription Privilege. **The Rights will be void and without value if not exercised prior to the Subscription Deadline in accordance with the Subscription Form and this Circular.** The Subscription Form should be reviewed carefully. The delivery of the Subscription Form and depositing of Subscription Funds pursuant to the procedures in the Subscription Form will constitute a binding agreement between the Qualified Shareholder and the Company upon the terms and subject to the conditions of the Arrangement.

The Rights are only exercisable by Qualified Shareholders and the Agent will not permit any Non-Qualified Shareholder to exercise any Rights. A Subscription Form and any Subscription Funds submitted by or on behalf of a Non-Qualified Shareholder will be rejected by the Agent.

In order for the exercise of a Right to be effective (i) the Subscription Form, (ii) sufficient Subscription Funds (including funds representing an amount equal to not less than 150% of the Full Subscription Price owing by any Qualified Shareholder electing to participate in the Additional Subscription Privilege) and (iii) such other documents as may be required by each of the Company or the Agent in connection with the exercise of the Rights, in its sole and absolute discretion, must be delivered prior to the Subscription Deadline to the Agent at, in the case of delivery by hand or courier at 130 King Street West, Suite 2950, Toronto, Ontario, M5X 1E2, Attention: Corporate Actions, or by mail at P.O. Box 361, 130 King Street West, Toronto, Ontario, M5X 1E2, Attention: Corporate Actions. As set out below, following the Subscription Deadline, Qualified Shareholders participating in the Additional Subscription Privilege may be required to fund additional amounts in order to satisfy their obligations under the Additional Subscription Privilege. **The method of delivery of these materials is at the option and risk of the Qualified Shareholder delivering such materials. We recommend that you use an overnight registered mail or hand delivery service, properly insured. All material will be deemed to have been received only upon actual receipt by the Agent. In all cases, you should allow sufficient time to assure delivery to the Agent before the expiration of the Subscription Deadline.**

Under the Basic Subscription Right, a Qualified Shareholder has the right to subscribe for up to its *Pro Rata Share* of the Basic Receipts. In order to do so, a Qualified Shareholder should complete the appropriate box found in the Subscription Form labelled "Basic Subscription Right" by inputting the subscription price for the Interest in the Custody CVRs the Qualified Shareholder wishes to subscribe for. The Qualified Shareholder will be permitted to subscribe for up to its *Pro Rata Share* of the Basic Receipts.

Under the Additional Subscription Privilege, a Qualified Shareholder has the right to subscribe for its *Pro Rata Share* of the Additional Receipts. In order to do so, a Qualified Shareholder should complete the

appropriate box found in the Subscription Form labelled “Additional Subscription Privilege” by marking an “X” in the space provided.

In any event, the Qualified Shareholder exercising its Right should (i) indicate in the appropriate box of the Subscription Form labelled “Recording of Ownership Interests” how it would like the Custodian to record its Interest in the Custody CVRs (the Receipts must be recorded in the name of the Rights Holder set out on the books and records of the Agent) and (ii) and complete and sign the box found in the Subscription Form labeled “Signature of Qualified Shareholder”.

Any person resident in any jurisdiction other than a Qualified Jurisdiction (including in the United States of America) will be deemed to be a Non-Qualified Shareholder unless, in addition to satisfying the other conditions to the exercise of a Right, such person duly completes and returns to the Agent the applicable “Rep Letter” attached to the Subscription Form.

Following completion of these steps, a Registered Shareholder should promptly return the Subscription Form, the required Subscription Funds and such other documents as may be required by each of the Company or the Agent in connection with the exercise of the Rights, in their sole and absolute discretion, to the Agent such that these materials are received by the Agent prior to the Subscription Deadline.

In addition to the foregoing, a Non-Registered Shareholder is also required to have its intermediary complete, sign and medallion or signature guarantee the box in the Subscription Form labelled “Beneficial Holders”. The signature guarantee must be guaranteed by a major Canadian Schedule I chartered bank or a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, MSP). The Guarantor must affix a stamp bearing the actual words “Signature Guaranteed”. In the United States of America, signature guarantees must be done by members of a “Medallion Signature Guarantee Program” only. Signature guarantees are not accepted from Treasury Branches, Credit Unions or Caisses Populaires unless they are members of the Stamp Medallion Program. Following such signature guarantee, the Non-Registered Shareholder should, or should direct its intermediary to, return the Subscription Form, the required Subscription Funds and such other documents as may be required by each of the Company or the Agent in connection with the exercise of the Rights, in its sole and absolute discretion, to the Agent such that these materials are received by the Agent prior to the Subscription Deadline. **Non-Registered Shareholders are cautioned that their intermediary has its own internal procedure for completing a Subscription Form, including the deadline by which such Subscription Form must be completed. Such intermediary’s deadline may be in advance of the Subscription Deadline noted above. Non-Registered Shareholders are encouraged to immediately contact their intermediary to inquire about its procedures for completing a Subscription Form. Non-Registered Shareholders should carefully follow the instructions, and adhere to the deadlines, provided to them by their intermediary.**

The deadline for receipt of Subscription Forms may be waived or extended by the Company at its sole discretion, without notice. The Company is under no obligation to accept or reject any particular late Subscription Form.

The decision of a Qualified Shareholder to exercise, in whole or in part, its Right is irrevocable and once made cannot be withdrawn, amended, cancelled, terminated, revoked, or modified. It is important to note that a Subscription Form which is dated or deemed to be dated at a later date than a previously validly submitted Subscription Form will not withdraw, amend, cancel, terminate, revoke or modify the previously delivered Subscription Form.

In order to participate in the Basic Subscription Right, Qualified Shareholders must, by the Subscription Deadline, return to the Agent with their Subscription Form, Subscription Funds owing by such Qualified Shareholders to satisfy its Basic Subscription Right together with such other documents as may be required by each of the Company or the Agent, in their sole and absolute discretion. If the foregoing conditions are not satisfied or the Qualified Shareholder is otherwise determined to be ineligible to participate in the Basic Subscription Right, all Subscription Funds will be returned to the Qualified

Shareholder and the Qualified Shareholder will be deemed not to have exercised its Right or to have elected to participate in the Basic Subscription Right.

In order to qualify to participate in the Additional Subscription Privilege, Qualified Shareholders must, by the Subscription Deadline, return to the Agent with their Subscription Form, funds representing an amount equal to not less than 150% of the Full Subscription Price together with such other documents as may be required by each of the Company or the Agent, in their sole and absolute discretion. If the foregoing conditions are not satisfied or the Qualified Shareholder is otherwise determined to be ineligible to participate in the Additional Subscription Privilege, any amount in excess of Full Subscription Price actually funded to the Agent will be returned to such Qualified Shareholder and the Qualified Shareholder will be deemed not to have elected to participate in the Additional Subscription Privilege.

All Subscription Funds must be paid to the Agent by way of certified cheque or bank draft in United States dollars. Payment of the Subscription Funds will constitute a representation to the Company and Agent by the shareholder that it is either (i) not a citizen or resident of a Non-Qualified Jurisdiction or (ii) it is an Approved Shareholder.

Notwithstanding the payment by Qualified Shareholders participating in the Additional Subscription Privilege of an amount equal to not less than 150% of the Full Subscription Price, neither the Agent nor the Company can, prior to the Subscription Deadline, determine if, and to what extent, the Qualified Shareholder will participate in the Additional Subscription Privilege. Accordingly, the payment of an amount equal to not less than 150% of the Full Subscription Price may, or may not, be sufficient to satisfy the Qualified Shareholder's obligations to pay for the Additional Receipts under the Additional Subscription Privilege. Following the Subscription Deadline, the Agent will advise each Qualified Shareholder that has elected to participate in the Additional Subscription Privilege of the number of Additional Receipts it will purchase in connection therewith and the additional Subscription Funds, if any, required to be paid by such Qualified Shareholders in order to satisfy its obligation to acquire such Additional Receipts. By agreeing to participate in the Additional Subscription Privilege, a Qualified Shareholder agrees to fund any deficit by way of certified cheque or bank draft in United States dollars which payment must be made no later than 5:00 p.m. (Toronto time) on the fifth (5th) business day following delivery of the funding instructions provided by the Agent, failing which such Qualified Shareholder will be deemed to have not elected to participate in the Additional Subscription Privilege. Following such five (5) business day period, if Subscription Funds to acquire the maximum Interest in the Custody CVRs has not been provided to the Agent (either because a Qualified Shareholder participating in the Additional Subscription Privilege has failed to fund the deficit owing by it or for any other reason), the Agent will, at the direction of the Company either: (i) deliver such additional notices as required to ensure the maximum Interest in the Custody CVRs will be subscribed for by Qualified Shareholders participating in the Additional Subscription Privilege, or (ii) with the consent of Trexs and the Shareholder Group, allow all Qualified Shareholders participating in the Additional Subscription Privilege who have funded their obligations under the Additional Subscription Privilege and have deposited more funds with the Agent than otherwise required to acquire their *Pro Rata Share* of the Additional Receipts, to acquire (on a *pro rata* basis to the amount actually over-funded) Receipts representing the aggregate remaining Interest in the Custody CVRs. Qualified Shareholders who wish to participate in the Additional Subscription Privilege are encouraged (**but not required**) to fund more than 150% of their Full Subscription Price initially in order to facilitate the funding of any additional payments that may be required pursuant to the Additional Subscription Privilege. A Qualified Shareholder failing to deposit any funds by the applicable deadline required under the Additional Subscription Privilege will be deemed to have not elected to participate in the Additional Subscription Privilege.

On the Effective Date, as a step in the Plan of Arrangement, the Rights which have been properly exercised in accordance with the terms set out in this Circular and the Subscription Form shall be exercised and thereafter all Rights will be cancelled by the Agent. The Agent will advise the Company and the Custodian of the name, address, entitlement to Receipts and all other relevant details pertaining to all Qualified Shareholders who have exercised, in whole or in part, any Rights under the Basic Subscription Right and Additional Subscription Privilege. The Receipts are non-transferable and will be held on the books and records of the Custodian in non-certificated form. Nonetheless, it is expected that,

promptly following the Effective Date, the Custodian will give notice to all holders of Receipts of the entitlement received under the Arrangement. See “The Receipts” and “The Custodian and Depositary Agreement” below.

The Agent will pay all amounts deposited with it as follows: (i) on the Effective Date, the Subscription Funds actually required to satisfy the obligations of Rights Holders subscribing for an Interest in the Custody CVRs under the Basic Subscription Right and the Additional Subscription Privilege shall be paid to the Company or as directed by the Company in accordance with the Plan of Arrangement; and (ii) within three (3) business days of the Effective Date, the Agent will send to each Rights Holder who remitted funds in excess of the amount owing for their ultimate allocation of Receipts a cheque representing the amount of such excess funds (without interest or deduction). If the Arrangement does not proceed, the Agent will, forthwith upon the direction of the Company, pay all funds held by it in respect of the Rights to the Right Holder depositing such funds. It is expected that all payments from the Agent to a Rights Holder will be made by way of cheque (which need not be certified), or alternatively, the Agent may return any cheque or bank draft provided by a Qualified Shareholder.

The Company has full discretion to determine whether any Subscription Form, the deposit of Subscription Funds or any type of exercise of Rights is complete and proper and the Company has the absolute right to determine whether to accept or reject any or all Subscription Forms, deposit of Subscription Funds or exercise of Rights not in proper form.

THE RECEIPTS

Each Receipt evidences an Interest in the Custody CVRs, which Custody CVRs (as more particularly described hereunder) entitle the holder thereof to a portion of the Claim Proceeds. Holders of Receipts are not entitled to become registered holders of Custody CVRs and will hold their Interest in the Custody CVRs solely through a Receipt. The Custody CVRs will be held by the Custodian as a safekeeping agent and depositary of the Custody CVRs for the benefit the Participating Entitled Shareholders and the rights of Participating Entitled Shareholders to the economic benefit under the Claim Proceedings will be limited to their Interest in the Custody CVRs pursuant to the terms of the Custodian Agreement. The Receipts are non-transferable and will be evidenced solely by an entry in the Register maintained by the Custodian. Holders of Receipts will not receive and are not entitled to request a physical certificate evidencing such Receipts, although it is expected that the Custodian will provide a written confirmation to each Participating Entitled Shareholder of its Interest in the Custody CVRs. Holders of Receipts will not, as such, be entitled to attend or vote at any meeting of the shareholders of the Company.

THE CUSTODIAN AND THE CUSTODIAN AGREEMENT

The following is a summary of certain material terms of the Custodian Agreement, the form of which is available under the Company's profile on SEDAR at www.sedar.com. This summary and certain capitalized terms referred to in this summary do not contain all the information about the Custodian Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Custodian Agreement. Therefore, shareholders should read the Custodian Agreement, once available, carefully and in its entirety, as the rights and obligations of the Participating Entitled Shareholder and other parties thereto are governed by the Custodian Agreement and not by this summary or any other information contained in this Circular.

As part of the Plan of Arrangement, the Company will enter into the Custodian Agreement with the Custodian on or before the Effective Date. **Pursuant to the terms of the Subscription Form, each Participating Entitled Shareholder will acknowledge and agree to be a party to the Custodian Agreement.**

The Custodian Agreement provides that the Custodian will hold the Custody CVRs for and on behalf of Participating Entitled Shareholders, maintain a register of Participating Entitled Shareholders (the “Register”) and issue to the Participating Entitled Shareholders Receipts evidencing their Interest in the Custody CVRs. The Custodian will also receive all amounts payable by the Company to it as the holder of

the Custody CVRs and the Investment Transaction Documents, for the benefit of all Participating Entitled Shareholders, and will, upon written notice from the Company or the Committee, distribute such amounts (net of any out-of-pocket fees and expenses incurred by the Custodian) to the Participating Entitled Shareholders on a *pro rata* basis based on their Interest in the Custody CVRs. In addition, the Custodian will hold in safekeeping certain documents relating to the CVRs, Receipts or Interests in the Custody CVRs, including the Investment Transaction Documents, on behalf of the Participating Entitled Shareholders.

Under the Custodian Agreement, a direction committee (the “**Committee**”), initially consisting of Courtenay Wolfe and Peter McRae, will be authorized to act on behalf of the Participating Entitled Shareholders as a group. The Committee will be under no obligation to take any actions and shall retain the right not to act (and shall not be held liable for refusing to act), and may decide in its sole and absolute discretion to act only in limited circumstances. The Committee is entitled to, before taking any action on behalf of the Participating Entitled Shareholders, require the deposit of funds and an indemnity from the Participating Entitled Shareholders against any costs or expenses the Committee may incur in connection with any such action. The members of the Committee will not receive any fees for their role.

The Custodian will act on behalf of the Participating Entitled Shareholders on the instructions of the Committee or pursuant to an extraordinary resolution of Participating Entitled Shareholders holding an aggregate Interest in the Custody CVRs representing not less than 66 2/3% of the entitlement to the Claim Proceeds represented by the Custody CVRs (an “**Extraordinary Resolution**”). To the extent the Participating Entitled Shareholders represented in the vote taken under the Custodian Agreement do not meet the threshold required to pass an Extraordinary Resolution, the question or item requiring approval will be resolved by the Committee and its decision will be binding on the Custodian and Participating Entitled Shareholders.

An Extraordinary Resolution may not be approved for the purpose of or have the effect of (i) terminating the Custodian Agreement or (ii) providing for more powers or rights than those granted to the Committee under such agreement. Notwithstanding the foregoing, the Participating Entitled Shareholders may, by Extraordinary Resolution, remove and appoint members of the Committee.

The Custodian shall have the right to treat the person whose name appears on the Register as the beneficial owner of the applicable Interest in the Custody CVRs, and shall be entitled to rely on the Register (and not the Receipts) to determine the allocation of the Interest in the Custody CVRs.

Pursuant to the Plan of Arrangement and the Custodian Agreement, the Custodian will be required to execute the Security Sharing Agreement Amendment and Joinder. Under the Security Sharing Agreement, in the event that the Company fails to pay or reimburse Trexs for its expenses, disbursements or advances in the administration of its duties under the Security Sharing Agreement, each of the CVR Holders other than Trexs will be liable to severally indemnify Trexs in respect of such expenses (except for any such expenses incurred as a direct result of or in connection with the gross negligence or willful misconduct of Trexs), unless it provides written notice to Trexs that it does not agree with or support the action, in which case it will not be able to benefit from or participate in the proceeds or other results of such action.

However, pursuant to the Custodian Agreement and the Security Sharing Agreement Amendment and Joinder, the Custodian will have no direct obligation whatsoever to indemnify Trexs under the Security Sharing Agreement and, instead, each of the Participating Entitled Shareholders shall be directly and personally (severally on a *pro rata* basis based on its entitlement to receive Claim Proceeds) responsible for, and by completing a Subscription Form will have agreed to, any such indemnity under the Security Sharing Agreement. Under the terms of the Custodian Agreement, the Custodian will be required to deliver, within seven (7) business days of receiving the same, written notice to the Participating Entitled Shareholders of any claim for indemnity from Trexs pursuant to the Security Sharing Agreement. The notice may be sent by mail or email and is required to include a brief summary of the nature of the action. If a Participating Entitled Shareholder fails to fund its *pro rata* portion (based on its entitlement to receive Claim Proceeds) of the indemnity claim referred to above, within forty-five

(45) days of delivery of notice of the indemnity claim from the Custodian, such Participating Entitled Shareholder shall be deemed to have provided (i) a written notice to Trexs that it does not agree with or support the action and (ii) an acknowledgement that it shall not benefit from or participate in the proceeds or other results of any such action, which notice and acknowledgement will be binding for all purposes. Thereafter, the Custodian will provide written notice to the Participating Entitled Shareholders who have funded the full amount of their *pro rata* portion of the indemnity claim, of the aggregate amount of the funding deficit. The Participating Entitled Shareholders who have funded the full amount of their *pro rata* portion of the indemnity claim will then have the opportunity to, on a *pro rata* basis with all other Participating Entitled Shareholders who have provided such funding, fund the deficit within ten (10) business days of receiving from the Custodian such further notice and be entitled to benefit from or participate in the proceeds or other results of such action taken by Trexs with respect to which an indemnity is sought in an additional amount that is proportionate to their additional funding.

The Custodian will, within ninety (90) days of receiving the initial request for indemnity from Trexs, remit to Trexs any funds it receives from Participating Entitled Shareholders. If the Custodian does not make any payments whatsoever in respect of any indemnity claim from Trexs under the Security Sharing Agreement within such ninety (90) day period, then such failure shall be deemed to be (i) a written notice to Trexs from all the Participating Entitled Shareholders that they do not agree with or support such action and (ii) an acknowledgement that none of the Participating Entitled Shareholders shall benefit from or participate in the proceeds or other results of any such action taken by Trexs.

The Company may, from time to time, issue additional CVRs with identical terms as the Custody CVRs (other than the issuance date and the *pro rata* entitlement to the Claim Proceeds) which additional CVRs may also be held by the Custodian for and on behalf of the holders of such additional CVRs on the same terms and conditions as the Custody CVRs.

The Custodian Agreement will contain indemnity provisions pursuant to which the Company and the Participating Entitled Shareholders will jointly and severally indemnify the Custodian and certain related persons for any fees, judgments or other amounts incurred in connection with the services it provides under the Custodian Agreement, subject to certain exceptions, up to a maximum of an amount equal to the fees paid to the Custodian for its services under the Custodian Agreement.

Pursuant to the terms of the Custodian Agreement, the Custodian Agreement may be terminated by the Committee or the Company with 120 days' notice or by Extraordinary Resolution. The Custodian may resign by providing the Company with at least 60 days' notice or such shorter notice as the Company accepts as sufficient if a new custodian and depository has been appointed.

THE CONTINGENT VALUE RIGHTS (CVRs)

The following is a summary of certain material terms of the form of certificate for the Custody CVRs (the "Custodian CVR Certificate"), a copy of which is appended hereto as Appendix "E". This summary and certain capitalized terms referred to in this summary do not contain all the information about the CVRs. This summary does not purport to be complete and is qualified in its entirety by reference to the attached form of Custodian CVR Certificate. Therefore, shareholders should read the form of Custodian CVR Certificate carefully and in its entirety, as the rights and obligations of the parties are governed by such form of Custodian CVR Certificate and not by this summary or any other information contained in this Circular.

The form of Custodian CVR Certificate contains representations and warranties that will be made by the parties thereto. These representations and warranties, which are set forth in the form of Custodian CVR Certificate, will be made by the parties thereto for the purposes of the CVRs (and not to other parties such as the shareholders) and will be subject to qualifications and limitations. In addition, these representations and warranties may be subject to a contractual standard of materiality different from what may be viewed as material to shareholders.

General

The Custodian CVR Certificate will be registered in the name of the Custodian and it will be held for and on behalf of the Participating Entitled Shareholders, pursuant to the Custodian Agreement and represents the rights of the Participating Entitled Shareholders to a specified percentage of the gross amount of the Claim Proceeds. The Custodian Certificate does not entitle the Custodian, as such, to attend or vote at any meeting of the shareholders of the Company.

Representations and Warranties

The Custodian CVR Certificate contains representations and warranties of the Company including regarding the Company's corporate existence, its power and authority to issue the Custodian CVR Certificate, the performance of its obligation under the Custodian CVR Certificate, the absence of certain litigation, the absence of Defaults or Events of Defaults, its solvency, its ownership and title to the Claim Proceedings and Claim Proceeds and the existence of liens and its status as a "reporting issuer" under applicable securities laws.

Covenants

Pursuant to the Custodian CVR Certificate, the Company has made certain covenants in favour of the Custodian, including covenants relating specifically to:

- the ability of the Company to maintain its corporate existence and conduct its existing business and operations in accordance with applicable law and in a proper, efficient and businesslike manner, including by filing all tax returns and paying all taxes due and payable, maintaining proper books and records, maintaining all consents, approvals, actions, authorizations, exceptions, notices and filings with any governmental authority that are required to be obtained by it, using commercially reasonable efforts to continue the listing and trading of the Shares on a recognized stock exchange in North America and maintaining its status as a "reporting issuer" not in default under applicable securities laws and otherwise ensuring that the Company complies in all material respects with all applicable securities laws;
- the delivery of certain notices by the Company to the Custodian, including notices regarding (i) the occurrence of a Default or an Event of Default, (ii) any litigation or proceeding, whether threatened or commenced, against the Company in which more than US\$250,000 of the amount claimed is not covered by insurance; (iii) the occurrence of a Material Adverse Event (as defined in the Custodian CVR Certificate) or the occurrence of any event which will result in a Material Adverse Effect, (iv) any offer to settle the Claims Proceedings, (v) any settlement of the Claim Proceedings or any award, order issuance or payment of any Claim Proceeding Rights; (vi) the occurrence of any event with respect to the Claim Proceedings that could reasonably be expected to result in the dismissal, discontinuation or annulment of any Claim Proceedings or the denial of any Claim Proceeding Rights; and (vii) persons becoming named parties in the Claim Proceeding or alleging to have any right, title or interest in or to any of the Claim Proceeding Rights;
- the delivery of the Company's financial statements and other financial information to the Custodian upon reasonable request from the Custodian in connection with the business, operations and assets and financial condition of the Company together with an executed certificate of an officer of the Company stating, to the best of such officer's knowledge, during such period no Default or Event of Default has occurred except as specified in the Custodian CVR Certificate; and
- the Claim Proceedings, including covenants to prepare and report on compliance with the Budget for the Claim Proceedings on a monthly basis, to work to bring about the reasonable monetization of the Claim Proceedings, to collect and enforce any settlement, final judgment or award, to

retain, remunerate, cooperate with and facilitate the work of the arbitration professionals retained by the Company in connection with the Claim Proceedings, to manage the incurrence of expenses in connection with the Claims Proceedings in an efficient and cost effective manner, and to pay the Obligations owing to the Custodian when due.

The Company has also covenanted that it will not, among other things, create indebtedness (subject to certain exceptions); create CVRs or similar rights or interests; make any changes to its articles or similar documents that could, or could reasonably be expected to, materially and negatively impact the rights of the Custodian under the Custody CVRs; dispose of its properties or assets except for the sale of assets other than Claim Proceeding Rights provided that (i) such sale is completed on commercially reasonable terms and for fair market value consideration in cash, and (ii) the consideration shall not exceed US\$250,000 in any one instance or an aggregate amount of US\$1,000,000 in any calendar year; issue or agree to create or issue any Shares or any existing or new classes of shares except as specifically permitted in accordance with the Custodian CVR Certificate; enter into any transaction, whether or not in the ordinary course of business, with any officer, director, shareholder or affiliate of the Company, other than upon terms and conditions that would be obtainable in a comparable arm's length transaction and which are approved by the Board of Directors; enter into any business or undertake any action or proceeding that could reasonably be expected to adversely affect the Claim Proceedings; enter into any transaction or series of transactions that could be reasonably expected to materially negatively impact the Claim Proceedings Rights or take any steps to adversely effect, suspend or terminate the Claim Proceedings.

