

**SHARE EXCHANGE AGREEMENT**

**AMONG**

**ABENTEUER RESOURCES CORP.**

**AND**

**SMW GOLD LIMITED**

**AND**

**THE SHAREHOLDERS OF SMW GOLD LIMITED**

**November 26, 2010**

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### SCHEDULES:

SCHEDULE "A" – SMW SHARES

## SHARE EXCHANGE AGREEMENT

**THIS AGREEMENT** is dated as of the 26th day of November, 2010.

AMONG:

**ABENTEUER RESOURCES CORP.**, a corporation amalgamated under the laws of the Province of Alberta and listed on the TSX Venture Exchange

("ABU")

AND:

**SMW GOLD LIMITED**, a private business company incorporated under the laws of Cyprus

("SMW")

AND:

**CERTAIN SHAREHOLDERS**, as set forth in Schedule "A"

("SMW Shareholders")

**WHEREAS:**

- A. Pursuant to a letter of intent dated September 22, 2010 between ABU and SMW (the "**Letter of Intent**"), ABU and SMW intend to effect a business combination pursuant to which the business and assets of ABU are to be combined with those of SMW in a reverse takeover of ABU by SMW;
- B. The parties intend to effect the Acquisition (as herein defined) by way of share exchange, in accordance with the terms and conditions of this Agreement;
- C. The SMW Shareholders currently hold all the issued and outstanding shares in the capital of SMW as set out in Schedule "A" to this Agreement (the "**SMW Shares**");
- D. Prior to completing the Acquisition, ABU intends to complete the Spin-Out (as defined herein) and the Financing (as defined herein); and
- E. The SMW Shareholders wish to exchange their SMW Shares (as herein defined) for ABU Consideration Units (as herein defined) on the basis of 1250 ABU Consideration Units for each SMW Share.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual covenants and agreements herein contained and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

## ARTICLE 1 DEFINITIONS AND INTERPRETATION

### Definitions

- 1.1 In this Agreement, the following terms have the meanings ascribed thereto as follows:
- (a) "**Acquisition**" means the reverse takeover of ABU by SMW pursuant to the terms and conditions in this Agreement;
  - (b) "**Agreement**" means this definitive Share Exchange Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;
  - (c) "**ABU Consideration Units**" means 25,000,000 units of ABU with each unit consisting of one ABU Share, on a Post-Consolidation basis, and one ABU Consideration Warrant;
  - (d) "**ABU Consideration Warrants**" means warrants forming part of the ABU Consideration Units with each warrant entitling the holder thereof to acquire one ABU Share on a Post-Consolidation basis for a period of 30 months following the Closing Date at an exercise price of \$1.20 per ABU Share;
  - (e) "**ABU Filing Statement**" means the filing statement to be prepared by ABU in connection with the Acquisition;
  - (f) "**ABU Financial Statements**" means the audited financial statements for the fiscal year ended December 31, 2009, and the unaudited financial statements for the interim period ended June 30, 2010, including the notes thereto and, as applicable, the report of ABU's auditors thereon, a copy of which can be found under ABU's profile on SEDAR;
  - (g) "**ABU Meeting**" means the annual general and special meeting of the ABU Shareholders to be held for the purposes of approving, among others, the Continuance, the Spin-Out, and the ABU Share Consolidation;
  - (h) "**ABU Oil and Gas Assets**" means ABU's interests in certain oil and gas assets located in the West Kingsford area of south eastern Saskatchewan;
  - (i) "**ABU Shares**" means common shares in the capital of ABU;
  - (j) "**ABU Share Consolidation**" means the consolidation of ABU Shares on 2.5-for-one basis;
  - (k) "**ABU Shareholders**" means holders of ABU Shares;
  - (l) "**Authorization**" means, with respect to any Person, any order, permit, approval, waiver, licence or similar authorization of any Governmental Entity having jurisdiction;
  - (m) "**Business Day**" means any day, other than a Saturday, Sunday or statutory holiday in Vancouver, British Columbia, Canada;
  - (n) "**Canadian GAAP**" means generally accepted accounting principles in Canada as in effect from time to time, consistently applied;