Interest

The Custodian CVR Certificate provides that, in the event that the Contingent Value Rights Amount is not paid to the Custodian on the CVRA Payment Date, interest shall accrue on the Contingent Value Rights Amount from the day immediately following the CVRA Payment Date and until actual payment in full, at the rate of 12% per annum, calculated monthly in arrears. The Company has also agreed to ensure that no receipt by the Custodian of any interest payment made to the Custodian will be in breach of section 347 of the *Criminal Code* (Canada).

Payment Mechanics

In the event that the Claim Proceeds are paid pursuant to any Claim Proceeding, the Company is required to request the Republic of Colombia (or any other person liable to pay any of the Claim Proceeds) to deposit the Claim Proceeds directly into a Claim Proceeds Escrow Account. Within two (2) business days following the Final Award Date, and prior to any distribution of any and all Claim Proceeds, the Company shall calculate the Contingent Value Rights Amount and shall submit a statement to the Custodian setting out such calculation and the proposed distribution of the Claim Proceeds (the "**Distribution Statement**"). Any such Distribution Statement shall strictly conform with the following descending order of payments for the distribution of the Claim Proceeds:

- (i) first, to pay any accrued and unpaid default interest owing to the Custodian pursuant to the Custodian CVR Certificate, if any, and any unpaid fees, expenses or indemnity obligations owing to the Custodian under the Custodian CVR Certificate or any other agreement between the Company and the Custodian;
- (ii) second, to pay any principal amount then outstanding, if any, owing to the Custodian by the Company pursuant to any other agreement between the Custodian and the Company;
- (iii) third, the total amount payable to the Custodian equal to the specified percentage of the gross amount of the Claim Proceeds; and

- (iv) fourth, the remaining balance of the Claim Proceeds to be paid to or for the account of the Company in accordance with applicable law including for the payment of any taxes payable or required to be withheld by the Company.

Pursuant to the Custodian CVR Certificate, if the Custodian does not approve the Distribution Statement submitted to it by the Company, both the Custodian and the Company agree to work together to produce a Distribution Statement that is satisfactory to both parties and, failing which, such dispute will be submitted for resolution as provided for in the Claim Proceeds Escrow Agreement.

Events of Default, Acceleration and Remedies

The Custodian CVR Certificate defines certain events that constitute “Events of Default” under the Custody CVRs which includes, among others, breaches of representation and warranties, breaches of covenants (subject to cure periods in certain instances), certain insolvency events, judgments against the Company for payment of money in excess of US\$500,000, dismissal, discontinuation or termination of the Claim Proceedings, certain circumstances that adversely impact the Company’s security interest in the Collateral (as defined in the Custodian CVR Certificate), adverse deviations of 10% or more from the Budget, a change of control of the Company and the resignation or termination of certain key members of management of the Company or the death of any such key member of management if his or her designated replacement is not satisfactory to the Custodian, acting reasonably.

Upon the occurrence and continuance of an Event of Default, the Company is obligated to pay the Custodian the Obligations owing under the Custody CVRs. If the Event of Default occurs after the Final Award Date, the Obligations owing under the Custody CVRs consist of an amount equal to the specified percentage of the Claim Proceeds plus any other amounts owing under the Custody CVRs. If the Event of Default occurs prior to the Final Award Date, the Obligations owing by the Company to the Custodian under the Custody CVRs consist of the Contingent Value Rights Amount. Under the Custodian CVR Certificate, the Custodian has the unilateral right to: (i) waive an Event of Default; (ii) elect not to accelerate the Obligations; or (iii) elect not to enforce any of its rights and remedies under the Custodian CVR Certificate or any other agreement between the Company and the Custodian.

Security

The obligations of the Company in respect of the CVRs are secured against substantially all of the assets of the Company.

Indemnification

The Company agrees to indemnify the Custodian and certain related parties (referred to as “Indemnified Parties” in the Custodian CVR Certificate) from and against any and all losses, claims, damages, liabilities or other expenses to which such Indemnified Party may become subject arising out of or in any way relating to or resulting from, the Custodian CVR Certificate and the Company agrees to reimburse each Indemnified Party for all actual and reasonable legal or other expenses incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding, except for those determined by a court to have resulted from negligence or willful misconduct of such Indemnified Party.

In addition, the Company agrees to pay or reimburse the Custodian for all of its reasonable out-of-pocket costs and expenses incurred in connection with the negotiation, preparation, execution and enforcement of the Custodian CVR Certificate and any other documents prepared in connection therewith, and the consummation of the transactions contemplated thereby, including, without limitation, the fees and disbursements of legal counsel to the Custodian (on a full indemnity basis). However, the indemnity shall not apply to any losses, claims, damages, liabilities or expenses to which an Indemnified Party may become subject which arise from a claim or allegation brought by a Participating Entitled Shareholder against the Indemnified Party solely in respect of conduct undertaken by or on behalf of the Custodian,

unless (i) such conduct was also undertaken by or on behalf of the CVR Holders, (ii) the claim or allegation would, if proven, have an adverse impact on any material rights of a CVR Holder or any other holder of CVRs under its CVR certificate or (iii) the Company otherwise agrees to indemnify the Indemnified Party.

COURT APPROVAL

A plan of arrangement under the BCBCA requires Court approval. Prior to the mailing of this Circular, the Company obtained the Interim Order from the Court authorizing and directing the Company to call, hold and conduct the Meeting and to submit the Arrangement to the shareholders for approval. The Interim Order provides that approval of the Arrangement Resolution will require an affirmative vote of 66 2/3% of the votes cast by shareholders present in person or represented by proxy and entitled to vote at the Meeting. At the Meeting, each shareholder shall be entitled to one (1) vote for each Share held on the Record Date, provided, however, that as a result of the OSC Order, only 106,524,953 Shares are entitled to vote at the Meeting. In addition, the Company has filed a Notice of Hearing of Petition for the Final Order to approve the Arrangement. Copies of the Interim Order and the Notice of Hearing of Petition for the Final Order are attached as Appendices "B" and "C", respectively, to this Circular.

Subject to the terms of the Settlement Agreement and approval of the Arrangement Resolution by shareholders at the Meeting in the manner required by the Interim Order, the Company will make an application to the Court for the Final Order.

The hearing in respect of the Final Order is expected to take place on October 12, 2017 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia. At the hearing, any shareholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the Company a response in the form prescribed by the Supreme Court Civil Rules (British Columbia) together with any evidence or materials that such party intends to present to the Court on or before 4:00 p.m. (Vancouver time) on October 11, 2017. Service of such notice shall be effected by service upon the solicitors for the Company, Norton Rose Fulbright Canada LLP, 1800 - 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3, Attention: James Goulden / Kaitlin Smiley.

The Company understands that the Court has broad discretion under the BCBCA when making orders with respect to plans of arrangement and that the Court will consider at the hearing to obtain the Final Order, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Depending upon the nature of any amendments to the Plan of Arrangement required by the Court, the Company may determine not to proceed with the Arrangement.

CERTAIN CANADIAN INCOME TAX CONSIDERATIONS

Rights Holders should be aware that the acquisition, holding and exercise of a Right or Receipt may have tax consequences in Canada as well as the jurisdiction where they reside which is not described herein. Accordingly, Rights Holders should consult with their own tax advisors about the specific tax consequences to them, having regard to their particular circumstances, of acquiring, holding and exercising such Rights and Receipts.

SECTION SIX: CORPORATE GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance is the process and structure used to direct and manage the business and affairs of an issuer with the objective of enhancing value for its owners. NI 58-101 requires the Company to disclose its system of corporate governance in this Circular.

OUR BOARD OF DIRECTORS

The Board of Directors of the Company currently consists of five (5) directors, four (4) of whom are independent directors as defined in NI 58-101, meaning that, in each case, the director have no direct or indirect relationship with the Company which could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of the directors' independent judgment, and is not otherwise deemed not to be independent. Applying the criteria in NI 58-101, Ms. Wolfe, Mr. McRae, Mr. Kay and Mr. Haber are independent directors. Both Co-Executive Chairs of the Board of Directors are independent for the purposes of NI 58-101.

Ms. Stylianides is considered not to be independent on the basis that she acted as an executive within the last three (3) years.

The following current directors of the Company are directors of other issuers that are reporting issuers or the equivalent in Canada or elsewhere:

Name	Issuer
Lawrence Haber	Diversified Royalty Corp. (formerly, Benev Capital Inc.)
David Kay	Gabriel Resources Ltd., Crystallex International Corporation
Peter McRae	Founders Advantage Capital Corp. (formerly FCF Capital Inc. and Brilliant Resources Inc.), Focused Capital Corp.
Anna Stylianides	Sabina Gold & Silver Corp., Entrée Resources Ltd. (formerly , Entrée Gold Inc.), Altius Minerals Corporation

The independent directors may hold meetings at which non-independent directors and/or members of management are not in attendance. In 2017, the independent directors did not hold any such formal meetings.

To facilitate the functioning of the Board of Directors independently of management, the following structures and processes are in place:

- when appropriate, members of management are not present for the discussion and determination of certain matters at meetings of the Board of Directors;
- under the by-laws, any director may call a meeting of the Board of Directors;
- the independent directors may hold meetings at which non-independent directors and/or members of management are not in attendance;
- each committee of the Board of Directors includes an independent director as a member; and

- in addition to the above standing committees of the Board of Directors, independent committees may be appointed from time to time, when appropriate. The independent directors will, where necessary, hold separate meetings without management and/or any non-independent directors present and retain external advisors and experts as required to carry out their role.

During the period of January 1, 2016 to December 31, 2016, attendance by the directors at meetings of the Board of Directors was as follows:

Director	Board of Directors' Meetings
John Hayes ⁽¹⁾	8 of 10
David Kay ⁽²⁾	4 of 5
Hubert R. Marleau ⁽³⁾	13 of 14
Mark Moseley-Williams ⁽³⁾	14 of 14
Kevin O'Halloran ⁽⁴⁾	4 of 4
Juan Esteban Orduz ⁽⁵⁾	5 of 7
Anna Stylianides	14 of 14
Derrick H. Weyrauch ⁽³⁾	7 of 7

Notes:

(1) Mr. Hayes ceased to be a director of the Company on August 29, 2016.

(2) Mr. Kay was appointed as a director of the Company on July 26, 2016.

(3) Mr. Moseley-Williams resigned on July 26, 2017. Mr. Marleau, Mr. O'Halloran and Mr. Weyrauch resigned on July 31, 2017.

(4) Mr. O'Halloran was appointed as a director of the Company on August 29, 2016.

(5) Mr. Orduz ceased to be a director of the Company on June 2, 2016.

BOARD OF DIRECTORS' MANDATE

The Board of Directors has adopted a written mandate. The text of the Board of Directors' written mandate is attached to this Circular as Appendix "F". In connection with the Settlement Agreement and the re-composition of the Board of Directors contemplated therein (as more particularly described under the heading "Section Two: Background Information and Reasons for the Settlement"), the mandate of the Board of Directors was amended to, *inter alia*, (i) limit the Company's ability to revise the MIP, convert debt to equity or enter into transactions which, under MI 61-101, would be considered a "related party transactions" and (ii) authorize the formation of the Arbitration and Budget Committee.

POSITION DESCRIPTIONS

The Board of Directors has adopted written position descriptions for the Chief Executive Officer, Co-Executive Chairs of the Board of Directors and Chair of each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

The Co-Executive Chairs of the Board of Directors are appointed annually by, and reports to, the Board of Directors. The Co-Executive Chairs of the Board of Directors' primary role is to co-chair meetings of the Board of Directors and to manage the affairs of the Board of Directors, including ensuring the Board of Directors is organized properly, functions effectively and meets its obligations and responsibilities. The Co-Executive Chairs facilitate effective relations among members of the Board of Directors, shareholders, other stakeholders and the public.

Each of the Co-Executive Chairs of the Board of Directors has the responsibility to:

- (a) act as the primary spokesperson for the Board of Directors;
- (b) assist in representing the Company in a general industry and community context;
- (c) ensure management is aware of concerns of the Board of Directors, shareholders, other stakeholders and the public;
- (d) ensure management strategies, plans and performance are appropriately represented to the Board of Directors;
- (e) work with management in reviewing plans, defining issues, maintaining accountability and building relationships;
- (f) facilitate a candid and full discussion of all key matters that come before the Board of Directors; and
- (g) carry out other duties as requested by the Board of Directors.

ORIENTATION AND CONTINUING EDUCATION

The Board of Directors has adopted an Orientation of New Directors Policy which sets out the steps and procedures required for the orientation of new directors. These include providing new directors with copies of all current policies, charters, mandates, plans or codes adopted by the Board of Directors or its committees, all corporate technical and financial information relating to the Company and its properties and a memorandum from the Company's legal counsel regarding the duties and obligations of directors of a public company imposed under corporate, securities and other applicable legislation and the rules and policies of stock exchanges and markets on which the securities of the Company are listed. The policy also provides that the Co-Executive Chairs of the Board of Directors will: (a) meet with a new director to review the role of the Board of Directors and its committees, provide the new director with information regarding the Company, its business, industry and senior management team and to give the new director the opportunity to ask questions about the nature of the Company and its operations; (b) provide a new director with an opportunity to meet the Chief Executive Officer and other members of the senior management team; (c) arrange for a new director to participate, with the other Board of Directors members, in periodic site visits to familiarize the directors with the Company's operations; and (d) arrange such additional meetings and provide such additional materials as may be reasonably requested by the new director in connection with his or her orientation to the Board of Directors.

The Board of Directors does not have a formal continuing education program for directors. At their initiative, directors are encouraged to attend seminars at the Company's expense so that they may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Company's business remains current.

ETHICAL BUSINESS CONDUCT

The Board of Directors has adopted a written Code of Business Conduct and Ethics (the "**Code**") which applies to the Company's Board of Directors, officers and employees. A copy of the Code is available under the Company's profile on SEDAR at www.sedar.com or on request as indicated under the heading "Section Eight: General Information – Additional Information".

The Company regards maintaining a culture of ethical business conduct as critically important. The Board of Directors monitors compliance with the Code by requiring all officers, directors and employees who become aware of any existing or potential violation of the Code to notify a member of the Audit Committee, who will report all complaints and allegations to the Board of Directors for investigation.

In addition, the Company uses a confidential and anonymous reporting system that allows officers and employees to report questionable accounting or auditing matters (including deficiencies in internal controls) through a toll free telephone number in both Spanish and English and/or by mail. The reporting system is run by an independent third party and generates reports for the Audit Committee. The Audit Committee reviews the reports on a quarterly basis and investigates any alleged breaches of the Code.

The Code calls on all directors, officers and employees of the Company to strive to avoid situations that create, have the potential to create or create the appearance of, a conflict of interest.

In accordance with applicable corporate legislation, directors and senior officers who: (a) hold a material interest in or (b) are directors or senior officers of, or have a material interest in, an entity which itself has a material interest in, a transaction which is material to the Company must disclose that interest to the Board of Directors. After such disclosure is made on the transaction the interested director must abstain from voting.

COMMITTEES

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, which comprises three (3) directors, two (2) of whom are independent as defined in NI 58-101, is responsible for participating in the recruitment and recommendation of new candidates for appointment or election to the Board of Directors. The current members of the Nominating and Corporate Governance Committee are Mr. Haber (Chair), Mr. McRae, and Ms. Stylianides.

The Board of Directors has adopted a Nominating and Corporate Governance Committee Charter. A copy of the charter is available on the Company's website at www.eco-oro.com, under the Company's profile on SEDAR at www.sedar.com or on request as indicated under the heading "Section Eight: General Information – Additional Information".

The Nominating and Corporate Governance Committee meets as frequently as necessary to carry out its responsibilities, but not less than once per year.

The Nominating and Corporate Governance Committee's purpose is to: (a) identify individuals qualified to become Board of Directors members; (b) recommend candidates to fill Board of Directors vacancies and newly created director positions; (c) recommend whether incumbent directors should be nominated for re-election to the Board of Directors upon expiration of their terms; and (d) make recommendations to the Board of Directors with respect to developments in the areas of corporate governance and the practices of the Board of Directors.

In recommending candidates, the Nominating and Corporate Governance Committee considers such factors as it deems appropriate, including the competencies and skills the Board of Directors considers to be necessary for the Board of Directors as a whole to possess in light of the opportunities and risks facing the Company, the competencies and skills the Board of Directors considers each existing director to possess, and the competencies and skills each new nominee will bring to the Board of Directors. The Nominating and Corporate Governance Committee also considers whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board of Directors member.

The Nominating and Corporate Governance Committee also recommends assignment of Board of Directors members to the various committees of the Board of Directors and recommends committee chairs. The Board of Directors believes that the presence of a majority of independent directors on the Nominating and Corporate Governance Committee will ensure an objective nomination process that is in the interests of all shareholders.

Compensation Committee

The Compensation Committee currently consists of three (3) members, all of whom are independent within the meaning of NI 58-101. The current members of the Compensation Committee are Ms. Wolfe (Chair), Mr. Kay and Mr. Haber.

The Board of Directors has adopted a Compensation Committee Charter. A copy of the charter is available on the Company's website at www.eco-oro.com, under the Company's profile on SEDAR at www.sedar.com or on request as indicated under the heading "Section Eight: General Information – Additional Information".

The Compensation Committee meets as frequently as necessary to carry out its responsibilities, but not less than once per year.

The Compensation Committee discharges the Board of Directors' responsibilities relating to compensation of the Company's executive officers and the directors of the Company, executive compensation disclosure and oversight of the compensation structure and benefit plans and programs of the Company. Among other things, the Compensation Committee establishes and administers the Company's policies, programs and procedures for compensating and incentivizing its executive officers.

In particular, the Compensation Committee reviews all compensation arrangements for the Chief Executive Officer, and other executive officers of the Company, including salaries, bonuses and equity-based incentive compensation and makes recommendations to the Board of Directors for their approval.

The Compensation Committee also reviews and approves, at least annually, corporate goals and objectives relevant to the compensation of the Chief Executive Officer, and the other executive officers of the Company and evaluates the performance of such executive officers in the light of those corporate goals and objectives and sets compensation levels based on those evaluations and any other factors it deems appropriate.

The Compensation Committee also reviews director compensation levels and practices, and will recommend, from time to time, changes in such compensation levels and practices to the Board of Directors.

Audit Committee

The Audit Committee currently consists of three (3) members, all of whom are independent within the meaning of NI 58-101. The current members of the Audit Committee are Mr. McRae (Chair), Ms. Wolfe and Mr. Haber.

The disclosure required by Form 52-110F1- *Audit Committee Information Required in an AIF* relating to the Audit Committee is included in the Company's 2017 AIF, which document is available under the Company's profile on SEDAR at www.sedar.com.

Arbitration and Budget Committee

The Arbitration and Budget Committee currently consists of two (2) members, both of which are independent within the meaning of NI 58-101. The current members of the Arbitration and Budget Committee are Mr. Kay and Ms. Wolfe.

The Board of Directors has adopted an Arbitration and Budget Committee Mandate. A copy of such mandate is available on the Company's website at www.eco-oro.com, under the Company's profile on SEDAR at www.sedar.com or on request as indicated under the heading "Section Eight: General Information – Additional Information".

The Arbitration and Budget Committee meets as frequently as necessary to carry out its responsibilities.

The purpose of the Arbitration and Budget Committee is to provide non-binding recommendations to the Board of Directors with respect to the Company's pursuit of the Claim Proceedings against the Republic of Colombia with the World Bank's International Centre for Settlement of Investment Disputes to its conclusion and all related matters.

In particular, the Arbitration and Budget Committee makes non-binding recommendations to the Board of Directors and to the Compensation Committee regarding monetization of the Claim Proceedings, the reduction of operating costs, compensation and grants under the MIP and disposition of assets.

ASSESSMENTS

To date, given the small size of the Board of Directors, the Board of Directors has not found it necessary to institute any formal process in order to satisfy itself that the Board of Directors and its individual directors are performing effectively. The Nominating and Corporate Governance Committee conducts an annual review of the professional experience and particular areas of expertise of each of the members of the Board of Directors; the independence of the members of the Board of Directors; any potential conflicts of interest that any of the members of the Board of Directors may have; the performance of, and working relationship among, the members of the Board of Directors during the past year; and the current size of the Company's operations.

The Nominating and Corporate Governance Committee also reviews the composition of all committees and each committee annually reviews its own performance and effectiveness.

DIRECTOR TERM LIMITS AND RENEWAL OF THE BOARD OF DIRECTORS

The Board of Directors has not adopted term limits for directors or other specific mechanisms of Board of Directors renewal. The term of office of a director expires at the annual general meeting each year. As required by its Charter, the Nominating and Corporate Governance Committee, in consultation with the Co-Executive Chairs of the Board of Directors, evaluates and recommends whether an incumbent director should be nominated for re-election to the Board of Directors upon expiration of his or her term. Through its annual review process, the Nominating and Corporate Governance Committee determines whether the Board of Directors as a whole has the required competencies and skills, and whether an individual director is able to continue to make an effective contribution. The Board of Directors is of the view that its annual review process is more effective for the Company than term limits or other mandated mechanisms of Board of Directors renewal, such as a mandatory retirement age.

REPRESENTATION OF WOMEN ON THE BOARD OF DIRECTORS AND MANAGEMENT

Policy

The Board of Directors has not adopted a written policy relating to the identification and nomination of women directors. Instead, the Nominating and Corporate Governance Committee in consultation with the Co-Executive Chairs of the Board of Directors evaluates potential nominees to the Board of Directors by reviewing the competencies and skills the Board of Directors considers to be necessary for the Board of Directors as a whole to possess, the competencies and skills the Board of Directors considers each existing director to possess, and the competencies and skills each new nominee will bring to the Board of Directors. The Nominating and Corporate Governance Committee also considers whether or not each nominee can devote sufficient time and resources to his or her duties as a Board of Directors member.

Identification and Selection

The Nominating and Corporate Governance Committee considers diversity, including the level of representation of women on the Board of Directors, as one factor in identifying and nominating

candidates for election or re-election to the Board of Directors. However, the Nominating and Corporate Governance Committee evaluates potential nominees to the Board of Directors by reviewing qualifications of prospective members and determines their relevance taking into consideration the then-current Board of Directors composition and the anticipated skills required to round out the capabilities of the Board of Directors.

Executive Officer Appointments

While the Company considers diversity, including the level of representation of women, when making executive officer appointments, the Company believes that each candidate should be evaluated based on his or her individual skills and experience. The Company is committed to treating people fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance. The Company evaluates candidates for executive officer positions based on their experience, skill and ability.

Targets

While the Nominating and Corporate Governance Committee considers gender diversity when considering new candidates for director and executive positions, the Board of Directors has not set specific targets for director or executive officer composition at this time. The Company believes that each potential nominee should be evaluated based on his or her individual merits and experience, taking into account the needs of the Company and the current composition of the Board of Directors and management team, including the current level of representation of women in such positions.

Current Composition

Women represent 40% of the Company's current Board of Directors and 25% of its executive officers. Of the five (5) directors standing for election or re-election at the Meeting, two (2) are women. Of the Company's four (4) Executive Officers, one (1), Courtenay Wolfe, as Co-Executive Chair of the Board of Directors, is a woman.

SECTION SEVEN: COMPENSATION GOVERNANCE

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information regarding all direct and indirect compensation awarded, granted, paid, made payable or provided to the Company's NEOs and directors for the most recently completed fiscal year and the decision-making process relating to the compensation. For the purposes of this disclosure, the Company's NEOs as at December 31, 2016 were: Ms. Stylianides, Executive Chairman and former President and Chief Executive Officer; Mr. Moseley-Williams, President and Chief Executive Officer and former President and Chief Operating Officer, Mr. Robertson, Chief Financial Officer and Corporate Secretary and former Vice President Legal.

Currencies

Unless otherwise stated, all amounts in this "Section Seven: Compensation Governance" are stated in Canadian dollars ("C\$") and United States dollars are referenced as "US\$". The following table provides the exchange rates used to convert amounts into United States dollars as appropriate.

\$1 = C\$	2014	2015	2016
Average for the year	1.1042	1.2782	1.3248
At December 31	1.1601	1.3840	1.3427

Philosophy and Objectives

The Company's compensation program for NEOs comprises of salary, discretionary bonuses and incentive options. The Company's compensation program is designed to attract and retain the most capable executives while motivating these individuals to continue to enhance shareholder value.

The Company's objectives in determining executive compensation are: (a) to attract and retain qualified and experienced executives in today's competitive marketplace; (b) to encourage and reward outstanding performance by those people who are in the best position to enhance the Company's near-term results and long-term prospects; (c) to align executive compensation with shareholders' interests; and (d) to encourage the retention of key executives for leadership succession.

The Company's executive compensation programs include safeguards designed to mitigate risks related to compensation. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments: (a) discretionary bonus payments are determined by the Compensation Committee based on annual performance reviews; (b) adoption of an option vesting policy pursuant to which incentive options granted to executive officers and management vest over time, which discourages excessive risk-taking to achieve short-term goals; (c) other equity-based compensation awards, such as share appreciation rights, have specific, performance-based conditions if, in the opinion and sole discretion of the Board of Directors, satisfied; and (d) implementation of trading black-outs under the Company's Disclosure and Trading Policy limits the ability of executive officers to trade in securities of the Company. Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board of Directors at which activity by the executives must be approved by the Board of Directors if such activity is outside previously Board of Directors-approved actions and/or as set out in a Board of Directors-approved budget. Given the current composition of the Company's executive management team, the Board of Directors and the Compensation Committee are able to closely monitor and consider any risks that may be associated with the Company's compensation practices. Risks, if any, may be

identified and mitigated through regular meetings of the Board of Directors during which financial and other information of the Company are reviewed, including executive compensation.

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Elements of Compensation

Salary

In setting salaries, the Compensation Committee does not rely upon benchmarking, mathematical formulas or hierarchy. Salary levels for NEOs are based on the executive's qualifications, experience and responsibilities within the Company, and are intended to be competitive with salaries paid to others in comparable positions within the same industry. The Compensation Committee has not engaged in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of companies. With a very small executive group, the Compensation Committee rather looks at the positioning of each on an individual basis and the competitiveness and suitability of mix of that NEO's package for his or her individual circumstances. For annual salary increases, the Compensation Committee considers an executive's increased level of experience, whether or not the executive's responsibilities have increased over the past year and overall success of the Company for the prior year. The Compensation Committee annually reviews key corporate performance indicators such as finance and project advancement but does not set specific performance goals for each NEO. The Company is an exploration and development stage company and will not be generating revenues from operations for a significant period of time, as the Company's efforts are now focused on the Claim Proceedings. As a result, the use of traditional performance standards, such as corporate profitability and earnings per share, are not considered by the Compensation Committee to be relevant in the evaluation of corporate or NEO performance. The salary element of compensation is designed to ensure the Company's access to skilled employees necessary to achieve its corporate objectives.

Discretionary Bonuses

The Compensation Committee considers on an annual basis discretionary cash bonuses to reward extraordinary performance during the preceding fiscal year. In determining whether a bonus will be given, the Compensation Committee considers such factors as the NEO's performance over the past year, the Company's achievements in the past year and the NEO's role in effecting such achievements. As noted above, due to the nature of the Company's business, traditional performance standards are not considered by the Compensation Committee to be relevant to the evaluation of corporate or NEO performance.

Incentive Options

The incentive option component of the Company's executive compensation program is intended to encourage and reward outstanding performance over the short and long terms, and to align the interests of the Company's NEOs with those of its shareholders. Options are awarded to NEOs by the Board of Directors based on the recommendations of the Compensation Committee, which bases its decisions upon the level of responsibility and contribution of the individuals towards the Company's goals and objectives. The Compensation Committee also takes into consideration the amount and terms of outstanding stock options in determining its recommendations regarding the options to be granted during any fiscal year. The Company has historically established a practice of granting stock options to the directors, officers and employees of the Company on an annual basis after the Company's annual general meeting.

The option component of executive compensation acts as an incentive for the Company's NEOs to work to enhance the Company's value over the long term and to remain with the Company.

See "Amended and Restated Incentive Share Option Plan" for a detailed description of the Company's share option plan.

The Compensation Committee is of the view that the Company's compensation structure appropriately takes into account the factors relevant to the resource industry, the Company's performance within that industry, and the individual contributions to the Company's performance made by its NEOs.

Compensation Governance

As noted above under the heading "Section Six: Corporate Governance – Committees – Compensation Committee", the Compensation Committee currently consists of three (3) members, two (2) of whom are independent within the meaning of NI 58-101. The current members of the Compensation Committee are Ms. Wolfe (Chair), Mr. Kay and Mr. Haber.

The current members of the Compensation Committee do not have direct experience that is relevant to their responsibilities in executive compensation. However, each of the Compensation Committee members has skills and experiences that enable the member to make decisions on the suitability of the compensation policies and practices of the Company as set out below.

Courtenay Wolfe

Ms. Wolfe is an accomplished board member and a seasoned executive with over twenty (20) years of experience in various fields, including corporate strategy, turnarounds, restructuring, strategic negotiations, marketing and business development. Previously, Ms. Wolfe served as the Executive Chair of Founders Advantage Capital Corp. (formerly FCF Capital Inc. and Brilliant Resources Inc.) and as President and Chief Executive Officer of Salida Capital LP, a private investment management firm. Ms. Wolfe is currently the principal of Canopy Capital Inc., a venture capital company, and serves on multiple other boards, including FB Sciences Inc. and Vital Alert Communication Inc.

David Kay

Mr. Kay is a partner at Tenor and the portfolio manager of TICAF. Mr. Kay joined Tenor in 2009. Previously, Mr. Kay was an investment banker at Jefferies & Company and an attorney at Akin Gump Strauss Hauer & Feld LLP. Mr. Kay currently serves on multiple boards for companies in the mineral, mining and energy industries.

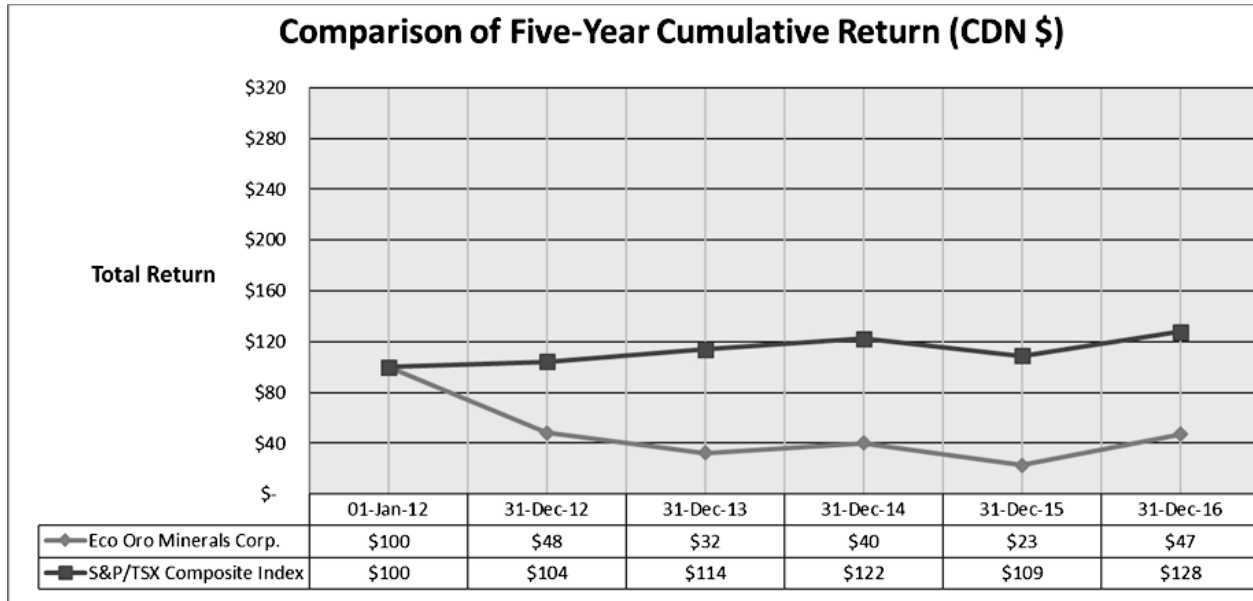
Lawrence Haber

Mr. Haber is a private adviser and consultant with significant experience in providing financial advisory services, formerly acting as a Special Advisor to the OSC staff regarding a number of policy projects and as a member of an Expert Committee tasked by the Ontario Minister of Finance to provide advice regarding the regulation of financial advice and financial planning advice. Mr. Haber was a senior executive with National Bank Financial and DundeeWealth Inc. and the President and Chief Executive Officer of Diversified Royalty Corp. (formerly, Benev Capital Inc.) Mr. Haber presently acts as the Chair of the board of directors of Diversified Royalty Corp.

The responsibilities, powers and operation of the Compensation Committee are set out in the Compensation Committee Charter and are described above under the heading "Section Six: Corporate Governance – Committees – Compensation Committee".

Performance Graph

The following graph compares the cumulative total shareholder return on the Shares of the Company over the last five fiscal years with the cumulative total return of the S&P/TSX Composite Index over the same period, based on an investment of \$100 on January 1, 2012.



As discussed above, compensation for the Company's NEOs is comprised of different elements. These include elements relating to factors that do not directly correlate to the market price of the Shares, such as base salary, as well as elements that more closely correlate to the Company's performance and changes in the market price of its Shares, such as incentive options. Salary levels for NEOs are based on the executive's qualifications, experience and responsibilities within the Company. In this regard, there is no correlation between the trend in share performance over the past five years and the trend in NEO compensation over that same period.

Summary Compensation Table

The following table sets forth details of all compensation paid in respect of the NEOs at December 31, 2016:

Name and Principal Position	Year	Salary (\$)	Share-Based Awards ⁽¹⁾ (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽²⁾	Long-Term Incentive Plans			
Anna Stylianides Former Executive Chairman, President and Chief Executive Officer ⁽³⁾	2016	Nil	N/A	Nil	N/A	N/A	N/A	120,000 ⁽⁴⁾	120,000
	2015	Nil	N/A	124,628	N/A	N/A	N/A	243,000	367,628
	2014	Nil	N/A	56,688	N/A	N/A	N/A	177,933	234,621
Mark Moseley- Williams Former President and Chief Executive Officer, President and Chief	2016	230,473	N/A	Nil	N/A	N/A	N/A	N/A	230,473
	2015	Nil	N/A	131,692	N/A	N/A	N/A	45,544	177,236

Operating Officer ⁽³⁾									
Paul Robertson Chief Executive Officer and former Chief Financial Officer and Corporate Secretary ⁽⁵⁾	2016	Nil	N/A	Nil	N/A	N/A	N/A	162,325 ⁽⁶⁾	162,325
	2015	Nil	N/A	83,085	N/A	N/A	N/A	176,800	259,885
	2014	Nil	N/A	34,013	N/A	N/A	N/A	109,488	143,501
James Atherton Former Corporate Secretary ⁽⁷⁾	2016	Nil	N/A	Nil	N/A	N/A	N/A	38,490 ⁽⁸⁾	38,490
	2015	67,642	N/A	83,085	N/A	N/A	N/A	129,988	280,715
	2014	135,376	N/A	34,013	N/A	N/A	N/A	106,679	276,068

Notes:

- (1) The options were granted pursuant to the Company's Option Plan. For compensation purposes, the Black-Scholes model has been used to determine the fair value on the date of grant. This is consistent with the accounting values used in the Company's financial statements. The Company selected the Black-Scholes model given its prevalence of use. The key assumptions used under the Black-Scholes model for the option valuations are: expected life of the stock option: 5 years; expected volatility of the Company's common share price: (2016: 93.91%; 2015: 93.91%; 2014 88.32%); expected dividend yield: 0%; and risk free interest rate: (2016: 0.54%; 2015: 0.54%; 2014: 1.32%).
- (2) Represents the annual incentive bonus paid in cash in that year.
- (3) Ms. Stylianides acted as President and Chief Executive Officer of the Company from May 1, 2014 to October 1, 2015 and as Chief Executive Officer from May 1, 2014 to January 4, 2015. Mr. Moseley-Williams was appointed President and Chief Operating Officer on October 1, 2015 and as President and Chief Executive Officer on January 4, 2016. Mr. Moseley-Williams resigned as President and Chief Executive Officer on July 26, 2017.
- (4) Includes \$120,000 paid to Fintec Holding Corp., a company controlled by Ms. Stylianides, to provide the services of Ms. Stylianides as the Company's President and Chief Executive Officer pursuant to a services agreement dated May 1, 2014.
- (5) Mr. Robertson was appointed Chief Financial Officer of the Company on April 11, 2014. Mr. Robertson had previously acted as Chief Financial Officer of the Company until January 14, 2013. Mr. Robertson resigned as Chief Financial Officer and was appointed as Chief Executive Officer (Interim) on August 3, 2017.
- (6) Fees paid to Quantum, a limited liability partnership of which Mr. Robertson is an incorporated partner, pursuant to a services agreement dated April 1, 2014.
- (7) Mr. Atherton acted as Vice President Legal and Corporate Secretary until April 1, 2014, when he ceased to act as Vice President Legal. He continued to act as Corporate Secretary until his resignation on April 30, 2016.
- (8) Legal fees paid to James H. Atherton Law Corporation, a law firm in which Mr. Atherton is a shareholder, pursuant to a services agreement dated April 1, 2014.

Incentive Plan Awards*Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth details of all awards outstanding for the NEOs at the end of the most recently completed financial year, including awards granted to the NEOs in prior years.

Name	Option-Based Awards				Share-Based Awards		
	No. of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	No. of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value or Share-Based Awards Not Paid Out or Distributed (\$)
Anna Stylianides	50,000	\$2.41	Apr. 27/17	Nil	N/A	N/A	N/A
	50,000	\$1.74	Jul. 1/17	Nil			
	100,000	\$0.82	May 10/18	Nil			
	75,000	\$0.52	Jul. 12/18	13,500			
	300,000	\$0.275	Jun. 2/19	127,500			
	300,000	\$0.50	Sept. 2/20	60,000			
Mark Moseley- Williams	100,000	\$0.50	Sept. 2/20	20,000	N/A	N/A	N/A
	200,000	\$0.63	Oct. 7/20	14,000			
Paul Robertson	180,000	\$0.275	Jun. 2/19	76,500	N/A	N/A	N/A

	200,000	\$0.50	Oct. 7/20	40,000			
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Note:

(1) Based on the closing price of \$0.70 for the Shares of the Company on December 30, 2016 and the exercise prices of the options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned by the NEOs for incentive plan awards for the most recently completed financial year.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) ⁽²⁾
Anna Stylianides	N/A	N/A	N/A
Mark Moseley-Williams	N/A	N/A	N/A
Paul Robertson	3,300	N/A	N/A
James Atherton ⁽³⁾	3,300	N/A	N/A

Notes:

(1) Based on the closing price of the Shares of the Company as of the date of vesting and the exercise prices of the options.

(2) On January 13, 2017, the independent members of the Board of Directors (excluding Ms. Stylianides, former Executive Chairman, Mr. Moseley-Williams, former President and Chief Executive Officer and Mr. Kay, the Trex nominated director) unanimously approved and the Company implemented the MIP to incentivize certain key personnel to continue to assist the Company with the prosecution and collection of the Company's Claim Proceedings. Implementation of the MIP is a requirement under the terms of the Investment Agreement (as defined herein). Pursuant to the terms of the MIP, the MIP Committee has been appointed to administer the MIP. The MIP Committee will, among other things, be responsible for determining whether to grant participants under the Plan certain cash retention amounts that will not exceed, in aggregate, 7% of the Claim Proceeds (to be reduced to 5% pursuant to the MIP Amendments). For greater certainty, cash retention amounts will only be awarded upon successful prosecution and collection of the Company's Claim Proceedings. Awards under the MIP will be at the sole discretion of the MIP Committee, who is under no obligation to grant participants any cash retention amounts. In exercising their discretion, the MIP Committee will take into consideration, among other things, the amount of the Claim Proceeds and the time dedicated by each participant to the Claim Proceedings. To date, no amounts have been awarded under the MIP. At the Meeting, shareholders will be asked to approve the MIP Amendment as more fully described under the heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – B. MIP Amendment".

(3) Mr. Atherton acted as Vice President Legal and Corporate Secretary until April 1, 2014, when he ceased to act as Vice President Legal. He continued to act as Corporate Secretary until his resignation on April 30, 2016.

For a summary of the key terms of the Company's share option plan, please see "Amended and Restated Incentive Share Option Plan".

Termination and Change of Control Benefits

The Company recognizes the valuable services that the NEOs provide to the Company and the importance of the continued focus of these NEOs in the event of a possible change of control. Because a change of control could give rise to the possibility that the employment of a NEO would be terminated without cause or adversely modified, the Board of Directors determined that it would be in the best interests of the Company to ensure that any distraction or anxiety associated with a possible change of control be alleviated by ensuring that, in the event of a change of control, each NEO would have the rights set out below.

For the purposes of the change of control agreements and provisions referenced below:

"Change of Control" means the occurrence of any of the following events, whether by way of a single transaction or a series of related transactions: (a) any change of the holding of voting securities of the Company whereby as a result of such change a person (not affiliated with the Company) or a group of persons (none of which is affiliated with the Company) acting in concert, hold or control, directly or indirectly, by or for the benefit of such person or persons, voting securities of the Company carrying more than 50% of the votes for the election of directors whether such change in the holding or control of such

securities occurs by way of reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, acquisition or otherwise; (b) the acquisition by a person (not affiliated with the Company) or a group of persons (none of which is affiliated with the Company) acting in concert, pursuant to a take-over bid, as defined in the applicable securities legislation or securities regulatory instruments, of voting securities of the Company that, together with the voting securities of the Company already held by such person or group, constitute 20% or more of the outstanding voting securities of the Company, if within six (6) months following take-up under such take-over bid, the Board of Directors of the Company is reconstituted so that the majority of the Board of Directors comprises persons who, prior to such take-over bid, were not directors of the Company in which case the Change of Control is deemed to occur as of the effective date of such reconstitution; (c) the sale or other disposition, whether by way of purchase, joint venture, exchange or otherwise, to any person (not affiliated with the Company) or a group of persons (none of which is affiliated with the Company) acting in concert, of assets of the Company, or interests therein, having a value greater than 50% of the fair market value of the assets of the Company and any subsidiaries on a consolidated basis determined as at the date of the entering into of the transaction, if within six (6) months following completion of such disposition, the Board of Directors is reconstituted so that the majority of the Board of Directors comprises persons who, prior to such disposition, were not directors of the Company in which case the Change of Control is deemed to occur as of the effective date of such reconstitution; or (d) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its affiliates and another corporation or other entity as a result of which the holders of voting securities of the Company prior to the completion of the transaction hold less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction; and

“Good Reason” means without the NEO’s express written consent: (i) a material reduction of the NEO’s duties, position, authority or responsibilities, relative to the NEO’s duties, position, authority or responsibilities in effect immediately prior to such reduction provided that the NEO’s acceptance of a new position on or after a Change of Control will not in and of itself constitute express written consent that such position does not constitute a material reduction in the NEO’s duties, position, authority or responsibilities; (ii) a material reduction of the facilities and perquisites (including office space and location) available to the NEO immediately prior to such reduction unless other executive officers of the Company are similarly treated; (iii) a material reduction in the compensation of the NEO in effect immediately prior to such reduction; (iv) a material reduction in the kind or level of benefits to which the NEO was entitled immediately prior to such reduction with the result that such NEO overall benefits package is materially reduced unless other executive officers of the Company are similarly treated. Notwithstanding the foregoing, Good Reason will not be deemed to exist based on conduct described above unless the NEO provides the Company with written notice specifying the particulars of the conduct constituting Good Reason, and the conduct described (if reasonably susceptible of cure) has not been cured within thirty (30) days following receipt by the Company of such notice.

Employment Agreement with Mark Moseley-Williams

Mr. Moseley-Williams was employed as the Company’s President and Chief Operating Officer pursuant to an employment agreement dated October 1, 2015 between the Company and Mr. Moseley-Williams. On January 4, 2016, Mr. Moseley-Williams was appointed as the Company’s President and Chief Executive Officer. Under the terms of that amended agreement, the Company may terminate Mr. Moseley-Williams’s employment, without cause, by providing written notice of termination and paying him the corresponding compensation according to Colombian law. Based on the assumption that the triggering event occurred on December 31, 2016, the estimated incremental payment to Mr. Moseley-Williams under the foregoing provision would have been \$32,902. Pursuant to a change of control provision within that agreement, if within six (6) months following a Change of Control the Company removes Mr. Moseley-Williams from that position without cause or Mr. Moseley-Williams resigns from the position for Good Reason, Mr. Moseley-Williams will be paid a lump sum payment equal to twice the sum of his then current base annual salary and the bonus, if any, earned for the fiscal year prior to the year the termination takes place, less applicable withholdings, deductions and remittances, and any stock options Mr. Moseley-Williams has been granted in connection with his involvement with the Company will fully vest immediately. Based on the assumption that such a triggering event occurred on December 31, 2016,

the estimated incremental payment to Mr. Moseley-Williams pursuant to the foregoing provision would have been \$460,000. On January 4, 2016, Ms. Moseley-Williams was appointed President and Chief Executive Officer and this employment agreement was amended to reflect this role. On July 26, 2017, Mr. Moseley-Williams resigned as Chief Executive Officer.

Agreements with Paul Robertson and Quantum Advisory Partners LLP (Paul Robertson)

Mr. Robertson is employed as the Company's Chief Financial Officer pursuant to an employment agreement dated April 11, 2014 between the Company and Mr. Robertson. Under the terms of that agreement, the Company may terminate Mr. Robertson's employment, without cause, by providing thirty (30) days' written notice of termination. Pursuant to a change of control agreement dated October 1, 2015 between the Company and Mr. Robertson, if within six (6) months following a Change of Control the Company removes Mr. Robertson from that position without cause or Mr. Robertson resigns from the position for Good Reason, Mr. Robertson will be paid a lump sum payment of \$270,000 less applicable withholdings, deductions and remittances, and any stock options Mr. Robertson has been granted in connection with his involvement with the Company will fully vest immediately. Based on the assumption that such a triggering event occurred on December 31, 2016, the estimated incremental payment to Mr. Robertson pursuant to the foregoing provision would have been \$270,000.

Quantum, a limited liability partnership of which Mr. Robertson is a partner and through which Mr. Robertson practises accounting, is engaged to provide accounting services to the Company pursuant to a services agreement dated April 1, 2014 between the Company and Quantum. Pursuant to that agreement, if the Company terminates Quantum's engagement, without cause and without adequate (six (6) months') notice of termination, Quantum will be entitled to an amount equal to six (6) months of the then in effect base fee by way of a lump sum payment. Based on the assumption that the triggering event occurred on December 31, 2016, the estimated incremental payment to Quantum under the foregoing provision would have been \$67,500.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth details of all amounts of compensation provided to the directors other than the NEOs (the "**Other Directors**") for the Company's most recently completed financial year.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
John Hayes ⁽²⁾	6,000	N/A	N/A	N/A	N/A	N/A	6,000
David Kay ⁽³⁾	0	N/A	N/A	N/A	N/A	N/A	0
Hubert R. Marleau	9,000	N/A	N/A	N/A	N/A	N/A	9,000
Kevin O'Halloran ⁽⁴⁾	3,000	N/A	N/A	N/A	N/A	N/A	3,000
Juan Esteban Orduz ⁽⁵⁾	3,750	N/A	N/A	N/A	N/A	N/A	3,750
Derrick H. Weyrauch	5,250	N/A	N/A	N/A	N/A	N/A	5,250

Notes:

- (1) There were no options granted in the 2016 financial year.
(2) Mr. Hayes ceased to be a director of the Company on August 29, 2016.
(3) Mr. Kay was appointed as a director of the Company on July 26, 2016.
(4) Mr. O'Halloran was appointed as a director of the Company on August 29, 2016.
(5) Mr. Orduz ceased to be a director of the Company on June 2, 2016.

Non-executive directors receive an annual retainer of \$9,000 paid in quarterly instalments. These directors are also granted stock options annually following the Company's annual general meeting.

Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

The following table sets forth details of all awards outstanding for the Other Directors at the end of the most recently completed financial year, including awards granted to the Other Directors in prior years.

Name	Option-Based Awards				Share-Based Awards		
	No. of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	No. of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
John Hayes ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Kay ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hubert R. Marleau	50,000 100,000 75,000 100,000 150,000	\$2.41 \$0.82 \$0.52 \$0.275 \$0.50	Apr. 27/17 May 10/18 Jul. 12/18 Jun. 2/19 Sep. 2/20	Nil Nil 13,500 42,500 30,000	N/A	N/A	N/A
Kevin O'Halloran ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Juan Esteban Orduz ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Derrick H. Weyrauch	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Based on the closing price of \$0.70 for the Shares of the Company on December 30, 2016 and the exercise prices of the options.

(2) Mr. Hayes ceased to be a director of the Company on August 29, 2016.

(3) Mr. Kay was appointed as a director of the Company on July 26, 2016.

(4) Mr. O'Halloran was appointed as a director of the Company on August 29, 2016.

(5) Mr. Orduz ceased to be a director of the Company on June 2, 2016.

The following table sets forth details of the value vested or earned by the Other Directors for option-based awards and share-based awards for the most recently completed financial year.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Option-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
John Hayes ⁽²⁾	N/A	N/A	N/A
David Kay ⁽³⁾	N/A	N/A	N/A
Hubert R. Marleau	N/A	N/A	N/A
Kevin O'Halloran ⁽⁴⁾	N/A	N/A	N/A
Juan Esteban Orduz ⁽⁵⁾	N/A	N/A	N/A

Derrick H. Weyrauch	N/A	N/A	N/A
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Notes:

- (1) Based on the closing price of the Shares of the Company as of the date of vesting and the exercise prices of the options.
- (2) Mr. Hayes ceased to be a director of the Company on August 29, 2016.
- (3) Mr. Kay was appointed as a director of the Company on July 26, 2016.
- (4) Mr. O'Halloran was appointed as a director of the Company on August 29, 2016.
- (5) Mr. Orduz ceased to be a director of the Company on June 2, 2016.

For a summary of the key terms of the Company's share option plan, please see "Amended and Restated Incentive Share Option Plan".

Amended and Restated Incentive Share Option Plan

The Company has in place the Option Plan pursuant to which the Board of Directors may grant options to eligible participants to purchase Shares of the Company on such terms as they may determine, subject to any restrictions set out in the Option Plan. The key features of the Option Plan are as follows:

- (a) the eligible participants are directors, officers, employees, part-time employees and consultants of the Company or any affiliate;
- (b) the aggregate number of Shares that may be issued from time to time under the Option Plan shall not exceed 10% of the Shares issuable from time to time in the capital of the Company;
- (c) the aggregate number of Shares that may be issued to insiders under the Option Plan at any one time or within any one year period, together with any other security based compensation arrangement, shall not exceed 10% of the Shares issuable in the capital of the Company;
- (d) the aggregate number of Shares reserved for issuance under the Option Plan and all other plans of a similar nature to any one person shall not at any time exceed 5% of the Company's outstanding capital;
- (e) the directors determine the exercise price of each option at the time of grant which, in no case, can be lower than the closing market price of the Company's Shares on the TSX on the last trading day prior to the date of grant;
- (f) the term of each option is also determined by the directors at the date of grant which, in no case, can exceed ten years, subject to the extension for options expiring within a blackout period as described below;
- (g) the options may be subject to vesting provisions at the discretion of the Board of Directors; however, although the Board of Directors may in its discretion accelerate the vesting terms of any option, upon the announcement of a transaction which, if completed, would constitute a Change of Control (as defined in the Option Plan), all options that have not vested shall be deemed to be fully vested and exercisable solely for the purposes of permitting the optionees to exercise such options in order to participate in such transaction or distribution;
- (h) an optionee may elect to dispose of the optionee's rights under all or part of his options in exchange for that number of Shares of the Company calculated as follows:

number of Shares issuable on exercise of options being exchanged	x	$\frac{\text{(current market price-option exercise price)}}{\text{current market price}}$
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- (i) options may terminate prior to expiry of the option term in the following circumstances:

- i. on death of an optionee, options held as at the date of death are exercisable until the earlier of one (1) year from such date and expiry of the option term;
 - ii. on retirement of an optionee, options held as at the date of retirement are exercisable until the earlier of six (6) months from such date and expiry of the option term; if an optionee ceases to be employed by the Company for cause or is removed from office as a director or officer or becomes disqualified from such position by law, options held as at the date of cessation of employment, removal from office or disqualification will expire on such date;
 - iii. if an optionee ceases to be employed by the Company for any reason other than cause or death or ceases to be a director or officer for any reason other than death, removal or disqualification, options held on the date of cessation are exercisable until the earlier of sixty (60) days following such date and expiry of the option term; or
 - iv. if, at the request of the Board of Directors, an optionee resigns as an employee, director, officer or consultant, the Board of Directors may, in its absolute discretion, extend the term of the option held by such optionee so that it is exercisable for a period equal to the earlier of six (6) months from the date of resignation or until expiry of the original option term; and
- (j) if a director who holds an option ceases to be a director but continues to be or, concurrently with such ceasing to be a director, becomes or is appointed as an officer, employee or consultant, then such option continues in full force and effect;
- (k) options and rights related thereto held by an optionee are not assignable except on death of the optionee;
- (l) subject to the exceptions noted below, the Board of Directors may amend the Option Plan or any option at any time in its absolute discretion without shareholder approval to:
- i. amend the time or times that the Shares subject to each option will become purchasable by an optionee, including accelerating the vesting terms, if any, applicable to an option;
 - ii. amend the process by which an optionee who wishes to exercise his or her option can do so, including the required form of payment for the Shares being purchased, the form of exercise notice and the place where such payments and notices must be delivered;
 - iii. reduce the exercise price or extending the term of an option, other than an option held by an insider of the Company;
 - iv. amend the terms of the Option Plan relating to the effect of termination, cessation or death of an optionee on the right to exercise options (including options held by an insider of the Company);
 - v. make any amendments of a typographical, grammatical or clerical nature; and
 - vi. make any amendments necessary to bring the Option Plan into compliance with the securities and corporate laws and the rules and policies of the TSX.

Amendments which reduce the exercise price or extend the term of an option held by an insider or which increase the fixed maximum percentage of Shares issuable under the Option Plan will require disinterested shareholder approval;

(m) the directors have the authority under the Option Plan to authorize the Company to lend money to an eligible participant to assist such participant to exercise an option. However, to date, no such assistance has been provided; and

(n) if an option expires:

- i. within a self-imposed black out period, the expiry date will be a date which is ten (10) business days after expiry of the black-out period; or
- ii. immediately following a self-imposed black out period, the expiry date will be a date which is ten (10) business days after expiry of the black-out period less the number of business days between the date of expiry of the option and the date on which the black-out period ends.

The expiry dates for black-out periods is fixed under the Option Plan and is not subject to the discretion of the Board of Directors.

During the financial year ended December 31, 2016, no amendments to the Option Plan were adopted either with or without shareholder approval.

As at the date hereof, there are currently outstanding options to purchase an aggregate of 5,267,000 Shares (4.3% of the fully diluted issued capital) and there are 6,445,495 options available for grant (5.2% of the fully diluted issued capital).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the Company's financial year ended December 31, 2016, all information required with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders	2,656,500	\$0.59	7,969,010
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	2,656,500	\$0.59	7,969,010

SECTION EIGHT: GENERAL INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, and during the financial year ended December 31, 2016, no executive officers, directors, employees or former executive officers, directors and employees of the Company or any of its subsidiaries (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Company or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended December 31, 2016, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company since the commencement of the Company's last completed financial year, or of any proposed nominee for election as a director of the Company, or of any associate or affiliate of any of such persons, in any manner to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

Plan of Arrangement

Each of Trexs, Amber, Paulson and Ms. Stylianides have an interest in the Arrangement. Specifically, under the Arrangement, (i) each will be deemed to have made their Transferred CVRs available for reallocation in accordance with the Plan of Arrangement and in connection therewith, each CVR Holder shall be entitled to an amount equal to such CVR Holder's CVR Holder Amount, (ii) the Conversion will be rescinded and, as a result, the New Shares currently held by Trexs, Amber, Paulson and Ms. Stylianides, respectively, will be cancelled and the Company will reinstate and reissue to Trexs, Amber, Paulson and Ms. Stylianides that portion of the Notes originally converted as part of the Conversion, each as more fully described under heading "Section Five: The Arrangement".

In addition, each of Ms. Stylianides and Mr. Robertson are holders of the May 8 Options that will under the Arrangement be terminated for no consideration and shall cease to have any effect whatsoever, as more fully described under heading "Section Five: The Arrangement".

Investment Agreement Amendment

Trexs is a party to the Investment Agreement and therefore has an interest in the Investment Agreement Amendment, as more fully described under heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – A. Investment Agreement Amendment and Security Sharing Agreement Amendment".

MIP Amendment

Each of Ms. Stylianides, Mr. Haber and Ms. Wolfe are entitled to participate in the MIP. Pursuant to the MIP Amendment, Ms. Stylianides will be removed from the definition of "Participant" under the MIP and Mr. Haber and Ms. Wolfe, respectively, will replace Mr. O'Halloran and Mr. Weyrauch, both former directors, as members of the MIP Committee, as more fully described under heading "Section Three: Matters to be Voted On at the Meeting – 7. Amendments to Material Agreements – B. MIP Amendment".

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, no informed person of the Company, proposed nominee for election as a director, or any associate or affiliate of the foregoing, had any material interest, direct or

indirect, in any transaction or proposed transaction since January 1, 2016 which has materially affected or would materially affect the Company or any of its subsidiaries.

Pursuant to the Investment Agreement, Trexs (located at 1180 Avenue of the Americas, Suite 1940, New York, NY 10036), made an aggregate investment in the Company of US\$14,000,000 and was issued 10,608,225 Shares (or 9.9%), a Note in the principal amount of US\$7,000,000 and secured CVRs, entitling Trexs to 51% of the Claim Proceeds. Pursuant to the terms of the Investment Agreement, Trexs nominated Mr. Kay as its nominee on the Board of Directors. Mr. Kay is a partner at Tenor and the portfolio manager of TICAF, both of which are affiliates of Trexs, and accordingly has direction over the securities of the Company held by Trexs. Under the Arrangement, Trexs will be deemed to have made its Transferred CVRs available for reallocation in accordance with the Plan of Arrangement and in connection therewith it shall be entitled to an amount equal to its CVR Holder Amount, as more fully described under heading “Section Five: The Arrangement”.

On November 9, 2016, pursuant to the Investment Agreement, the Company issued a Note in the principal amount of US\$1,495,454.56 and secured CVRs to Amber (located at 900 Third Avenue, Suite 1103, New York, NY 10022), a Note in the principal amount of US\$1,050,000.01 and secured CVRs to Paulson (located at 1251 Avenue of the Americas, New York, NY 10020) and a Note in the principal amount of US\$31,818.18 and secured CVRs to Ms. Stylianides, a director of the Company (located at Suite 300, 1055 W. Hastings Street, Vancouver, British Columbia, V6E 2E9). Under the Arrangement, Amber, Paulson and Ms. Stylianides will transfer CVRs to the Custodian for the benefit of the Qualified Shareholders who exercise their Rights and acquire an Interest in the Custody CVRs, as more fully described under heading “Section Five: The Arrangement”.

On March 16, 2017, the Company announced that it had converted approximately US\$4,721,258 in principal amount of its outstanding unsecured convertible indebtedness through the issuance of the New Shares at an effective price of US\$0.5930 per Share (together, the “**Conversion**”). Following the Conversion, approximately US\$4,951,470 of the Notes remain outstanding. As a result of the Conversion, Trexs increased its ownership from approximately 9.9% to 15.7%. Certain other Noteholders, being Amber, Paulson and Ms. Stylianides, participated in the Conversion and retained their approximate *pro rata* ownership in the Company following the Conversion. **As a step in the Plan of Arrangement, the Conversion will be rescinded, the New Shares will be cancelled and the Company will reinstate and reissue that portion of the Notes originally converted and that existed immediately prior to the issuance of the New Shares to the Noteholders.**

On September 11, 2017, the Company announced that, pursuant to the terms of a loan agreement, Trexs loaned the Company US\$4 million on an unsecured basis. The loan is for a term of 150 days and bears interest at a rate of 5% per annum.

MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or subsidiary, except as disclosed herein.

DIRECTORS' AND OFFICERS' INSURANCE

The Company maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Company has purchased in respect of directors and officers an aggregate of US\$25,000,000 in coverage. The approximate amount of premiums paid by the Company during the financial year ended December 31, 2016 in respect of such insurance was US\$43,000.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the Company's website at www.eco-oro.com or under the Company's profile on SEDAR at www.sedar.com. Shareholders may contact the Corporate Secretary of the Company at Suite 300 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9 or by telephone at 604-682-8212 to request copies of the Company's financial statements and MD&A. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

DIRECTORS' APPROVAL

The contents of this Circular and its sending to shareholders have been approved by the Board of Directors. A copy of this Circular has been sent to each director, each shareholder entitled to notice of the Meeting and the auditors of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Paul Robertson"*

Paul Robertson,
Chief Executive Officer (Interim)

Vancouver, British Columbia
September 12, 2017

APPENDIX A

Arrangement Resolution

"RESOLVED AS A SPECIAL RESOLUTION that:

1. the capitalized terms used and not otherwise defined herein shall have the meanings set forth in the accompanying management information circular dated September 12, 2017 (the "**Circular**");
2. the Arrangement under Division 5 Part 9 of the BCBCA of Eco Oro, as more particularly described and set forth in the Circular (as the Arrangement may be amended, modified or supplemented) is hereby authorized, approved and adopted;
3. the Plan of Arrangement of the Company (as if has been or may be amended, modified or supplemented), the full text of which is set out in Appendix "D", to the Circular, is hereby authorized, approved or adopted;
4. (i) the Arrangement and related transactions, and (ii) actions of the directors of the Company in approving the Arrangement, are hereby ratified and approved;
5. notwithstanding that this special resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) to amend, modify or supplement the Plan of Arrangement, and (ii) not to proceed with the Arrangement or related transactions;
6. any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing; and
7. the foregoing resolutions are conditional on the approval of the Conditional Resolutions.

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SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

SEP 12 2017

ENTERED



APPENDIX B
Interim Order

No. S178452
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*,
SBC 2002, C 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
ECO ORO MINERALS CORP.

RE: ECO ORO MINERALS CORP.

PETITIONER

ORDER MADE AFTER APPLICATION
INTERIM ORDER

))
))
BEFORE)	<u>MASTER</u>) 12/Sept/2017
))
)	<u>TAYLOR</u>)

ON THE APPLICATION of the petitioner, Eco Oro Minerals Corp. ("**Eco Oro**" or the "**Company**"), without notice, coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on Tuesday, September 12, 2017; and ON HEARING Kaitlin Smiley, counsel for Eco Oro; AND ON READING the Petition to the Court and Affidavit #1 of Lawrence Paul Haber affirmed September 6, 2017 (the "**Haber Affidavit**"), both filed herein; *and ON HEARING MATTHEW NIED, counsel for TREX Investments LLC;*
THIS COURT ORDERS that:

Definitions

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the draft Notice of Meeting (the "**Notice of Meeting**") and draft Management Information Circular (the "**Circular**") found at **Exhibit "A"** to the Haber Affidavit.

The Meeting

2. Pursuant to Sections 289 and 291 of the *Business Corporations Act*, SBC 2002, c. 57 (the "**BCBCA**"), the Company is authorised and directed to call, hold and conduct a meeting (the "**Meeting**") of the holders of common shares of Eco Oro (the "**Shareholders**") to be held at the offices of Norton Rose Fulbright Canada LLP located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4 on Tuesday, October 10, 2017 at 10:00 a.m. (Eastern Time) to, at that Meeting:
 - (a) consider and, if deemed appropriate, pass, with or without variation, a special resolution to approve a proposed arrangement (the "**Arrangement**") pursuant to section 288 of the BCBCA substantially in the form set out in the Plan of Arrangement attached as **Appendix "D"** to the Circular (the "**Arrangement Resolution**"); and
 - (b) to transact such further or other business as is contemplated in the Circular, or as may otherwise properly come before the Meeting and any adjournment(s) or postponement(s) thereof.
3. David Kay and Courtenay Wolfe shall jointly act as the co-chairs of the Meeting (the "**Co-Chairs**") and shall appoint such person(s) as deemed appropriate to act as secretary of the Meeting. The Meeting shall be called, held and conducted in accordance with the BCBCA, the Notice of Meeting, the Circular, the articles and by-laws of Eco Oro, this Interim Order and any further Order of this Court, and in accordance with the rulings and the directions of the Co-Chairs, such ruling and directions not to be inconsistent with this Interim Order.

Record Date

4. The record date (the "**Record Date**") for determination of the shareholders entitled to notice of, and to vote at, the Meeting and, subject to other conditions set forth in the Circular, exercise a Right distributed by the Company to acquire an interest in the Custody CVRs, shall be August 11, 2017, as previously approved by the Board of Directors of Eco Oro.

Permitted Attendees

5. The only persons entitled to attend or speak at the Meeting shall be:
 - (a) the Shareholders or their respective proxyholders;
 - (b) Eco Oro's officers, directors, and advisors; and
 - (c) other persons who may receive the permission of the Co-Chairs of the Meeting.

Scrutineer

6. One or more representatives of Computershare Investor Services Inc. is authorised to act as scrutineer (the "**Scrutineer**") for the Meeting.

Amendments

7. Prior to the Meeting, Eco Oro is authorised to make such amendments, revisions and/or supplements to the Arrangement (as agreed to by Trexs and the Shareholder Group) without any additional notice to the Shareholders, and the Arrangement, as so amended, revised and/or supplemented, shall be the Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.
8. Eco Oro is authorised to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraph 12 of this Interim Order.

Adjournments and Postponements

9. Notwithstanding the provisions of the BCBCA, Eco Oro, if it deems advisable, is specifically authorised to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournment or postponement shall be given by press release or newspaper advertisement, or by notice sent to the Shareholders in a manner specified in paragraph 12 of this Interim Order. This provision shall not limit the authority of the Co-Chairs of the Meeting in respect of adjournments and postponements of the Meeting.
10. The Record Date shall not change in respect of adjournments or postponements of the Meeting.

Notice of Meeting

11. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and the Company shall not be required to send to the Shareholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.
12. The Circular (including the Notice of Meeting and the Notice of Hearing of Petition), the forms of proxy and the Subscription Forms, all in substantially the same form as contained in **Exhibits "A", "B", "C" and "D"** to the Haber Affidavit (collectively referred to as the "**Meeting Materials**"), with such deletions, amendments or additions thereto as counsel for the petitioner may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to:

- (a) the Shareholders as they appear on the securities register of the Company maintained by its registrar and transfer agent as at the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:
 - (i) by prepaid ordinary or air mail addressed to the Shareholder at his, her or its address as it appears on the applicable securities register of Eco Oro as at the Record Date;
 - (ii) by delivery in person or by courier delivery to the address specified in paragraph 12(a)(i) above; or
 - (iii) by e-mail or facsimile transmission to any Shareholder who identifies himself, herself or itself to the satisfaction of the Company, acting through its representatives, who requests such e-mail or facsimile transmission;
- (b) the directors and auditors of the Company by mailing the Meeting Materials by prepaid ordinary or air mail, or by e-mail or facsimile transmission, to such persons at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal and the date of the Meeting; and
- (c) in the case of non-registered Shareholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to both non-objecting beneficial owners and objecting beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators;

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

- 13. Accidental failure or omission by Eco Oro to give notice of the Meeting or to distribute the Meeting Materials to any person entitled by this Interim Order to receive notice or Meeting Materials, or any failure or omission to give such notice or Meeting Materials as a result of events beyond the reasonable control of Eco Oro, or the non-receipt of such notice or Meeting Materials, shall not constitute a breach of this Interim Order or, in relation to notice to Shareholders, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of Eco Oro, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances (including press release or newspaper advertisement if that is determined by the Board of Directors of the Company to be the most appropriate method of communication).
- 14. Eco Oro is hereby authorised to make such supplements to the Meeting Materials as Eco Oro may determine and deliver those materials, or any other materials that the Company wishes to deliver to Shareholders ("**Additional Materials**"). Notice of such Additional Materials may, subject to paragraph 13 above, be delivered in accordance

with paragraph 12 of this Interim Order. Notwithstanding the foregoing, Additional Materials may be delivered to the Shareholders by the method and in the time most reasonably practicable in the circumstances (including press release or newspaper advertisement if that is determined by the Board of Directors of the Company to be the most appropriate method of communication).

15. Distribution of the Meeting Materials pursuant to paragraph 12 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Petition upon the persons described in paragraph 12 and those persons are bound by any orders made on the within Petition. Further, no other form of service of the Meeting Materials or this Petition, or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by this Interim Order.
16. The Meeting Materials and any Additional Materials shall be deemed, for the purposes of this Interim Order, to have been received:
 - (a) in the case of mailing, the day, Saturdays, and holidays excepted, following the date of mailing;
 - (b) in the case of delivery in person, the day of personal delivery or the day of delivery to the person's address in paragraph 12 above;
 - (c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch; and
 - (d) in the case of a press release or newspaper advertisement, on the date of release or publication.

Solicitation and Revocation of Proxies

17. Eco Oro is authorised to use the subscription forms and proxies substantially as contained in **Exhibits "B" and "C"** to the Haber Affidavit, with such amendments and additional information as Eco Oro may determine are necessary or desirable. Eco Oro is authorised, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of communication as it may determine.
18. The procedure for the use of proxies at the Meeting and the use of Subscription Forms shall be as set out in the Meeting Materials. Eco Oro may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Shareholders or delivery of Subscription Forms, if Eco Oro deems it advisable to do so.
19. Shareholders shall be entitled to revoke their proxies in accordance with the *Business Corporations Regulation*, BC Reg 65/2004 (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to

s. 3.8 of Table 2 of the *Business Corporations Regulation* may be deposited at the registered office of Eco Oro or with the transfer agent of Eco Oro as set out in the Circular.

Quorum and Voting

20. The quorum at the Meeting shall be not less than two Shareholders who are entitled to vote at the Meeting, holding in aggregate not less than 5% of the shares entitled to vote at the Meeting, voting either in person or by proxy.
21. The only persons entitled to vote in person or by proxy on the Arrangement Resolution, shall be those Shareholders who hold common shares of Eco Oro as of the close of business on the Record Date, and are otherwise entitled to vote. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.
22. In respect of matters properly brought before the Meeting pertaining to items of business affecting Eco Oro each Shareholder is entitled to one vote for each common share held.
23. The votes required to pass the Arrangement Resolution at the Meeting shall be the affirmative vote of at least two-thirds (66 2/3%) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Shareholders. Such votes shall be sufficient to authorise Eco Oro to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

Hearing of Application for Approval of the Arrangement

24. Upon approval with or without variation, by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Eco Oro may apply to this Honourable Court, pursuant to s. 291 of the BCBCA, for (i) final approval of the Arrangement and (ii) a declaration that the terms and conditions of the Arrangement are fair and reasonable (the "**Final Order**"). The hearing of the application for the Final Order will be held at October 12, 2017 at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as the application can be heard or at such other date and time as this Court may direct.
25. The form of Notice of Hearing of Petition for Final Order attached as **Appendix "C"** to the Circular is hereby approved as the form of notice of proceedings for such approval. Any Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for Final Order.
26. Distribution of the Notice of Hearing of Petition for Final Order and this Interim Order, when sent in accordance with paragraph 12 or 13, as the case may be, shall constitute

good and sufficient service of the within Petition and this Interim Order and no other form of service need be effected and no other material need be served unless a Response is served in accordance with paragraph 27.

27. Any Shareholder seeking to appear at the hearing of the application for the Final Order shall:

- (a) file a Response, in the form prescribed by the *Supreme Court Civil Rules*, with this Court; and
- (b) deliver the filed Response to the petitioner's solicitors at:

Norton Rose Fulbright Canada LLP
1800 – 510 West Georgia Street
Vancouver BC V6B 0M3
Attention: James H. Goulden / Kaitlin Smiley,

as soon as reasonably practical and in any case, before 4:00 p.m. (Vancouver time) on October 11, 2017.

28. Subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within Petition shall be:

- (a) Eco Oro; and
- (b) any person who has filed a Response herein in accordance with the Petition, this Interim Order and the *Supreme Court Civil Rules*.

29. Any materials to be filed by Eco Oro in support of the within Petition for final approval of the Arrangement may be filed up to one day prior to the hearing of the Petition without further order of this Honourable Court.

30. In the event the hearing of the application for the Final Order does not proceed on the date set forth in the Notice of Hearing, and is adjourned, only those persons who served and filed a Response in accordance with paragraph 27 of this Order need to be served and provided with notice of the adjourned hearing date.

Precedence

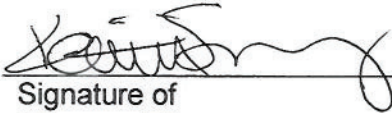
31. To the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the voting common shares, or the articles or by-laws of Eco Oro, this Interim Order shall govern.

Variance

32. Eco Oro shall be entitled, at any time, to apply to vary this Interim Order.

33. Rules 8-1 and 16-1 of the Supreme Court Civil Rules will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS NOTED ABOVE:




Signature of

☐ party ☒ Lawyer for the petitioner
Eco Oro Minerals Corp.

Kaitlin Smiley

 *MA*
By the Court.

Registrar





APPENDIX C

Notice of Hearing of Petition for
the Final Order

No. S178452
Vancouver Registry



IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*,
SBC 2002, c 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
ECO ORO MINERALS CORP.

RE: ECO ORO MINERALS CORP.

PETITIONER

NOTICE OF HEARING OF PETITION FOR FINAL ORDER

To: The holders of common shares of Eco Oro Minerals Corp. (collectively, the "Shareholders" or the "Respondents")

NOTICE IS HEREBY GIVEN that a Petition has been filed by the Petitioner, Eco Oro Minerals Corp. (the "Company") in the Supreme Court of British Columbia (the "Court") for approval of a plan of arrangement (the "Arrangement") pursuant to the *Business Corporations Act*, SBC 2002, c 57, as amended;

AND NOTICE IS FURTHER GIVEN that by an Order of the Court pronounced on September 11, 2017 (the "Interim Order"), the Court has given directions as to the calling of a special meeting of the Shareholders for the purpose of, among other things, considering and voting upon a special resolution to approve the Arrangement;

AND NOTICE IS FURTHER GIVEN that an application for a final order approving the Arrangement and for a determination that the terms and conditions of the Arrangement are fair and reasonable (the "Final Order") shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, on October 12, 2017, at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard (the "Final Application");

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement will, if made, serve as the basis of an exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof with respect to securities distributed under the Arrangement.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver,

British Columbia, a Response to Petition ("Response") in the form prescribed by the *Supreme Court Civil Rules*, together with any affidavits and other material on which that person intends to rely at the hearing of the Final Application, and delivered a copy of the filed Response, together with all affidavits and other material on which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submissions, to the Petitioner at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) on October 11, 2017.

The Petitioner's address for delivery:

Norton Rose Fulbright Canada LLP
 1800 – 510 West Georgia Street
 Vancouver, British Columbia
 V6B 0M3
 Attention: James H. Goulden / Kaitlin Smiley

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION to be heard by filing and delivering the form of Response as aforesaid. You may obtain a form of Response at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend either in person or by counsel at the time of such hearing of the Final Application, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. A copy of the said Petition and other documents in the proceeding will be provided to any Respondent upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

1. Date of hearing

- ☐ The parties have agreed as to the date of the hearing of the petition.
- ☒ The parties have not agreed as to the date of the hearing but notice of the hearing will be given pursuant to the Interim Order of the Court in this matter.
- ☐ The petition is unopposed, by consent or without notice.

2. Duration of hearing

- ☐ It has been agreed by the parties that the hearing will take 20 minutes.
- ☒ The parties have not agreed as to how long the hearing will take and
- (a) the time estimate of the petitioner is 20 minutes, and

(b) the petition respondents have not given a time estimate.

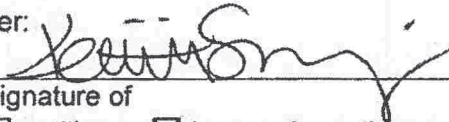
3. Jurisdiction

- ☐ This matter is within the jurisdiction of a master.
- ☒ This matter is not within the jurisdiction of a master.

Norton Rose Fulbright Canada LLP

Date: September, 2017

per:



Signature of

☐ petitioner ☒ Lawyer for petitioner
Eco Oro Minerals Corp.

James H. Goulden / Kaitlin Smiley

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APPENDIX D

Plan of Arrangement

ECO ORO MINERALS CORP.

PLAN OF ARRANGEMENT UNDER PART 9, DIVISION 5 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

1. INTERPRETATION

- (a) Definitions: In this Plan of Arrangement, unless the context otherwise requires, the following words and terms shall have the meanings hereinafter set out:
- (i) “**2017 Meeting**” means the annual general and special meeting of shareholders of the Company to be held on October 10, 2017, including any adjournment or adjournments or postponement or postponements thereof;
 - (ii) “**Additional Receipts**” means the Receipts available for subscription under the Additional Subscription Privilege, being Receipts evidencing an Interest in the Custody CVRs not allocated under the Basic Subscription Right;
 - (iii) “**Additional Subscription Privilege**” means the privilege of Qualified Shareholders that have complied with the conditions set out in the Subscription Form and Circular to subscribe for their respective *Pro Rata Share* of Additional Receipts after the exercise of all their Rights under the Basic Subscription Right;
 - (iv) “**Additional Subscription Privilege Funding Notice**” has the meaning ascribed thereto in Subsection 3(e);
 - (v) “**Additional Subscription Privilege Second Funding Obligation**” has the meaning ascribed thereto in Subsection 3(e);
 - (vi) “**Agency Agreement**” means the rights agency and custodial agreement dated September 12, 2017 between the Subscription Agent and the Company pertaining to the issuance and exercise of the Rights;
 - (vii) “**Approved Shareholder**” means an Entitled Shareholder who is resident in a Non-Qualified Jurisdiction but that, prior to October 4, 2017, demonstrates to each of the Subscription Agent and Company, in its sole and absolute discretion, that such Entitled Shareholder may hold and exercise a Right: (i) in compliance with the laws of such

Non-Qualified Jurisdiction; (ii) without obligating the Company or any of the CVR Holders to file or issue a prospectus, registration statement or any other similar document qualifying or registering the issue, sale or distribution of the Rights, Receipts or the Custody CVRs; and (iii) without imposing any significant costs on the Company in order to comply with applicable laws of such Non-Qualified Jurisdiction and in doing so, the Company or the Agent may require that the Entitled Shareholder (at its sole cost) furnish such evidence (including certificates and opinions of counsel), as shall be satisfactory to each of the Company and the Agent in their sole and absolute discretion, to demonstrate that such Entitled Shareholder qualifies as an Approved Shareholder;

- (viii) “**Arrangement**” means the arrangement under the provisions of Part 9, Division 5 of the BCBCA, to be effected on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or supplement hereto made in accordance with the Settlement Agreement and the provisions hereof or made at the direction of the Court in the Final Order;
- (ix) “**Basic Receipts**” means the Receipts, available for subscription under the Basic Subscription Right, being a Receipt evidencing an Interest in the Custody CVRs;
- (x) “**Basic Subscription Right**” means the right of Qualified Shareholders to subscribe for up to their respective *Pro Rata Share* of the Basic Receipts upon the exercise of their Rights;
- (xi) “**BCBCA**” means the *Business Corporations Act* (British Columbia) as now enacted and as may be subsequently amended and the regulations thereto;
- (xii) “**Business Day**” means a day which is not a Saturday, Sunday or civic or statutory holiday in Toronto, Ontario or Vancouver, British Columbia;
- (xiii) “**Circular**” means the management information circular of the Company sent to Eco Oro Shareholders in connection with the 2017 Meeting;
- (xiv) “**Claim Proceedings**” means any and all present or future claim, right of action, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or effort of any kind of the Company and its direct or indirect subsidiaries, including, but not limited to, any and all present or future proceedings under the Free Trade Agreement between Canada and Colombia signed on November

21, 2008 and which came into force on August 15, 2011 or before ICSID, UNCITRAL, ICC, CRCICA or such other applicable dispute resolution bodies or courts, in each case relating to the Company's dispute with the Republic of Colombia arising in connection with the Company's ability to explore and exploit the Angostura mineral project and all present and future claims, rights, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or efforts regarding same;

- (xv) **"Claim Proceeds"** shall mean all present and future value, order, award, entitlement or remuneration of any kind and in any form including, without limitation, any property, assets, cash, bonds, or any other form of payment or restitution, permit, license, consideration, refund or reimbursement of fees or similar right in each case paid, payable, recovered, owing to, due to, awarded to, ordered or otherwise received or to be received by the Company or any of its direct or indirect subsidiaries or affiliates of any kind, or any of their respective successors or assigns pursuant to or in respect of any settlement, award, order, entitlement, collection, judgment, sale, disposition, agreement or any other monetization of any kind of, in any way relating to the Claim Proceedings;
- (xvi) **"Converting Noteholders"** means, collectively, the CVR Holders other than Manas Dichow;
- (xvii) **"Court"** means the Supreme Court of British Columbia;
- (xviii) **"Custodian"** means Kingsdale Partners LP, which will hold the Custody CVRs for and on behalf of the Participating Entitled Shareholders pursuant to the terms of the Custodian Agreement;
- (xix) **"Custodian Agreement"** means the custodian and depositary agreement dated [●], 2017 between the Custodian and the Company, and agreed to by the Participating Entitled Shareholders pursuant to the Subscription Forms, pertaining to the Custodian holding the Custody CVRs for and on behalf of the Participating Entitled Shareholders;
- (xx) **"Custody CVRs"** means the CVRs which are to be held by the Custodian pursuant to the terms of the Custodian Agreement, which CVRs represent the right to receive up to 14.1% of the Claim Proceeds;
- (xxi) **"CVR Holder Amount"** means, for each CVR Holder, an amount equal to (i) the entitlement to the Claim Proceeds (expressed as a percentage) transferred to the Company under Section 5(a)(i)

represented by their CVRs transferred thereunder, (ii) divided by 12.1% and (iii) multiplied by \$1,110,000;

- (xxii) “**CVR Holders**” means, collectively, the holders of the CVRs on the Record Date;
- (xxiii) “**CVRs**” means contingent value rights issued or to be issued hereunder by the Company entitling the holders thereof to a percentage of the gross amount of the Claim Proceeds, if any;
- (xxiv) “**Depository**” means Canadian Depository for Securities Limited or its nominee and includes any successor corporation or any other depository recognized as a depository by the securities regulatory authority in Canada for the purpose of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*;
- (xxv) “**Eco Oro**” or the “**Company**” means Eco Oro Minerals Corp., a corporation existing under the laws of the Province of British Columbia;
- (xxvi) “**Eco Oro Shares**” means common shares in the capital of Eco Oro;
- (xxvii) “**Eco Oro Shareholders**” means holders, at the applicable time, of Eco Oro Shares;
- (xxviii) “**Effective Date**” means the date agreed to by Eco Oro, Trexs and the Shareholder Group in writing as the effective date of the Arrangement after all of the conditions precedent to the completion of the Arrangement have been satisfied or waived, and the Final Order has been granted by the Court;
- (xxix) “**Effective Time**” means 12:01 a.m., Vancouver time, on the Effective Date or such other time agreed to by the Eco Oro, Trexs and the Shareholder Group in writing;
- (xxx) “**Entitled Shareholder**” means a Person, other than the CVR Holders, which is an Eco Oro Shareholder on the Record Date and entitled to vote at the 2017 Meeting;
- (xxxi) “**Final Order**” means the final order of the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal provided that such order is satisfactory in form and substance to the Company, Trexs and the Shareholder Group;

- (xxxii) “**Full Subscription**” has the meaning ascribed thereto in Subsection 3(b)(i);
- (xxxiii) “**Interest in the Custody CVRs**” means an indirect interest in the economic benefits of the Custody CVRs;
- (xxxiv) “**Investment Transaction Documents**” means the documents set out in Schedule “I” to the Settlement Agreement, the Security Sharing Agreement Amendment and Joinder, the Security Confirmation and all amendments or supplements to any such documents;
- (xxxv) “**New Shares**” means the 10,600,000 Eco Oro Shares that were issued to the Converting Noteholders pursuant to the Note Conversion;
- (xxxvi) “**Non-Qualified Jurisdiction**” means any jurisdiction other than each of the Qualified Jurisdictions;
- (xxxvii) “**Notes**” means the convertible unsecured notes dated, as the case may be, July 21, 2016 or November 9, 2016 and issued by the Company to the CVR Holders;
- (xxxviii) “**Note Conversion**” means the conversion of \$4,721,258 of the principal amount of the outstanding Notes into New Shares that was effected by the Company on March 16, 2017;
- (xxxix) “**Options**” means the stock options issued by the Company to each of Anna Stylianides, Paul Robertson, Hubert R. Marleau, Mark Moseley-Williams, Derrick H. Weyrauch and Kevin O’Halloran on May 8, 2017;
- (xl) “**Participant**” means, in relation to a Depository, a broker, dealer, bank or other financial institution or other person on whose behalf such Depository or its nominee holds Eco Oro Shares pursuant to a book-based system operated by such Depository;
- (xli) “**Participating Entitled Shareholders**” means Entitled Shareholders who participate in the Arrangement and acquire Receipts pursuant to the terms thereof;
- (xlii) “**Person**” means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, governmental entity, tribunal or any other entity or organization whether or not having legal status;
- (xliii) “**Pro Rata Share**” means: (i) in respect of Basic Receipts, the number determined by dividing (x) the number of Eco Oro Shares held by a

Qualified Shareholder on the Record Date by (y) the total number of Eco Oro Shares held by all Entitled Shareholders on the Record Date; and (ii) in respect of Additional Receipts, the number determined by dividing (x) the number of Eco Oro Shares held by a Qualified Shareholder on the Record Date that duly exercised the Additional Subscription Privilege by (y) the total number of Eco Oro Shares held by all Qualified Shareholders on the Record Date that have duly exercised the Additional Subscription Privilege;

- (xliv) “**Qualified Jurisdictions**” means the provinces and territories of Canada;
- (xlv) “**Qualified Shareholder**” means an Entitled Shareholder who is either (i) resident in a Qualified Jurisdiction or (ii) an Approved Shareholder;
- (xlvi) “**Receipt**” means a written confirmation to be issued by the Custodian reflecting proof of purchase of an Interest in the Custody CVRs;
- (xlvii) “**Record Date**” means the close of business on August 11, 2017;
- (xlviii) “**Released Parties**” has the meaning ascribed thereto in Section 6;
- (xlix) “**Requisitioned Meeting**” means the meeting of shareholders requisitioned by certain members of the Shareholder Group, which meeting was originally scheduled for April 25, 2017;
 - (l) “**Right**” means a non-transferable right to acquire an Interest in Custody CVRs;
 - (li) “**Security Confirmation**” means the confirmation to be executed by the Company in connection with the Arrangement in relation to the security documents;
 - (lii) “**Security Sharing Agreement Amendment and Joinder**” means the agreement titled as such to be made among the CVR Holders and the Custodian and acknowledged and consented to by the Company;
 - (liii) “**Settlement Agreement**” means the amended and restated settlement agreement among Eco Oro, the CVR Holders, the Shareholder Group and certain other Eco Oro Shareholders dated September 11, 2017;
 - (liv) “**Shareholder Group**” means, collectively, Harrington Global Opportunities Fund Ltd., Harrington Global Limited and Courtenay Wolfe;
 - (lv) “**Subscription Agent**” means Kingsdale Partners LP, a limited partnership existing under the laws of Canada;

- (lvi) “**Subscription Deadline**” means 5:00 p.m. (Toronto time) on October 4, 2017;
 - (lvii) “**Subscription Form**” means the subscription forms delivered to the Eco Oro Shareholders pursuant to Subsection 3(a) to be completed by Qualified Shareholders in order to exercise their Rights and participate in the Basic Subscription Right and (if applicable) the Additional Subscription Privilege;
 - (lviii) “**Subscription Funds**” means any and all monies deposited with the Subscription Agent by the Qualified Shareholders for the purchase of Interests in the Custody CVRs under the Basic Subscription Right and Additional Subscription Privilege, which monies must be in the form of a certified cheque or bank draft payable to the Subscription Agent; and
 - (lix) “**Transferred CVRs**” means, in respect of each CVR Holder, the CVRs to be transferred by such CVR Holder to the Company under Subsection 5(a)(i) hereof which CVRs shall represent an entitlement, expressed as a percentage, to the Claim Proceeds equal to an amount equal to $(A - B) \times C/D$, where:
 - A. is the entitlement, expressed as a percentage, to the Claim Proceeds of all Custody CVRs to be issued under this Plan of Arrangement,
 - B. is 2.0%,
 - C. is the entitlement to the Claim Proceeds of the applicable CVR Holder represented by its CVRs, and
 - D. is the entitlement to the Claim Proceeds of all CVR Holders represented by all of their CVRs.
- (b) Interpretation Not Affected by Headings. The headings contained in this Plan of Arrangement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement. The terms “**this Plan of Arrangement**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**” and similar expressions refer to this Plan of Arrangement and not to any particular article, section, subsection, paragraph, subparagraph, clause or sub-clause hereof and include any agreement or instrument supplementary or ancillary hereto.
- (c) Date for any Action. If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

- (d) Rules of Construction. In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include both genders and neuter. References in this Plan of Arrangement to the words “include”, “includes” or “including” shall be deemed to be followed by the words “without limitation” whether or not they are in fact followed by those words or words of like import.
- (e) References to Persons, Statutes and Agreements. A reference to a Person includes any successor to that Person. A reference to any statute includes all regulations made pursuant to such statute and the provisions of any statute or regulation which amends, supplements or supersedes any such statute or regulation. References to any agreement, contract or plan are to that agreement, contract or plan as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.
- (f) Currency. Unless otherwise stated, all references herein to amounts of money are expressed, and all payments provided for herein are to be made, in lawful money of the United States of America and \$ refers to the lawful currency of the United States of America.

2. **SETTLEMENT AGREEMENT**

This Plan of Arrangement is made pursuant to and subject to the provisions of the Settlement Agreement. At the Effective Time, the Arrangement shall be binding upon Eco Oro, the Custodian, the Subscription Agent, the CVR Holders, the Eco Oro Shareholders at the Effective Time, including the Shareholder Group and all Participating Entitled Shareholders, without any further act or formality on the part of any person except as expressly provided herein. Other than as expressly provided herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

3. **SUBSCRIPTION PROCESS**

- (a) The Subscription Agent will deliver or cause to be delivered by first class mail to each (i) registered Eco Oro Shareholder, at the address of such Entitled Shareholder as it appears on the register or shareholders' lists for Eco Oro Shares and (ii) Participant of each beneficial Eco Oro Shareholder, a Subscription Form and a return addressed envelope (together with the materials for the 2017 Meeting). Any Qualified Shareholder may elect to subscribe for Receipts under the Arrangement by delivering to the Subscription Agent (x) a duly completed Subscription Form, (y) the requisite Subscription Funds (including funds equal to no less than 150% of the Subscription Funds under the Basic Subscription Right owing by any Qualified Shareholder electing to participate in the Additional Subscription Privilege) and (z) such other documents as may be requested by each of the Company or the Subscription Agent in connection with the exercise of the Rights, in its sole and absolute discretion, all in accordance with the timing

requirements and terms specified in the Subscription Form and the Circular.

- (b) In the Subscription Form, a Qualified Shareholder may elect to participate in the Arrangement as follows:
 - (i) A Qualified Shareholder has the option to exercise its Basic Subscription Right. Under the Basic Subscription Right, a Qualified Shareholder will be entitled to acquire up to its *Pro Rata Share* of the Basic Receipts. If a Qualified Shareholder elects to exercise its Basic Subscription Right, it may do so by subscribing for some or the full amount of its *Pro Rata Share* of the Basic Receipts (such full amount, a “**Full Subscription**”).
 - (ii) If a Qualified Shareholder elects to make a Full Subscription under its Basic Subscription Right, it has the option to exercise its Additional Subscription Privilege, if the aggregate number of Receipts subscribed for by all Participating Entitled Shareholders under the Basic Subscription Right represent, in aggregate, Interest in the Custody CVRs that equal less than CVRs entitling the holders thereof to 14.1% of the Claim Proceeds. Under the Additional Subscription Privilege, a Participating Entitled Shareholder validly participating in the Additional Subscription Privilege will be required to acquire all of its *Pro Rata Share* of the Additional Receipts.
- (c) In determining a Participating Entitled Shareholder’s *Pro Rata Share* of the Basic Receipts or *Pro Rata Share* of the Additional Receipts, the Subscription Agent shall verify that the number of Eco Oro Shares set out in the Subscription Form agrees with the records of the transfer agent or Participant, as the case may be, and represent validly issued and outstanding Eco Oro Shares. In verifying that the number of Eco Oro Shares set out in the Subscription Form of a beneficial Eco Oro Shareholder agrees with the records of a Participant, the Subscription Agent, acting reasonably, may rely on the number of Eco Oro Shares set out in a Participating Entitled Shareholder’s Subscription Form so long as such number is confirmed by the beneficial Eco Oro Shareholder’s Participant by such Participant inputting the same number of Eco Oro Shares in the appropriate space on the applicable Subscription Form and affixing the appropriate signature or medallion guarantee. In furtherance hereof, the Company or the Subscription Agent, in its sole and absolute discretion, may require that the Participating Entitled Shareholder furnish such other documents to demonstrate its Eco Oro Share holdings (or to demonstrate such other fact or matter as reasonably necessary in connection therewith).
- (d) Pursuant to the Additional Subscription Privilege, Participating Entitled Shareholders who (x) elected to make a Full Subscription under the Basic

Subscription Right, (y) made payment to the Subscription Agent, prior to the Subscription Deadline, of an amount not less than 150% of the subscription price for their Full Subscription and (z) delivered such other documents as may be requested by each of the Company or the Subscription Agent in connection with the exercise of the Rights, in its sole and absolute discretion, will have the right to subscribe for the full amount of their *Pro Rata Share* of Additional Receipts that will result in the issue of Receipts that represents, in aggregate, Interest in the Custody CVRs representing 14.1% of the Claim Proceeds. If a Participating Entitled Shareholder elects to exercise its Additional Subscription Privilege, it will be required to purchase, under the Additional Subscription Privilege, its *Pro Rata Share* of Receipts in order to enable Receipts sold under the Arrangement to represent, in aggregate, Interests in Custody CVRs equal to CVRs representing 14.1% of the Claim Proceeds.

- (e) If insufficient funds are delivered to the Agent to allow Participating Entitled Shareholders duly participating in the Additional Subscription Privilege to acquire their *Pro Rata Share* of the Additional Receipts, the Subscription Agent will notify in writing all Participating Entitled Shareholders that participated in the Additional Subscription Privilege (or by such other manner as agreed to by Trexs and the Shareholder Group, including by e-mail or facsimile transmission to the address or number set out in the Participating Entitled Shareholder's Subscription Form) of such fact and the amount of additional funding required by each such Participating Entitled Shareholder to acquire its *Pro Rata Share* of the Additional Receipts such that Receipts representing, in aggregate, Interest in the Custody CVRs representing 14.1% of the Claim Proceeds will be issued under the Arrangement (such notice is referred to as the “**Additional Subscription Privilege Funding Notice**”), and in such circumstances each such Participating Entitled Shareholder will be required to fund any such funding deficit within five Business Days of the Subscription Agent sending the Additional Subscription Privilege Funding Notice (such funding obligation is referred to herein as the “**Additional Subscription Privilege Second Funding Obligation**”). The failure by a Participating Entitled Shareholder that participated in the Additional Subscription Privilege to fund its Additional Subscription Privilege Second Funding Obligation within such five Business Days will be deemed for all purposes as an agreement by such Participating Entitled Shareholder that it is not eligible to participate in the Additional Subscription Privilege and such Participating Entitled Shareholder shall be deemed for all purposes to have never participated in the Additional Subscription Privilege.
- (f) If a Participating Entitled Shareholder that participated in the Additional Subscription Privilege fails to fund its Additional Subscription Privilege

Second Funding Obligation as required pursuant to an Additional Subscription Privilege Funding Notice, the Subscription Agent will, at the direction of the Company, either:

- (i) deliver such additional notices, in the manner and form set out in Section 3(e), as required to require Participating Entitled Shareholders that continue to fund their obligations under the Additional Subscription Privilege to fully acquire their *Pro Rata Share* of Additional Receipts (after taking into account any Additional Receipts available as a result of a Participating Entitled Shareholder failing to fund any amount required to be paid in connection with the Additional Subscription Privilege), or
 - (ii) with the consent of Trexs and the Shareholder Group, allow all Participating Entitled Shareholders who have funded their obligations under the Additional Subscription Privilege and have deposited more funds with the Subscription Agent than otherwise required to acquire their *Pro Rata Share* of the Additional Receipts, to acquire (on a *pro rata* basis based on the amount actually over-funded) Receipts representing the aggregate remaining Interest in the Custody CVRs without any further notice to the other Participating Entitled Shareholders.
- (g) In the event that a Qualified Shareholder remits Subscription Funds in excess of the amount owing by such Qualified Shareholder pursuant to its subscriptions under the Basic Subscription Right and the Additional Subscription Privilege, if applicable, the Subscription Agent shall, no later than three Business Days following the Effective Date, deliver by first class mail a cheque representing the amount of such excess funds (without interest or deduction) to such Qualified Shareholder.
- (h) In the event that the total subscriptions made by Participating Entitled Shareholders under the Basic Subscription Right and the Additional Subscription Privilege result in the issue of Receipts that in aggregate would represent Interests in Custody CVRs representing less than 14.1% of the Claim Proceeds, then those CVRs will remain with the CVR Holders on a *pro rata* basis based on the interests in CVRs agreed to be disposed of by each CVR Holder, and the amount of CVRs to be transferred by the CVR Holders pursuant to Subsection 5(a)(i) shall be adjusted accordingly.
- (i) The Company has full discretion to determine whether any Subscription Form, the deposit of Subscription Funds or any type of exercise of Rights is complete and proper and the Company has the absolute right to determine whether to accept or reject any or all Subscription Forms, deposit of Subscription Funds or exercise of Rights not in proper form.

4. **RECEIPT OF SUBSCRIPTION FUNDS**

- (a) As a precondition to the Arrangement and pursuant to the Agency Agreement, at least one Business Day prior to the Effective Date, the Subscription Agent shall have provided to the Company and the Custodian (with copies to Trexs and the Shareholder Group) a notice setting out: (i) the aggregate amount of the Subscription Funds it has received, (ii) the name, address and entitlement to Receipts of each Participating Entitled Shareholder (including calculations setting out the Interests in the Custody CVRs that each such Participating Entitled Shareholder has duly elected to purchase under the Arrangement and the purchase price paid by each such Participating Entitled Shareholder) and (iii) all other relevant details pertaining to all Participating Entitled Shareholders who have exercised, in whole or in part, any Rights under the Basic Subscription Right and Additional Subscription Privilege.
- (b) Within two Business Days following the Subscription Deadline, the Subscription Agent shall deliver the Additional Subscription Privilege Funding Notices, if applicable, to the Participating Entitled Shareholders who elected to exercise their Additional Subscription Privilege, and shall provide such other notices as required of it pursuant to Section 3(f).

5. **THE ARRANGEMENT**

- (a) Commencing at the Effective Time, the following events and transactions shall occur and shall be deemed to occur in the following order in, unless otherwise stipulated, five (5) minute increments, without any further act or formality:
 - (i) Each CVR Holder shall be deemed to have made its Transferred CVRs available for reallocation in accordance with Subsection 5(a)(ii) and in connection therewith each CVR Holder shall be entitled to an amount equal to such CVR Holder's CVR Holder Amount;
 - (ii) Concurrently:
 - A. the Rights shall be exercised;
 - B. each Participating Entitled Shareholder shall be entitled to its Interest in the Custody CVR to the extent they validly participated in the Basic Subscription Right and Additional Subscription Privilege and each such Participating Entitled Shareholder shall be entitled to a Receipt evidencing such fact;
 - C. the Company shall provide to the Custodian, for and on behalf of the Participating Entitled Shareholders, the Custody CVRs (and shall be required to furnish to the

Custodian a CVR certificate representing the Custody CVRs);

- D. the Company shall provide each CVR Holder replacement CVRs (and shall be required to furnish to each CVR Holder a replacement CVR certificate) representing the balance of their CVRs not transferred hereunder;
 - E. the Company will be deemed to have directed the Subscription Agent to pay the Subscription Funds owing to the Company to each CVR Holder in an amount equal to the CVR Holder Amount in full satisfaction of the Company's obligation to pay such amount to a CVR Holder for the Transferred CVRs;
 - F. the Subscription Funds held by the Subscription Agent in respect of the purchase price for Receipts received from the Participating Entitled Shareholders shall cease to be held by the Subscription Agent on behalf of the Participating Entitled Shareholder depositing such Subscription Funds and instead shall be held by the Subscription Agent on behalf of the CVR Holders in an amount equal to their CVR Holder Amount, and the balance of the Subscription Funds representing overpayments by Entitled Shareholders shall continue to be held by the Subscription Agent on behalf of the Entitled Shareholder depositing such Subscription Funds, which shall be refunded pursuant to Section 3(g);
- (iii) the Security Sharing Agreement Amendment and Joinder shall become effective and binding on the parties thereto and the Custodian shall hold the economic benefits of such agreement for the benefit of the holders of Receipts;
 - (iv) the Note Conversion shall be rescinded and deemed to have been of no force or effect, the New Shares shall be cancelled and the principal amount of the Notes converted as part of the Note Conversion shall be reinstated in the name of the holder of each such Note, such that the Notes shall be outstanding in the principal amount of each such Note immediately prior to the Note Conversion and all interest shall be deemed to have accrued on the full principal amount of the Notes as if the Note Conversion had not occurred; and
 - (v) the Options will be terminated for no consideration and shall cease to have any effect whatsoever.

- (b) All transfers of any securities pursuant to this Plan of Arrangement shall be free and clear of all security, liens and other encumbrances.

6. **RELEASE**

At the Effective Time, all Persons upon which the Arrangement is binding and their respective subsidiaries and affiliates and their respective present and former shareholders, officers, directors, employees, auditors, advisors, legal counsel and agents (collectively, the “**Released Parties**”) shall be released and discharged from any and all present and future claims, liabilities, actions, causes of action, counterclaims or suits of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from any Released Party) may be entitled to assert, whether known or unknown and even if not discoverable until after the Effective Time, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Date relating to, arising out of, or in connection with the Arrangement, the Settlement Agreement, the Investment Transaction Documents, the Requisitioned Meeting or the Litigation (as defined in the Settlement) and the transactions contemplated thereunder, and any other actions or matters related directly or indirectly to the foregoing, including without limitation any claim that any present or former director or officer of Eco Oro breached any duties, whether fiduciary, statutory or otherwise, in connection with the foregoing matters on or prior to the Effective Date, *provided, however* that nothing in this Section 6 shall release any Released Party from or in respect of any of their respective obligations under this Plan of Arrangement, the Settlement Agreement, any agreements entered into or documents delivered pursuant to the Plan of Arrangement or the Settlement Agreement (including the Custodian Agreement, the Agency Agreement, the Custody CVR and the certificate representing such CVR), or the Investment Transaction Documents.

7. **GENERAL**

- (a) On the Effective Date, the Arrangement will become effective at the Effective Time and the transactions provided in this Plan of Arrangement to occur on the Effective Date will be implemented as so provided.
- (b) Amendment.
 - (i) The Company reserves the right to amend, restate, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date with the consent of Trexs and the Shareholder Group (not to be unreasonably withheld or delayed), provided that any amendment, modification or supplement must be contained in a written document which is filed with the Court and if made following the 2017 Meeting: (i) approved by the Court, and (ii) if the Court directs, approved by the Eco Oro Shareholders and communicated to them, and, in either case, in the manner required by

the Court.

- (ii) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court will be effective only if it is consented to by the Company, Trexs and the Shareholder Group and, if required by the Court, by the Eco Oro Shareholders.
 - (iii) Notwithstanding the foregoing provisions of this Section 7(b), no amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Settlement Agreement.
 - (iv) Any amended, restated, modified or supplemented Plan of Arrangement filed with the Court and, if required by this Section 7(b), approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan of Arrangement.
- (c) Time shall be of the essence in this Plan of Arrangement.
 - (d) In this Plan of Arrangement, the deeming provisions are not rebuttable and are conclusive and irrevocable.

8. FURTHER ASSURANCES

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and be deemed to have occurred in the order set out herein, without any further act or formality, each of the parties to the Settlement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to implement this Plan of Arrangement and to further document or evidence any of the transactions or events set out herein.

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APPENDIX E

Form of Custodian CVR Certificate

AMENDED AND RESTATED CONTINGENT VALUE RIGHTS CERTIFICATE

Recitals:

(a) Reference is made to that certain settlement agreement dated July 31, 2017 (as amended, restated, supplemented or replaced from time to time, the "Settlement Agreement") among the Company (as hereinafter defined), Trexs Investments, LLC ("Trex"), Amber Latin America LLC on behalf of and for the account of Series 3 and Amber Capital LP ("Amber"), PFR Gold Master Fund Ltd. ("Paulson"), Anna Stylianides ("Anna"), Manas Dichow ("Manas" and collectively with Trex, Amber, Paulson and Anna the "Existing CVR Holders") and the various other parties who are a signatory thereto.

(b) The Company issued separate contingent value rights certificates (collectively, the "Initial CVR Certificates") to each of the Existing CVR Holders thereby irrevocably and unconditionally transferring, conveying, assigning and granting to and in favour of the Existing CVR Holders the absolute right to receive a portion of the gross amount of the Claim Proceeds (as hereinafter defined) (all such rights being collectively the "Initial Contingent Value Rights Amount").

(c) Pursuant to the Settlement Agreement (i) the Company and the Existing CVR Holders agreed to a re-allocation of the Initial Contingent Value Rights Amount by the Company amongst the Existing CVR Holders and the Entitled Shareholders (as such term is defined in the Settlement Agreement) (the "Re-allocated CVRs") and (ii) the Company agreed to issue additional rights to the Entitled Shareholders to receive an amount equal to two percent (2%) of the gross amount of the Claim Proceeds (the "Company 2% CVRs").

(d) In order to evidence the Re-allocated CVRs and the Company 2% CVRs, the Company has issued separate amended and restated contingent value rights certificates to each of the Existing CVR Holders and this amended and restated contingent value rights certificate (the "Certificate") to Kingsdale Partners LP to hold for and on behalf of the Entitled Shareholders (in such capacity, the "Holder") pursuant to a custodian and depositary agreement dated on or about the date hereof between the Company and the Holder and agreed to by the Entitled Shareholders agreeing to acquire an interest in the Certificate (the "Participating Entitled Shareholders") (as amended, restated, supplemented or replaced from time to time the "Custodian Agreement").

(e) Neither the re-allocation of the Re-allocated CVRs nor this Certificate shall be deemed to evidence or result in a novation or repayment of the Company's liabilities, indebtedness and obligations arising under the Initial CVR Certificates.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH

SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON ANY STOCK EXCHANGE.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ECO ORO MINERALS CORP. (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE 1933 ACT, IF ANY, (C) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL SECURITIES LAWS AND REGULATIONS, IF AVAILABLE, (D) WITHIN THE UNITED STATES IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144, IF AVAILABLE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND APPLICABLE STATE SECURITIES LAWS AFTER FIRST PROVIDING TO THE CORPORATION, IN EACH CASE OF (D) AND (E) ABOVE, A LEGAL OPINION OF U.S. COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION, ACTING REASONABLY, THAT THE OFFER, SALE, PLEDGE OR OTHER TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT, AND IN THE CASE OF (C) AFTER FIRST PROVIDING TO THE CORPORATION SUCH OTHER EVIDENCE OF COMPLIANCE WITH APPLICABLE SECURITIES LAWS AS THE CORPORATION SHALL REASONABLY REQUEST. NOTWITHSTANDING THE FOREGOING, THE SECURITIES REPRESENTED HEREBY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY SUCH SECURITIES, PROVIDED THAT ANY SUCH PLEDGEE MUST ALSO COMPLY WITH THE PROVISIONS SET FORTH IN THIS LEGEND.

AMENDED AND RESTATED CONTINGENT VALUE RIGHTS CERTIFICATE

●, 2017

1. Contingent Value Rights

In consideration for the payment by the Participating Entitled Shareholders on behalf of the Holder (which for purposes of this Contingent Value Rights Certificate (this "**Certificate**") includes any nominee or assignee of the Holder or of any of the Participating Entitled Shareholders) of [one million, one hundred and ten thousand dollars (US\$1,110,000) **INTD: Amount to be confirmed**] to Eco Oro Minerals Corp. (the "**Company**"), the Company hereby irrevocably and unconditionally transfers, conveys, assigns and grants to, and in favour of the Holder, at the address listed in Section 12, or such other place as the Holder may designate, the absolute right to receive an amount equal to [fourteen and ten one-hundredths percent (14.10%)] of the gross amount of the Claim Proceeds (the "**Contingent Value Rights Amount**") and, for greater certainty, it is the mutual intention of the parties that the transfer, conveyance, assignment and grant of the Contingent Value Rights Amount provided for in this Section 1: (a) is not a borrowing and does not involve an extension of credit; and (b) does not derogate from or in any way limit or restrict the Company's ownership of the Claim Proceeding Rights and the

Company's ability to prosecute the Claim Proceedings or otherwise result in the Holder owning or controlling the Claim Proceedings.

2. Definitions

In this Certificate, in addition to the terms defined above, the following definitions apply:

- (a) **"Applicable Law"** means, in respect of any Person, property, transaction or event, all Applicable Law (including, without limitation, Securities Laws), statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law including without limitation any of the arbitration or other dispute resolution rules of any of the ICSID or the ICSID Convention, the UNCITRAL, the ICC, or any other applicable dispute resolution bodies or courts.
- (b) ***[intentionally deleted]***
- (c) **"Budget"** means the budget for the Company for the period from the date hereof to the final resolution of the Claim Proceedings (together with such related and subsequent budgets that are approved in writing by the Holder in its discretion).
- (d) **"Business Day"** means a day other than a Saturday, a Sunday, or any other day on which the principal chartered banks located in New York, New York or Vancouver, British Columbia, are not open for business.
- (e) ***[intentionally deleted]***
- (f) **"Capital Stock"** any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.
- (g) **"Change of Control"** will be deemed to have occurred if: (i) there is any sale of all or substantially all of the Company's assets or business to another Person or Persons pursuant to one or a series of transactions; (ii) at any time any Person or Persons (other than the Holder or any of its affiliates), acting jointly or in concert directly or indirectly, beneficially own in the aggregate more than fifty per cent (50%) of the outstanding voting securities of the Company; (iii) the Company completes an acquisition, share exchange, amalgamation, consolidation, merger, arrangement or other business combination and the shareholders of the Company immediately prior to the completion of such transaction hold in the aggregate less than sixty per cent (60%) of the votes attaching to the equity securities of the resulting or remaining parent company immediately after completion of such transaction. Notwithstanding the foregoing, a Change of Control resulting from a transfer by the Holder of all or a portion of the Common Shares held by it, shall be deemed hereunder not to constitute a Change of Control.
- (h) **"Claim Proceedings"** means any and all present or future claim, right of action, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or effort of any kind of the Company, its branch and its direct or

indirect subsidiaries, including, but not limited to, any and all present or future proceedings under the Canada-Colombia Free Trade Agreement or before ICSID, UNCITRAL, ICC or such other applicable dispute resolution bodies or courts, in each case directly or indirectly relating to or in connection with the Company's dispute with the Colombian government arising in connection with the Company's ability to explore and exploit the Angostura Project including without limitation Concession Number 3452 and all present and future claims, rights, action, litigation, arbitration, mediation, collection effort or other dispute resolution proceeding or efforts regarding same in all cases commenced or initiated before or after the date hereof and prior to the date on which all Obligations have been paid in full.

- (i) **"Claim Proceeding Rights"** the rights and entitlements of the Company or any affiliate, branch or subsidiary of the Company to and in connection with the Claim Proceedings, the Claim Proceeds, all rights in connection therewith and any interest therein, and any documents, books and records (or any copies thereof) used therein or related thereto in connection with the Claim Proceedings and/or any Claim Proceeds.
- (j) **"Claim Proceeds"** shall mean all present and future value, order, award, entitlement or remuneration of any kind and in any form including, without limitation, any property, assets, cash, bonds, or any other form of payment or restitution, permit, license, consideration, refund or reimbursement of fees or similar right in each case paid, payable, recovered, owing to, due to, awarded to, ordered or otherwise received or to be received by the Company or any of its direct or indirect subsidiaries or affiliates of any kind, or any of their respective successors or assigns pursuant to or in respect of any settlement, award, order, entitlement, collection, judgment, sale, disposition, agreement or any other monetization of any kind of, in any way relating to the Claim Proceedings.
- (k) **"Claim Proceeds Escrow Account"** an escrow account held by a depository bank or other escrow agent acceptable to the Holder, to which the Company is to deposit or cause to deposit all of the Claim Proceeds following the Final Award Date pursuant to this Certificate and which account is subject to an escrow agreement between such depository bank or escrow agent, the Company and the Holder in form and substance satisfactory to the Holder.
- (l) **"Collateral"** means all present and after-acquired real and personal property of the Company and any and all proceeds derived therefrom in whatever form and wheresoever located including, without limitation, the Claim Proceeding Rights.
- (m) **"Common Shares"** means (i) the Company's common shares and (ii) any shares into which such common shares have been changed or any share capital resulting from a reclassification of such common shares.
- (n) **"Contingent Value Rights Amount"** has the meaning given to such term in Section 1.
- (o) **"Convertible Notes"** means, collectively, the convertible promissory notes each dated on or about the date hereof in the aggregate principal amount of US\$9,672,727.29 issued by the Company to each of the Existing CVR Holders,

as same may be amended, restated, supplemented or otherwise modified or replaced from time to time.

- (p) “**CVRA Payment Date**” means the earlier of: (i) the Business Day upon which the Holder received the Contingent Value Rights Amount; and (ii) the fifth (5th) Business Day after receipt by the Company or by any other Person for and on behalf of the Holder of any of the Claim Proceeds.
- (q) “**Default**” means any event or circumstance which would upon the expiry of any grace period, the giving of notice, the making of any determination or any combination of the foregoing constitute an Event of Default.
- (r) ***[intentionally deleted]***
- (s) “**Event of Default**” means the occurrence of one or more of the following events:
 - (i) failure by the Company to pay any of the Obligations when due including, without limitation, payment of any Contingent Value Rights Amount on the CVRA Payment Date in accordance with the terms hereof, and such default has continued for two (2) Business Days,
 - (ii) any representation or warranty made by the Company in this Certificate or in any certificate or other document at any time delivered to the Holder in connection with this Certificate was incorrect or misleading in any material respect,
 - (iii) the Company shall default in the observance or performance of any other provision, covenant or agreement contained in this Certificate (other than a default in payment as contemplated in clause (i) above) and such default shall continue for a period of ten (10) Business Days from the earlier to occur of (i) notice of such default by the Holder to the Company or (ii) the Company becoming aware of such default,
 - (iv) the Company shall default in any payment of principal of or interest on any amounts in excess of US\$500,000 owing by it to any Person other than the Holder,
 - (v) this Certificate shall cease, for any reason, to be in full force and effect or enforceable in accordance with its terms or the Company shall so assert in writing,
 - (vi) the Company ceases to carry on its business; sells all or substantially all of its assets; commits an act of bankruptcy (as such term is defined pursuant to Insolvency Legislation); becomes bankrupt or insolvent (as such terms are defined pursuant to Insolvency Legislation); makes an assignment for the benefit of creditors, files a petition in bankruptcy or makes a proposal under Insolvency Legislation; admits the material allegations of any petition filed against it in any proceeding under Insolvency Legislation; petitions or applies to any tribunal or court for the appointment of any Receiver, trustee in bankruptcy or similar liquidator or administrator of it or all or a substantial part of its assets; commences any

proceeding pursuant to Insolvency Legislation; is wound-up, dissolved or liquidated or has its existence terminated unless in conjunction with a bona fide corporate reorganization not prohibited by this Certificate and completed with the prior consent of the Holder in which case a successor of the Company will succeed to the Company's obligations hereunder and enter into an agreement with the Holder to that effect or takes any action for the purpose of effecting any of the foregoing,

- (vii) any petition shall be filed or other proceeding commenced in respect of the Company or any portion of its property under any Insolvency Legislation; including a proceeding requesting an order approving a reorganization of the Company, declaring the Company bankrupt, or appointing a receiver, interim receiver, receiver and manager, trustee, liquidator or administrator of the Company or of all or a substantial part of its assets, and (i) the Company shall not in good in faith be actively and diligently contesting and defending such proceeding in good faith and on reasonable grounds (provided further that in the opinion of the Holder acting reasonably, the existence of such proceeding does not materially adversely affect the ability of the Company to carry on its business and to perform and satisfy its obligations under this Certificate) or (ii) such petition or proceeding shall not be abandoned, dismissed or permanently stayed within a period of thirty (30) Business Days from the date of filing or commencement thereof,
- (viii) a judgment or judgments for the payment of money in excess of US\$500,000 in the aggregate is obtained or entered against the Company and remains unpaid for thirty (30) days (provided that such judgment or judgments will constitute an "Event of Default" prior to the expiry of such thirty (30) day period if such judgment or judgments are not being diligently appealed by the Company in good faith and on reasonable grounds),
- (ix) any Person takes possession of any portion of the Collateral by way of or in contemplation of, enforcement of security, or a distress, execution, garnishment or similar process is levied or enforced against the Company and not discharged within ten (10) days affecting any Collateral having an aggregate value of at least US\$500,000,
- (x) any Governmental Authority takes any action with respect to the Collateral, including any condemnation, seizure or expropriation thereof, which materially and adversely affects the Collateral or the financial condition, business or operations of the Company,
- (xi) any Change of Control of the Company,
- (xii) any reports of the auditors of the Company or any financial statements of the Company contain any qualification which could reasonably be expected to adversely affect the Company's ability to perform its obligations under this Certificate,
- (xiii) the occurrence of a Material Adverse Event,

- (xiv) any event occurs relating to the Company, which in the reasonable opinion of the Holder, constitutes or could reasonably be expected to cause a Material Adverse Effect,
- (xv) the Claim Proceedings shall be dismissed, discontinued, terminated, annulled or otherwise discredited by a final, non-appealable order of a court or arbitral tribunal of competent jurisdiction and the Company shall have no legal ability to re-file the Claim Proceedings before another competent court or tribunal,
- (xvi) if there is an adverse deviation of 10% or more between the amount of the Company's actual total expenditures and the amount of the Company's total expenditures as set out in the Budget during any rolling six calendar month period provided that any such adverse deviation shall not constitute an Event of Default under this Certificate if the amount of the Company's actual aggregate total expenditures as of the date of calculation of such deviation does not exceed the amount of the Company's aggregate total expenditures set out in the Budget up to the date of calculation of such deviation,
- (xvii) the Company shall use any proceeds from any amounts advanced by the Holder to the Company, whether by way of equity or debt, for any purpose or in any amounts other than as provided for in the Budget,
- (xviii) any proceeding shall be commenced by the Company seeking, or otherwise consenting to, (i) the invalidation, subordination or other challenging of the Security Interest or (ii) any relief under Insolvency Legislation with respect to any Collateral,
- (xix) the Security Interest shall cease to be effective to constitute a valid and perfected first priority Lien in favour of the Holder in the Collateral or the Company shall so assert in writing,
- (xx) the occurrence of an Event of Default as such term is defined in the Convertible Notes,
- (xxi) any Key Party (a) resigns, is terminated or otherwise removed without the prior written consent of the Holder or without a consulting or similar arrangement having been entered into ensuring such Key Party's continued availability and assistance with the prosecution of the Claims Proceedings on terms satisfactory to the Holder, in its sole discretion acting reasonably, or (b) dies and such Key Party's designated replacement is not satisfactory to the Holder acting reasonably,
- (xxii) any Person other than the Company acquires (save and except for any right to any copies of any books, records or documents used or related to the Claim Proceeding or the Claim Proceeds) any rights, title or interest in or to the Claim Proceeding Rights, or becomes a plaintiff, complainant or similar named party in the Claim Proceedings,

- (xxiii) save and except for stock options issued pursuant to the Company's stock option plan consistent with past practice to Persons who are not a party to any other management incentive plan, the Company declares any dividends on any shares of any class of its Capital Stock, or makes any payment on account of, or sets apart assets for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any shares of any class of its Capital Stock, or any warrants or options to purchase such Capital Stock, whether now or hereafter outstanding, or makes any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Company,
- (xxiv) save and except for any payments on account of the Convertible Notes, the Company makes any loans or distribution payments or advances money or property or assets to any Person or invests in or purchases or repurchases the shares or indebtedness or all or a substantial part of the property or assets of any Person, or
- (xxv) the Company does not request the Claim Proceeds to be directly deposited by the Colombian government (or any other Person liable to pay any of the Claim Proceeds) into the Claim Proceeds Escrow Account or, to the extent the Claim Proceeds are received by the Company or any other Person for any reason whatsoever, the Claim Proceeds are not deposited by the Company (or caused by the Company to be deposited) into the Claim Proceeds Escrow Account within two (2) Business Days after receipt of same by the Company or any other Person for any reason whatsoever and regardless of the form of such Claim Proceeds.
- (t) "Exchange" means the Toronto Stock Exchange or if the Common Shares are not listed on the Toronto Stock Exchange, such other stock exchange on which the Common Shares are listed at the applicable time; provided that such other stock exchange must be a "designated offshore securities market" (as defined in Rule 902 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended).
- (u) ***[intentionally deleted]***
- (v) ***[intentionally deleted]***
- (w) ***[intentionally deleted]***
- (x) ***[intentionally deleted]***
- (y) "**Final Award Date**" means the date on which any award is entered or any settlement is concluded in respect of the Claim Proceedings, which award or settlement has not been stayed, reversed, vacated, rescinded, modified or amended in any respect, and any applicable appeal period in respect of which has expired or if an appeal has been filed, such appeal has been dismissed on a final basis without further appeal.

- (z) **“Financing Lease”** means (a) any lease of property, real or personal, the obligations under which are capitalized on a consolidated balance sheet of the Company and (b) any other such lease to the extent that the then present value of any rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee.
- (aa) **“GAAP”** means Canadian generally accepted accounting principles.
- (bb) **“Governmental Authority”** means any applicable national, domestic or foreign nation or government, any state, province or territory or other political subdivision thereof (including any supra-national bodies, such as the European Union or the European Central Bank), body, bureau, agency, board, tribunal, commission or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any taxing authority or agency.
- (cc) **“Holder Group Member”** means any affiliate or subsidiary of the Holder, each of which is an institutional “accredited investor” that meet the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act of 1933, as amended, and is acquiring the Securities for investment purposes, and not with a view to resale, or other distribution in violation of applicable securities laws, in each case, wherever incorporated or otherwise formed.
- (dd) **“ICC”** means the International Chamber of Commerce.
- (ee) **“ICSID”** means the International Centre for Settlement of Investment Disputes, as established by the ICSID Convention.
- (ff) **“ICSID Convention”** means the *Convention on the Settlement of Investment Disputes between States and Nationals of Other States*, entered into force on October 14, 1966.
- (gg) **“Indemnified Party”** has the meaning given to such term in Section 13.
- (hh) **“Insolvency Legislation”** means legislation in any applicable jurisdiction relating to reorganization, arrangement, compromise or re-adjustment of debt, dissolution or winding-up, or any similar legislation, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada) and the *Winding-up and Restructuring Act* (Canada).
- (ii) **“Investment Agreement”** means that certain investment agreement dated July 21, 2016 between the Company and the Holder, as same may be amended, restated, supplemented or otherwise modified or replaced from time to time.
- (jj) **“Key Party”** means any Person that the Company deems to be relevant or necessary for the successful prosecution of the Claim Proceedings as set out on Exhibit I and such other Persons as the Holder may designate, acting reasonably, from time to time.
- (kk) **“Knowledge and Belief”** means with respect to any Person, means such Person’s actual knowledge and belief after appropriate due diligence and

reasonable inquiry by such Person and includes any information such Person should have known based on appropriate due diligence and reasonable inquiry by such Person.

- (ll) **“Lien”** any mortgage, pledge, hypothecation, security interest, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, claim or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, (i) any conditional sale or other title retention agreement, (ii) any Financing Lease having substantially the same economic effect as any of the foregoing, and (iii) any of the foregoing under or in connection with any security agreement, charge, hypothec, pledge or similar agreement.
- (mm) **“Material Adverse Effect”** any event, circumstance or condition that has had, or would reasonably be expected to have, a material adverse effect on (a) the ability of the Company to perform its obligations under this Certificate, or (b) the rights and remedies of the Holder under this Certificate.
- (nn) **“Material Adverse Event”** means if any advisor of the Company engaged by the Company in respect of the Claim Proceedings (including, without limitation, the arbitration counsel) or any current officer, director, employee or consultant of the Company (i) advises, notifies or otherwise communicates in writing to the board of directors of the Company or (ii) makes any statement in any manner or form whether orally or in writing, that in his or her opinion an event or condition has occurred, arisen or been discovered after the date hereof which in the Holder’s sole discretion would reasonably be expected to render it unlikely that the Company would recover Claim Proceeds in the amount required to pay the Obligations in full.
- (oo) ***[intentionally deleted]***
- (pp) **“Obligations”** means (a) if calculated prior to the Final Award Date, [fourteen and ten one-hundredths percent percent (14.10%)] of the amount claimed by the Company pursuant to the Claim Proceedings or (b) if calculated on or after the Final Award Date, the Contingent Value Rights Amount plus any and all other amounts due and owing by the Company to the Holder from time to time pursuant to this Certificate or the Security Agreements.
- (qq) **“Permitted Liens”** means with respect to the Collateral:
 - (i) liens for taxes, assessments or governmental charges or levies not at the time due or delinquent or the validity of which are being contested in good faith by appropriate proceedings so long as forfeiture of any part of such property or assets will not result from the failure to pay such taxes, assessments or governmental charges or levies during the period of such contest; and
 - (ii) the lien of any judgment rendered or the lien of any claim filed which is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with GAAP so long as

forfeiture of any part of such property or assets will not result from the failure to satisfy such judgment or claim during the period of such contest.

- (rr) “**Person**” includes any individual, corporation, limited liability company, partnership, Governmental Authority, joint venture, association, trust, or any other entity.
- (ss) “**Receiver**” means a receiver, receiver-manager and receiver and manager.
- (tt) “**Section 347**” has the meaning given to such term in Section 6(b).
- (uu) “**Securities Laws**” means all applicable securities laws in each of the provinces and territories of Canada and the respective regulations, rules and forms thereunder together with applicable orders, rulings and published policy statements of the Canadian Securities Administrators and the securities commissions (or other similar regulatory bodies) in each of the provinces and territories of Canada and includes the rules of any applicable self-regulatory body (including the Toronto Stock Exchange).
- (vv) “**Security Agreement**” has the meaning given to such term in Section 9.
- (ww) “**Security Interest**” has the meaning given to such term in Section 9.
- (xx) “**Taxes**” means all present or future taxes, assessments, rates, levies, imposts, deductions, withholdings, dues, duties, fees and other charges of any nature, including any interest, fines, penalties or other liabilities with respect thereto, imposed, levied, collected, withheld or assessed by any Governmental Authority (of any jurisdiction), and whether disputed or not.
- (yy) “**UNCITRAL**” means the United Nations Commission on International Trade Law, established by the United Nations General Assembly by resolution 2205 (XXI) of 17 December 1966.
- (zz) “**US\$**” and “**\$**” means lawful money of the United States of America.
- (aaa) *[intentionally deleted]*

3. Interpretation Generally

Where this Certificate uses the word “including,” it means “including without limitation,” and where it uses the word “includes,” it means “includes without limitation.” Unless specified otherwise, any reference in this Certificate to a statute includes the regulations, rules, and policies made under that statute and any provision that amends, supplements, supersedes, or replaces that statute or those regulations, rules, or policies. The headings used in this Certificate and its division into articles, sections, schedules, exhibits, appendices, and other subdivisions do not affect its interpretation. References in this Certificate to articles, sections, schedules, exhibits, appendices, and other subdivisions are to those parts of this Certificate. Unless the context requires otherwise, words importing the singular number include the plural and vice versa; words importing gender include all genders. Whenever any decision or determination is to be made hereunder by the Holder, such decision or determination, as

applicable, shall be made in the absolute, sole and unfettered discretion of the Holder unless expressly stated otherwise.

4. Representations and Warranties

The Company represents and warrants to the Holder, acknowledging that the Holder is relying on these representations and warranties, as follows:

- (a) It has delivered to the Holder such financial statements, statements of income and other financial reporting as requested by the Holder. Such financial disclosure present fairly in all material respects the consolidated financial condition and results of operations of the Company as at such dates and for such periods. All such financial disclosure, including any related schedules and notes thereto have been prepared in accordance with GAAP applied consistently throughout the periods involved.
- (b) It (a) is duly organized and validly existing under the laws of the jurisdiction of its organization, (b) has full corporate power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to use its corporate name in all material respects and to own, lease or otherwise hold its properties and assets and to carry on its business as presently conducted, in each case in all material respects, (c) is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership, leasing or holding of its properties makes such qualification necessary, and (d) is in compliance in all respects material to its business with all Applicable Law.
- (c) It has the corporate power and authority to issue this Certificate and incur the obligations evidenced hereby. It has taken all necessary action to authorize the execution, delivery and performance of the obligations under or pursuant to this Certificate. No consent or authorization of, or filing with, any Person (including, without limitation, any Governmental Authority) is required in connection with the execution, delivery or performance by the Company, or for the validity or enforceability in accordance with its terms against it, of this Certificate, and consents, authorizations and filings which have been obtained or made and are in full force and effect.
- (d) It has duly executed and delivered this Certificate and this Certificate constitutes a legal, valid, and binding obligation of the Company, enforceable against it in accordance with its terms.
- (e) The execution, delivery and performance of this Certificate does not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other Governmental Authority applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets including, without limitation, the Claim Proceeding Rights.
- (f) As of the date of this Certificate, (i) no litigation by, investigation known by it, or proceeding of, any Governmental Authority is pending against it with respect to the validity, binding effect or enforceability of this Certificate or any other agreement between the Company and the Holder and the other transactions

contemplated hereby and (ii) other than the Claim Proceedings or as disclosed to the Holder, no lawsuits, claims, proceedings or investigations are pending or, to the best of its Knowledge and Belief, threatened against it or any of its properties, assets, operations or businesses including, without limitation any proceedings relating to the bankruptcy, insolvency, liquidation, dissolution, or winding up of the Company.

- (g) The Company is not required to register as an “investment company” (as defined or used in the Investment Company Act of 1940, as amended).
- (h) No amounts invested by the Holder in the Company will be used for any purpose which violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. The Company is not engaged and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under said Regulation U of the Board of Governors of the Federal Reserve System.
- (i) No Default or Event of Default has occurred and is continuing. No default or event of default under any material obligation of the Company has occurred and is continuing and no such event or circumstance would occur as a result of issuing this Certificate or performing its obligations under this Certificate.
- (j) All consents, approvals, actions, authorizations, exceptions, notices, filings and registrations that are required to have been obtained by it with respect to this Certificate have been duly obtained and are in full force and effect and all conditions of any such consents, approvals, actions, authorizations, exceptions, notices, filings and registrations have been duly complied with.
- (k) It has filed or caused to be filed all tax returns of any type which are to be filed as required by Applicable Law and has paid all currently due taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any amount which is currently being contested in good faith by appropriate proceedings and with respect to which reserves (or other sufficient provisions) in conformity with GAAP have been provided on the books of the Company) as required by Applicable Law; and no tax Lien has been filed.
- (l) The execution, delivery, and performance of its obligations under this Certificate do not and will not breach or result in a default under: (i) the Company’s articles, or any unanimous shareholders agreement, (ii) any law, statute, rule, or regulation to which the Company is subject, any judgment, order, or decree of any court, agency, tribunal, arbitrator, or other authority to which the Company is subject, or any agreement to which the Company is a party or by which it is bound.
- (m) It has made its own independent decisions with respect to the issuance of this Certificate and has determined that it is appropriate or proper to do so based upon its own judgment and upon advice from such advisers as it has deemed necessary.

- (n) It is capable of assessing the merits of and understanding (on its own behalf or through independent professional legal advice), the terms, conditions and risks associated with this Certificate and the obligations arising hereunder.
- (o) All applicable information that is or has been furnished to the Holder by or on behalf of the Company, as of the date of such information, is true, accurate and complete in every material respect.
- (p) It is not insolvent, is able to pay its debts when they fall due, and has no insolvency proceedings threatened or outstanding against it.
- (q) With respect to the Claim Proceedings and Claim Proceeds: (i) it is the sole legal and beneficial owner of, and has good title to, the Claim Proceedings and Claim Proceeds, free and clear of any adverse Liens or claims from third parties; (ii) other than to the Holder expressly as provided for in Section 1 with respect to the Claim Proceeds, it has not disposed of, transferred, encumbered or assigned all or any portion of the Claim Proceedings or the Claim Proceeds (or any interest therein) or any proceeds thereof, whether by way of security or otherwise (including any set off or agreement to set off any amounts related to the Claim Proceedings or the Claim Proceeds); (iii) it has not taken any steps or executed any documents, nor is it aware of any asserted or unasserted claim, Lien or judgment against it, which could reasonably be expected, either individually or in the aggregate, to have a material impact on the Claim Proceedings or the Claim Proceeds, and it is not aware of anyone else doing or purporting to do so; (iv) it has not received any notice, and is not otherwise aware, that the Claim Proceedings or the Claim Proceeds or any portion thereof is invalid or void; (v) it has disclosed to the Holder all documentation and other information (in any and all media) that the Holder has requested and which is in its possession or control relevant to the Claim Proceedings or the Claim Proceeds (including the enforcement and collection of any related settlement, award or judgment); (vi) there is no information in the Knowledge and Belief, possession or control of the Company or any of its representatives that is or is likely to be material to the Holder's assessment of the Claim Proceedings or the Claim Proceeds that has not been disclosed to the Holder; and the Company believes (and does not have, and has not been informed by any of its representatives of, any belief to the contrary), based on the information available to it at this time, that the Claim Proceedings or the Claim Proceeds are meritorious and likely to prevail; and (vii) it has full power and authority to bring the Claim Proceedings or the Claim Proceeds and has obtained all necessary corporate and other authorizations to do so.
- (r) It is not relying on any communication (written or oral) of the Holder as legal advice or as a recommendation to issue this Certificate and incur the Obligations.
- (s) There are (a) no Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) on the Claim Proceeding Rights other than the Security Interest granted pursuant to the Security Agreements, and (b) with respect to any Collateral of the Borrower other than the Claim Proceeding Rights, there are no Liens (whether created by contract, operation of law or as a result of any court order or similar order or

decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) except for the Security Interest granted pursuant to the Security Agreements and Permitted Liens.

- (t) Upon delivery to the Holder of the Security Agreements, the Security Agreements will create a legal, valid and enforceable first priority Lien on the Collateral in favour of the Holder.
- (u) The Company does not have any subsidiaries or affiliates other than Eco Oro S.A.S.
- (v) The public filings of the Company posted under the Company's profile on www.sedar.com since January 1, 2015 do not contain any "misrepresentations" as defined under Securities Laws as of the date of filing and the Company has not made any confidential filings.
- (w) The financial statements of the Company for the year ended December 31, 2015 that have been publicly filed fairly present the financial position of the Company as of the date thereof.
- (x) There is currently no undisclosed "material change" regarding the Company.
- (y) The Company is a "reporting issuer" under Securities Laws and is not noted on the reporting issuer lists maintained by the applicable Canadian securities commissions as being in default.
- (z) [The Common Shares are listed and posted for trading on the Toronto Stock Exchange or another stock exchange recognized by the securities regulatory authorities in Canada.]
- (aa) None of the securities of the Company, including without limitation, the Common Shares, are subject to any "cease-trade" order under Applicable Law.

5. Covenants

The Company hereby covenants and agrees with the Holder that for so long as any of the Obligations remain outstanding, the Company shall:

- (a) pay all Obligations owing when due;
- (b) carry on and conduct its existing business and operations in a proper, efficient and businesslike manner, in accordance with good business practice and not enter into any other business, either directly or through any subsidiary, other than any business which is directly complementary to its existing business;
- (c) preserve and maintain its corporate existence, except to the extent that the failure to do so would not have a material impact on its ability to perform its obligations under this Certificate;
- (d) maintain in full force and effect all consents, approvals, actions, authorizations, exceptions, notices, filings and registrations of or with any Governmental

Authority that are required to be obtained by it and shall use all commercially reasonable efforts to obtain any that may become necessary in the future;

- (e) comply in all material respects with all Applicable Law, including but not limited to, if failure so to comply could reasonably be expected, either individually or in the aggregate, to have a material impact on the Claim Proceedings or its ability to perform its obligations under this Certificate;
- (f) deliver to the Holder within two (2) Business Days after it knows or has reason to believe that any Default or Event of Default has occurred, a notice of such default describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that the Company has taken or proposes to take with respect thereto;
- (g) deliver to the Holder within five (5) Business Days after it becomes aware of same notice of (i) any litigation or proceeding, is threatened or commenced, against the Company in which more than US\$250,000 of the amount claimed is not covered by insurance, (ii) the occurrence of a Material Adverse Event or the occurrence of any event which will result in a Material Adverse Effect, (iii) any offer to settle the Claim Proceedings; (iv) any settlement of the Claim Proceedings or any award, order, issuance or payment of any Claim Proceeding Rights; and (iv) the occurrence of any event with respect to the Claim Proceedings that could reasonably be expected to result in the dismissal, discontinuation or annulment of any Claim Proceedings or the denial of any Claim Proceeding Rights;
- (h) keep proper books of record and account in accordance with GAAP and permit any representatives designated by the Holder, upon reasonable prior notice from the Holder, to review such books and discuss the Company's affairs, finances and condition (in each case as they may be reasonably related to the Claim Proceedings) with those of the Company's directors, officers and employees reasonably designated as having substantial knowledge of such matters, all at such reasonable times and as often as reasonably requested by the Holder;
- (i) deliver to the Holder, such financial statements and other financial information as the Holder may from time to time reasonably request in connection with the business, operations, assets and financial condition of the Company together with an executed certificate of an officer of the Company stating that, to the best of such officer's knowledge, during such period no Default or Event of Default has occurred except as specified in such certificate;
- (j) use commercial best efforts to: (i) pursue the Claim Proceedings and all of the Company's legal and equitable rights arising in connection with the Claim Proceedings in a timely and prudent manner; (ii) work to bring about the reasonable monetization of the Claim Proceedings through a settlement or final judgment or award, and (iii) collect and enforce any settlement, final judgment or award;
- (k) prior to making any material filing, proposing or taking any other material step that could reasonably be expected to materially impact the Claim Proceeding Rights seek the advice of its arbitration counsel; provided that this covenant is

not intended to derogate from any legal, regulatory or fiduciary obligation that the Company or its board of directors may have pursuant to Applicable Laws;

- (l) retain and promptly remunerate the arbitration professionals retained by the Company to prosecute the Claim Proceedings in accordance with any retainer or similar agreements entered into between the Company and such arbitration professionals;
- (m) promptly remunerate the arbitration professionals retained by the Company who are administering the Claim Proceedings and pay all expenses required to be paid by the Company with respect to the Claim Proceedings;
- (n) cooperate with the applicable arbitration professionals retained by the Company and the institutions administering the Claim Proceedings in all matters pertaining to the Claim Proceedings (including: (i) providing requested documents and information; (ii) adequately preparing for, appearing for and causing others within the Company's power to appear for examinations and hearings, and (iii) actively participating in the preparation of legal documents);
- (o) actively manage the incurrence of expenses in connection with all of the foregoing with the goal of the efficient and cost effective resolution of the Claim Proceedings;
- (p) file all tax returns and pay all taxes due and payable and all other taxes, fees or other charges imposed by any Governmental Authority;
- (q) deliver notice to the Holder promptly upon any Person other than a Company becoming a named party in the Claim Proceedings or any Person other than the Company alleging to have any right, title or interest in or to any of the Claim Proceeding Rights;
- (r) use commercially reasonable efforts to continue the listing and trading of its Common Shares on a recognized stock exchange in North America and ensure that all Common Shares whose issuance is contemplated hereunder are approved by the Exchange;
- (s) use commercially reasonable efforts to maintain its status as a "reporting issuer" not in default under Securities Laws;
- (t) use commercially reasonable efforts to prepare, file and diligently pursue all necessary consents, approvals and authorizations and make such necessary filings, as are required to be obtained under Applicable Law with respect to the issuance and enforceability of this Certificate (excluding, for greater certainty, the preparation or filing of a prospectus, offering memorandum, registration statement or similar document in any jurisdiction). In this regard, the Company shall keep the Holder informed regarding the status of such approvals, and the Holder, its representatives and counsel shall have the right to participate in any substantive discussions with the Exchange and any other applicable Governmental Authority with respect to the issuance and enforceability of this Certificate and to provide input into any applications for approval and related correspondence which input will be incorporated by the Company. The

Company will provide reasonable notice to the Holder and its counsel of any proposed substantive discussions with the Exchange or any Governmental Authority with respect to the issuance and enforceability of this Certificate. On the date all such consents, approvals and authorizations have been obtained by the Company and all such filings have been made by the Company, the Company shall notify the Holder of same;

- (u) it shall use its commercially reasonable efforts to comply in all material respects with all applicable Securities Laws;
- (v) *[intentionally deleted]*
- (w) *[intentionally deleted]*
- (x) *[intentionally deleted]*
- (y) *[intentionally deleted]*
- (z) within thirty (30) days after the last day of each calendar month, deliver to the Holder a report certified by an officer of the Company in form and substance satisfactory to the Holder acting reasonably comparing the actual amounts paid by the Company on (by reference to the Budget) for the calendar month on the last day of such month, and the amount of any adverse deviation, with a reasonably detailed explanation of the significant variances;
- (aa) not create, incur, assume or suffer to exist (a) any Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) on the Claim Proceeding Rights other than the Liens granted pursuant to the Security Agreements and (b) with respect to any Collateral other than the Claim Proceeding Rights, any Liens (whether created by contract, operation of law or as a result of any court order or similar order or decree issued by any Governmental Authority whether pursuant to insolvency proceedings or otherwise) except for those Liens granted pursuant to the Security Agreements and Permitted Liens;
- (bb) not create, incur, assume or suffer to exist any indebtedness, except for with respect to legal fees or other costs associated with the Claim Proceedings, incurred in accordance with the Budget, ordinary course unsecured trade payables of the business not to exceed US\$250,000 in the aggregate, the Obligations and such indebtedness as may be permitted in writing by the Holder in its sole discretion;
- (cc) not create, issue or grant any contingent value or similar rights or interests in respect of any of the Company's present and future property, assets and undertaking including, without limitation, the Claim Proceeding Rights save and except as provided for in this Certificate;
- (dd) not (a) make any change to its articles or other similar constating documents that could, or could reasonably be expected to, materially and negatively impact the

rights of the Holder under this Certificate nor (b) enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or engage in any type of business other than of the same general type now conducted by it;

- (ee) not convey, sell, lease, assign, transfer or otherwise dispose of (including through a transaction of merger or consolidation) any of its property, assets or undertaking (including, without limitation, all accounts receivables), whether now owned or hereafter acquired, save and except for any sale of assets other than Claim Proceeding Rights provided that (a) any such sale is completed on commercially reasonable terms and for fair market value consideration in cash and (b) the consideration shall not exceed US\$250,000 in any one instance or an aggregate amount of US\$1,000,000 in any calendar year;
- (ff) not enter into any business or undertake any action or proceeding, either directly or through any branch, affiliate or subsidiary, that could reasonably be expected to adversely affect the Claim Proceedings;
- (gg) other than with respect to copies of any documents, books or records (the originals of which are retained by the Company), copies of which have been provided to the Holder, not permit or direct any of the Claim Proceeding Rights to be transferred, assigned, paid or ordered to any other Person and shall otherwise not take any other action which may contribute to any of the Claim Proceeding Rights, other than with respect to the copies of any such documents, books or records, to be transferred, assigned, paid or ordered to any other Person;
- (hh) not take any steps or instruct legal counsel to take any steps to suspend or terminate the Claim Proceedings, relinquish any right under the Claim Proceedings or enter into any settlement of the Claim Proceedings without the prior written consent of the Holder;
- (ii) not issue or agree to create or issue any shares of any existing or new classes of shares except as specifically contemplated by and permitted in accordance with the terms of this Certificate;
- (jj) not create, or acquire any ownership interest in, any subsidiaries, without the prior written consent of the Holder, which consent shall not be unreasonably withheld;
- (kk) not enter into any transaction or series of transactions, whether or not in the ordinary course of business, with any officer, director, shareholder or affiliate of the Company other than upon terms and conditions that would be obtainable in a comparable arm length transaction and which are approved by the board of directors of the Company and fully disclosed in writing to the Holder if outside the ordinary course of the business of the Company;
- (ll) shall request any Claim Proceeds to be deposited directly by the Colombian government (or any other Person liable to pay any of the Claim Proceeds) into the Claim Proceeds Escrow Account;

- (mm) not enter into any transaction or series of transactions that could be reasonably expected to materially negatively impact the Claim Proceeding Rights; and
- (nn) not pay any management, consulting or similar fees to any officer, director or employee of the Company except (i) payment of reasonable compensation and expense reimbursement to officers and employees for actual services rendered to, and expenses incurred for, it in the ordinary course of business, and (ii) payment of directors' fees and reimbursement of actual out-of-pocket expenses incurred in connection with attending board of director meetings consistent with and in accordance with past practice.

6. Interest

- (a) Subject to Section 14, the Company shall and hereby does irrevocably and unconditionally authorize and direct payment of the Contingent Value Rights Amount to the Holder on the CVRA Payment Date in accordance with Section 8(c). In the event that the Contingent Value Rights Amount is not paid to the Holder on the CVRA Payment Date in accordance with Section 8(c), interest shall accrue on the Contingent Value Rights Amount from the day immediately following the CVRA Payment Date and until actual payment in full, at the rate 12% per annum, calculated monthly in arrears. For greater certainty, no interest shall accrue on any Contingent Value Rights Amount pursuant to this Section 6 to the extent that such Contingent Value Rights Amount has been deposited into the Claim Proceeds Escrow Account. Such interest shall be calculated and compounded monthly, not in advance on the first day of each month based on a year of 365 days.
- (b) The Company and the Holder shall comply with the following provisions to ensure that no receipt by the Holder of any payments made or to be made to the Holder hereunder would result in a breach of Section 347 of the *Criminal Code* (Canada) or any successor section to same ("**Section 347**") to the extent Section 347 is determined to be applicable:
 - (i) Adjustment. Subject to clause (iii) below, if any provision of this Agreement or any of the other documents related to this Agreement would obligate the Company to make any payment to the Holder of an amount that constitutes "interest", as such term is defined in the *Criminal Code* (Canada) and referred to in this Section 6(b) as "Criminal Code interest", during any one-year period in an amount or calculated at a rate which would result in the receipt by the Holder of Criminal Code interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this Section 6(b) as a "criminal rate"), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the Holder during such one-year period of Criminal Code interest at a criminal rate, and the adjustment shall be effected, to the extent necessary, as follows:
 - (x) first, by reducing the amount or rate of interest required to be paid to the Holder during such one-year period; and

- (y) thereafter, by reducing any fees and other amounts required to be paid to the Holder during such one-year period which would constitute Criminal Code interest.

The dollar amount of all such reductions made during any one-year period is referred to this Section 6(b) as the "Excess Amount".

- (ii) Subject to clause (iii) below, any Excess Amount shall be payable and paid by the Company to the Holder in the then next succeeding one-year period or then next succeeding one-year periods until paid to the Holder in full, subject to the same limitations and qualifications set out in clause (i) above, so that the amount of Criminal Code interest payable or paid during any subsequent one-year period shall not exceed an amount that would result in the receipt by the Holder of Criminal Code interest at a criminal rate.
- (iii) To the extent that any Contingent Value Rights Amount constitutes Criminal Code interest, the adjustments contemplated by clauses (i) and (ii) above shall be applied to the payment of such Contingent Value Rights Amount only if after the amount of such Contingent Value Rights Amount permitted to be paid to the Holder has been reduced to the highest possible amount that would not result in any such payment violating the criminal rate, the receipt of the amount of the Contingent Value Rights Amount so reduced would notwithstanding such reduction, still result in the Holder receiving Criminal Code interest at a criminal rate.
- (iv) Any amount or rate of Criminal Code interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest on the assumption that any charges, fees or expenses that constitute Criminal Code interest shall be pro-rated over the period commencing on the date hereof and ending on the CVRA Payment Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Holder shall be conclusive for the purposes of such calculation and determination.

7. Term

The term of this Certificate begins on the date of this Certificate and ends on the date that all of the Obligations have been paid in full. The Holder shall apply any amount paid in satisfaction of any indebtedness under this Certificate first against any accrued and unpaid interest and second against the outstanding Contingent Value Rights Amount.

8. Payment Mechanics

- (a) All amounts payable by the Company hereunder shall be paid to the Holder in United States Dollars, in immediately available funds, without any deduction set-off or counterclaim. Any payments received after 3:00 p.m. (New York time) will be considered for all purposes as having been made on the next following Business Day.

- (b) If any payment to be made by the Company hereunder becomes due on a day that is not a Business Day, such payment shall be due on the next succeeding Business Day, together with interest that has accrued to the date of payment.
- (c) The Company shall request the Colombian government (or any other Person liable to pay any of the Claim Proceeds) to deposit the Claim Proceeds directly into the Claim Proceeds Escrow Account. To the extent that the Company or any other Person for whatever reason shall receive any of the Claim Proceeds, then within two (2) Business Days after the date of receipt by the Company or of any Person other than the Company of any and all Claim Proceeds, the Company shall deposit or cause such other Person to deposit, all such Claim Proceeds into the Claim Proceeds Escrow Agreement, to be held and paid in accordance with the terms of this Agreement. Within two (2) Business Days following the Final Award Date, and prior to any distribution of any and all Claim Proceeds, the Company shall calculate the Contingent Value Rights Amount and shall submit a statement to the Holder setting out such calculation and the proposed distribution of the Claim Proceeds (the “**Distribution Statement**”). Any such Distribution Statement shall strictly conform with the following descending order of payments for the distribution of the Claim Proceeds:
 - (i) first, to pay any accrued and unpaid default interest owing to the Holder pursuant to this Certificate, if any, and any unpaid fees, expenses or indemnity obligations owing to the Holder under this Certificate or any other agreement between the Company and the Holder;
 - (ii) second, to pay any principal amount then outstanding, if any, owing to the Holder by the Company pursuant to any other agreement between the Holder and the Company; and
 - (iii) third, the total amount payable to the Holder equal to the Contingent Value Rights Amount; and
 - (iv) fourth, the remaining balance of the Claim Proceeds to be paid to or for the account of the Company in accordance with Applicable Law including for the payment of any taxes payable or required to be withheld by the Company;
- (d) For certainty, the payments of the Claim Proceeds contemplated by paragraph (c) above shall be made in each case as and when any amount of the Claim Proceeds are received if less than the full amount of the Claim Proceeds are received at one time.
- (e) If the Holder, in its discretion, does not approve the Distribution Statement submitted to it by the Company, then both the Holder and the Company shall work together to produce a Distribution Statement which the Holder and the Company shall approve. If the parties fail to reach agreement on the Distribution Statement, any such dispute regarding the Distribution Statement (a “**Distribution Dispute**”) will be submitted for resolution as provided for in the Claim Proceeds Escrow Agreement. For greater certainty, any disputes, claims, differences or controversies between the parties and arising hereunder other

than a Distribution Dispute shall be prosecuted under and in accordance with Section 21 hereof.

9. Security

As continuing security for the payment of the Contingent Value Rights Amount when due and payable and any accrued and unpaid interest, the Company hereby pledges, assigns, mortgages, charges and hypothecates to the Holder and grants to the Holder a security interest in the Collateral (the “**Security Interest**”) pursuant to the general security agreement attached hereto as Schedule “A” and Colombian law governed security agreements and such other security agreements, charges, pledges and assignments as the Holder may reasonably require as contemplated by Section 14 (collectively, the “**Security Agreements**”).

10. Acceleration and Remedies

Upon the occurrence of an Event of Default which is continuing and in addition to the default rate of interest provided for in Section 6(a) accruing: (i) the full unpaid balance of the Obligations will, at the Holder’s option and upon delivery by the Holder to the Company of a written demand for payment, become immediately due and payable; and (ii) the Holder shall be entitled to exercise any and all rights and remedies available to it pursuant to any agreement between the Company and the Holder, at law or in equity.

The rights and remedies available to the Holder pursuant to any agreement between the Holder and the Company are cumulative and are in addition to, and not in substitution for, any rights or remedies provided at law or in equity.

For certainty, the Holder shall have the unilateral right to (i) waive any Event of Default, (ii) elect not to accelerate the Obligations or (iii) elect not to enforce any of its rights and remedies under any agreement between the Company and the Holder.

11. Notice

To be effective, a notice must be in writing and delivered (a) personally, either to the individual designated below for that party or to an individual having apparent authority to accept deliveries on behalf of that individual at its address set out below, or (b) by electronic mail to the address or electronic mail address set out opposite the party’s name below or to any other address or electronic mail address for a party as that party from time to time designates to the other parties in the same manner, and (c) by registered mail:

in the case of the Company, to:

Eco Oro Minerals Corp.
Suite 300, 1055 W. Hastings Street
Vancouver, BC V6E 2E9

Attention: Paul Robertson
Email: paul.robertson@quantumllp.com

with a copy to:

Norton Rose Fulbright Canada LLP
200 Bay Street, Suite 3800
Toronto, Ontario M6J 2Z4

Attention: Walied Soliman
Email: walied.soliman@nortonrosefulbright.com

in the case of the Holder, to:

Kingsdale Partners LP
Exchange Tower, 130 King Street West
Suite 2950, P.O. Box 361
Toronto, ON M5X 1E2

Attention: Amy Freedman, CEO
Email: afreedman@kingsdaleadvisors.com

Attention: Grant Hughes, Chief Operating Officer
Email: ghughes@kingsdaleadvisors.com

Attention: Hooman Tabesh, General Counsel
Email: htabesh@kingsdaleadvisors.com

Any notice is effective (i) if personally delivered, as described above, on the day of delivery if that day is a Business Day and it was received before 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day, or (ii) if sent by electronic mail, on the day the sender receives confirmation of receipt by return electronic mail from the recipient if that day is a Business Day and if that confirmation was received before 5:00 p.m. local time in the place of receipt, and otherwise on the next Business Day.

12. Payment of Expenses and Indemnification

The Company hereby agrees to indemnify and hold harmless the Holder and its subsidiaries, affiliates and assignees, and each of their respective directors, officers, partners, investors, employees, agents and advisors (each an “**Indemnified Party**”) from and against any and all losses, claims, damages, liabilities or other expenses to which such Indemnified Party may become subject, insofar as such losses, claims, damages, liabilities (or actions or other proceedings commenced or threatened in respect thereof) or other expenses arising out of or in any way relating to or resulting from, this Certificate or any of the fees, interest or other compensation received or earned in connection with or in any way arising from this Certificate and the Company agrees to reimburse each Indemnified Party for all actual and reasonable legal or other expenses, for which an invoice has been provided, incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding (whether or not such Indemnified Party is a party to any action or proceeding out of which indemnified expenses arise), but excluding therefrom all losses, claims, damages, liabilities and expenses which are finally determined in a non-appealable decision of a court of competent jurisdiction to have resulted solely from the negligence or willful misconduct of such Indemnified Party. In the event of any litigation or dispute involving this Certificate, no Indemnified Party shall be responsible or liable to the Company, any reorganized entity, any of

its subsidiaries or affiliates or any other Person for any special, indirect, consequential, incidental or punitive damages. In addition, the Company irrevocably and unconditionally agrees to pay or reimburse the Holder for all Holder's reasonable out-of-pocket costs and expenses incurred in connection with the negotiation, preparation, execution and enforcement of this Certificate and any other documents prepared in connection herewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the fees and disbursements of legal counsel to the Holder (on a full indemnity basis). Notwithstanding the foregoing or anything contained elsewhere in this Certificate or any other agreement between the Company and the Holder, the indemnity set out in this Section 12 shall not apply to any losses, claims, damages, liabilities or expenses to which an Indemnified Party may become subject which arise from a claim or allegation brought by a Participating Entitled Shareholder against the Indemnified Party solely in respect of conduct undertaken by or on behalf of the Holder, unless (i) such conduct was also undertaken by or on behalf of the Existing CVR Holders, (ii) the claim or allegation would, if proven, have an adverse impact on any material rights of an Existing CVR Holder or any other holder of CVRs under its CVR certificate or (iii) the Company otherwise agrees to indemnify the Indemnified Party.

13. Withholding Tax

All Obligations shall be paid by the paid by the Company without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (other than taxes in respect of the net income or capital of the Holder) imposed or levied by or on behalf of any Governmental Authority having the power to tax. If any such withholding or deduction is required by Applicable Law, the Company shall pay all additional amounts to the Holder as may be necessary in order that the net amount received by the Holder after such withholding or deduction shall equal the amount which would have been received by the Holder in the absence of such withholding or deduction.

Without limiting the generality of the foregoing, to the extent that the Company does not pay any taxes required to be paid by it and the Holder is obligated to, or becomes liable for and pays any such taxes, the Company covenants and agrees to indemnify and hold harmless the Holder from and against any and all such payments made by the Holder together with any penalties, interest and other reasonable costs and expenses incurred in connection therewith whether or not such taxes were correctly or legally imposed on the Holder by the relevant Governmental Authority. This indemnity shall survive the repayment of the Obligations and the cancellation of this Certificate. A certificate as to the amount of such payment by the Holder to the Company shall be conclusive evidence of the amount owing pursuant to this indemnity absent manifest error.

With respect to any taxes required to be paid by the Company in respect of payments by it hereunder as contemplated by this Section 14, the Company shall deliver to the Holder the original or a certified copy of receipt issued by the applicable Governmental Authority evidencing such payment as soon as practicable after the making of such payment (and in any event within fifteen (15) days after the making of such payment).

14. Further Assurances

The Company, at its expense and at the Holder's request, shall sign (or cause to be signed) all further documents or do (or cause to be done) all further acts and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to this Certificate, including without limitation executing and delivering such further charges, security agreements

and pledges as the Holder may reasonably require in order to obtain a first ranking security interest in the Collateral and cooperate with the Holder and their counsel regarding the filing of any financing statements, registrations or other instruments as may be required under Applicable Law to perfect or otherwise record such security interest, charges, security agreements or pledges.

15. Not Party to Claim Proceedings

The Company acknowledges and agrees that the Holder shall not become or be deemed to have become a party to the Claim Proceedings by virtue of its dealings with the Company hereunder and otherwise.

16. Binding Effect

This Certificate enures to the benefit of and binds the parties and their respective successors, and permitted assigns.

17. Assignment

Until an Event of Default has occurred, the Holder may not assign its rights and obligations relating to this Certificate in whole or in part to any Person other than a Holder Group Member without the prior written consent of the Company, provided; however that if the Holder assigns its rights and obligations under this Certificate to a Holder Group Member it shall provide prior written notice to the Company of such assignment and to the extent such assignment shall be made in reliance on an exemption from the registration requirements of the U.S. Securities Act, the Holder shall represent to the Company that such assignment is exempt from registration under the U.S. Securities Act of 1933, as amended, and if requested by the Company, the Holder shall provide an opinion of counsel of recognized standing reasonably satisfactory to the Borrower to that effect. Without the prior written consent of the Holder, the Company may not assign this Certificate or any of its obligations hereunder.

18. Severability

The invalidity or unenforceability of any particular term of this Certificate will not affect or limit the validity or enforceability of the remaining terms.

19. Waiver

- (a) Save and except as may be expressly provided for in the Security Agreements, no waiver of satisfaction of a condition or breach or non-performance of an obligation (including any Event of Default) under this Certificate is effective unless it is in writing and signed by the party granting the waiver. No waiver under this section will be deemed to extend to a subsequent occurrence, whether or not that occurrence is the same or similar to the original occurrence that was waived nor will it affect the exercise of any other rights or remedies under this Certificate. Any failure or delay in exercising any right or remedy will not constitute, or be deemed to constitute, a waiver of that right or remedy. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy.

- (b) The Company waives presentment for payment, demand, protest, notice of any kind, and statutory days of grace in connection with this Certificate. The Company agrees that it is not necessary for the Holder to first bring legal action in order to enforce payment of this Certificate.

20. Governing Law and Submission to Jurisdiction

- (a) This Certificate shall be governed by, and construed in accordance with, the laws of the State of New York (other than the conflict of laws rules).
- (b) The Company and Holder hereby irrevocably submit to the jurisdiction of the courts of the State of New York, which will have non-exclusive jurisdiction over any matter arising out of this Certificate save and except as provided for in Section 8(e) of this Certificate in relation to any Distribution Dispute.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the Company has duly executed this Certificate effective as of the date first written above.

ECO ORO MINERALS CORP.

By: _____
Name:
Title:

Acknowledged and agreed to:

**KINGSDALE PARTNERS LP for and on
behalf of the Participating Entitled
Shareholders**

By: _____
Name:
Title:

SCHEDULE "A"
SECURITY AGREEMENTS

[Omitted]

EXHIBIT I
LIST OF KEY PARTIES

[Omitted]

APPENDIX F**Eco Oro Minerals Corp.
Board of Directors' Mandate****1. Mandate**

The board of directors (the “**Board**”) is responsible for the stewardship of Eco Oro Minerals Corp. (the “**Company**”) and the supervision of the management of the business and affairs of the Company with a view to preserving and enhancing the business and underlying value of the Company.

The Board discharges its responsibility for supervising the management of the business and affairs of the Company by delegating the day-to-day management of the Company to its senior officers. The Board discharges its responsibilities both directly and through its committees.

2. Duties and Expectations of Directors

In discharging their responsibilities, directors are required to:

- (a) act honestly, in good faith with a view to the best interests of the Company; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Directors are also expected to:

- (a) commit the time and attention necessary to properly carry out his or her duties;
- (b) attend all Board and committee meetings, as applicable; and
- (c) review in advance all meeting materials and otherwise adequately prepare for all Board and committee meetings, as applicable.

3. Delegation to Management

The Board may from time to time delegate to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, material transactions outside the ordinary course of business and the matters set out in Section 8 hereof will be reviewed by, and are subject to the prior approval of, the Board.

4. Composition

To the extent feasible, the Board shall be composed of a majority of “independent” directors as such term is defined under applicable securities legislation.

The Board shall appoint one or more directors to act as a Chair of the Board. Where a Chair is, or all Co-Chairs are, not independent, an independent director (including an independent Co-Chair, if applicable) may be appointed as “lead director” to act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties. If in any year the Board does not appoint a Chair or lead director, if applicable, the incumbent Chair and lead director, if applicable, will continue in office until a successor is appointed. If a Chair or lead director, if applicable, is absent from any meeting, the Board shall select one of the other directors present to preside at that meeting.

5. Meetings

The Board shall meet at least four times per year, including at least once in each quarter to carry out its responsibilities under this mandate, including a review of the business operations and financial results of the Company, and as many additional times as the Board deems necessary to carry out its duties.

The Board may invite such officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Board.

Independent members of the Board may hold meetings as frequently as necessary to carry out their responsibilities under this mandate, but not less than once a year.

6. Responsibilities

The Board is responsible for:

Senior Management

- (a) designating the officers of the Company, appointing such officers, specifying their duties and delegating to them the power to manage the day-to-day business and affairs of the Company;
- (b) in consultation with the Compensation Committee, reviewing the officers' performance and effectiveness;
- (c) acting in a supervisory role, such that any duties and powers not delegated to the officers of the Company remain with the Board and its committees;
- (d) to the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Company;
- (e) succession planning (including appointing, training and monitoring senior management);
- (f) in conjunction with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities and developing or approving the corporate goals and objectives the CEO is responsible for meeting;

Strategic Plan and Risk Management

- (g) reviewing and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business;
- (h) monitoring the Company's implementation of its strategic plan and taking action and revising and altering its direction to management in response to changing circumstances, and taking action when Company performance falls short or its goals and objectives or when special circumstances warrant;
- (i) identifying the principal risks of the Company's business, and ensuring the implementation of appropriate systems to manage these risks;

Disclosure

- (j) overseeing the accurate reporting of financial performance of the Company to shareholders, other security holders and regulators on a timely and regular basis

- (k) taking steps to enhance the timely disclosure of developments that have a significant and material impact on the Company;
- (l) establishing procedures to ensure that the Company, through management, provides timely information to current and potential security holders and responds to their inquiries;

Other

- (m) with the assistance of the Audit Committee, ensuring the integrity of the Company's internal control and management information system;
- (n) in consultation with the Nominating and Corporate Governance Committee, developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company;
- (o) with the assistance of management, developing environmental policies, as applicable from time to time, and ensuring their compliance with them; and
- (p) with the assistance of management, developing health and safety practices and ensuring compliance with them.

7. Committees of the Board

The Board may delegate to its committees matters for which the Board is responsible, but the Board retains its oversight function and ultimate responsibility for those matters and all other delegated responsibilities.

To assist it in discharging its responsibilities, the Board has established four standing committees of the Board: the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee and the Arbitration and Budget Committee. The Board may establish other standing and ad hoc committees from time to time.

Each committee shall have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations, manner of reporting to the Board and other requirements set forth under applicable legislation and stock exchange rules, as the Board considers appropriate. Each charter shall be reviewed by the Board (or a committee thereof) on at least an annual basis.

Except by resolution of the Board (which must include approvals of certain directors as set out in the settlement agreement entered into by the Company and thirteen of its shareholders on July 31, 2017), the Board shall not amend the mandate of the Arbitration and Budget Committee.

Subject to the foregoing, the Board is responsible for appointing directors to each of its committees in accordance with the charter for each committee.

8. Matters Requiring Board Approval

Except by unanimous resolution of the Board, the Board shall not amend or revise the management incentive plan of the Company or seek to convert any debt or other securities issued by the Company.

Except by resolution of the Board (which must include approvals of certain directors as set out in the settlement agreement entered into by the Company and thirteen of its shareholders on July 31, 2017), the

Board shall not enter into any related party transactions (as such term is defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*) or incur any funded indebtedness for borrowed money.

9. Orientation and Continuing Education

The Board is responsible for ensuring that all new directors receive a comprehensive orientation enabling them to fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make, and the nature and operation of the Company's business.

Directors are encouraged to participate in continuing education to maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Company's business remains current.

10. Code of Business Conduct and Ethics

The Board is responsible for adopting and maintaining a written code of business conduct and ethics (the “**Code**”) applicable to all directors, officers and employees of the Company and its subsidiaries. The Code shall constitute written standards that are reasonably designed to promote integrity and deter wrongdoing and shall address the following issues:

- (a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;
- (b) protection and proper use of corporate assets and opportunities;
- (c) confidentiality of corporate information;
- (d) fair dealing with the Company's security holders, suppliers, competitors and employees;
- (e) compliance with laws, rules and regulations; and
- (f) reporting of any illegal or unethical behaviour.

The Board is responsible for monitoring compliance with the Code. Any waivers from the Code shall be granted by the Board only.

11. Compensation Matters

The Board is responsible for overseeing compensation matters, including (i) director compensation, and (ii) after consideration of the recommendations of the Compensation Committee, incentive-compensation plans and equity-based plans and compensation for officers and other senior management personnel.

12. Director Access to Management, Employees and Independent Adviser

The Board and its committees shall have access to all members of management and the Company's employees.

At the invitation of the Board, senior management are encouraged to attend, and, where requested, assist in the discussion and examination of matters before the Board.

The Board and its committees may retain at the Company's expense any independent adviser, such as legal counsel and independent accountants, as the Board or committee deems necessary and appropriate to discharge its responsibilities.

13. Mandate Review

The Board shall review and assess the adequacy of this mandate on an annual basis, taking into account all legislative and regulatory requirements applicable to the Board, as well as any guidelines recommended by securities regulatory authorities, the Toronto Stock Exchange and any other stock exchange on which the securities of the Company may be listed.

Approved by the Nominating and Corporate Governance Committee: August 3, 2017

Approved by the Board of Directors: August 3, 2017

Questions? Need Help Voting?

Please contact our Strategic Shareholder Advisor and Proxy Solicitation and Information Agent, Kingsdale Advisors

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