- (o) "**Claims**" means any suit, action, dispute, civil or criminal litigation, claim, arbitration or legal, administrative or other proceeding or governmental investigation, including appeals and applications for review;
- (p) "**Closing**" means the completion of the transactions contemplated herein;
- (q) "**Closing Date**" means the day on which the Acquisition is completed, which date shall be no later than February 28, 2011, unless otherwise agreed between the parties;
- (r) "**Concession Agreements**" means the concession agreements dated September 1, 2007 entered into among SMW Engineering Ltd., the Government of the Arab Republic of Egypt and EMRA relating to the Um Balad concession area and the El Fawakhir concession area which Concession Agreements were subsequently assigned by SMW Engineering Ltd. to SMW;
- (s) "**Continuance**" means the Continuance of ABU into the Province of British Columbia pursuant to the *Business Corporations Act* (British Columbia);
- (t) "**EMRA**" means the Egyptian Mineral Resources Authority;
- (u) "**EMRA Guarantees**" means the two letters of guarantee, each in the amount of USD\$5,000,000, to be provided by SMW to EMRA;
- (v) "**Environmental Laws**" means all Laws relating to the environment or occupational health and safety or the release of hazardous materials;
- (w) "**Existing ABU Options**" means the outstanding 300,000 incentive stock options of ABU exercisable for up to 300,000 ABU Shares prior to the ABU Share Consolidation;
- (x) "**Existing ABU Warrants**" means the outstanding 3,650,000 common share purchase warrants of ABU exercisable for up to 3,650,000 ABU Shares prior to the ABU Share Consolidation;
- (y) "**Financing**" means the offering of 15,000,000 subscription receipts at a price of \$0.80 per subscription receipt (with each subscription receipt exchangeable for one ABU Share on a Post-Consolidation basis and one common share purchase warrant) and of which 14,000,000 subscription receipts were offered on a brokered basis pursuant to an agency agreement among ABU, SMW and Salman Partners Inc.;
- (z) "**Finder**" means Greg Karamanian, an individual residing in the Province of British Columbia;
- (aa) "**Finder's Units**" means 880,000 units, or the maximum number allowable pursuant to TSXV policies, whichever is less, to be issued to the Finder on Closing, each Finder's Unit consisting of one ABU Share, on a Post-Consolidation basis, and one Finder's Warrant;
- (bb) "**Finder's Warrants**" means the common share purchase warrants forming part of the Finder's Units with each Finder's Warrant being exercisable to acquire one ABU Share for two years following Closing at an exercise price of \$1.20 per ABU Share;

- (cc) "**Governmental Entity**" means any government, parliament, legislature, regulatory authority, governmental department, agency, commission, board, tribunal, crown corporation, court (federal, provincial or local) or other law, rule or regulation-making entity having jurisdiction or exercising executive, legislative, judicial, regulatory or administrative powers on behalf of any federation or nation, or any province, territory, state or other subdivision thereof or any municipality, district or other subdivision thereof;
- (dd) "**Intellectual Property**" means all (i) trademarks, service marks, trade names and other indications of origin including all goodwill associated with all of the foregoing, and all applications, registrations and renewals in connection with all of the foregoing, in any jurisdiction; (ii) inventions, discoveries and ideas (whether patentable or unpatentable and whether or not reduced to practice), and all patents, applications for patents; (iii) trade secrets, know-how, confidential information, and other proprietary rights and information; (iv) copyrights and works of authorship, whether copyrightable or not, and all applications, registrations and renewals in connection therewith, in any jurisdiction; (v) Internet domain names; (vi) computer technology, equipment, devices, systems, hardware, software and databases; and (vii) other similar intellectual property or proprietary rights;
- (ee) "**Laws**" means all statutes, codes, ordinance, regulations, statutory rules, published policies, published guidelines and terms and conditions of any order, grant of approval, permission, authority or license of any Governmental Entity, and the term "applicable" with respect to such Laws, and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities (all references herein to a specific statute being deemed to include all applicable rules, regulations, rulings, orders and forms made or promulgated under such statute and the published policies and published guidelines of the Governmental Entity administering such statute) and shall include the published rules and policies of the TSXV;
- (ff) "**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition, which, in substance, secures payment, or performance of an obligation;
- (gg) "**Management Incentive Warrants**" means the 6,000,000 warrants to acquire ABU Shares, on a Post-Consolidation basis, to be issued in accordance with the terms and conditions contained in Section 9.1(f);
- (hh) "**Material Adverse Effect**" means, when used in connection with ABU or SMW, as applicable, any event, condition or change which individually or in the aggregate constitutes, or could reasonably be expected to have, a material adverse effect on their respective business assets, liabilities, condition (financial or otherwise) or results of operations taken as a whole on a consolidated basis; provided, however, that the determination of whether a material adverse effect has occurred shall be made ignoring any event, change, fact or effect resulting from: (i) any change in Canadian GAAP or International Financial Reporting Standards, or Laws or interpretation thereof; (ii) any generally applicable change or development in economic, regulatory, business or financial market conditions; (iii) any acts of terrorism or war; (iv) the execution or

announcement of this Agreement; (v) in respect of ABU, any breach of this Agreement by SMW or the SMW Shareholders; and (vi) in respect of SMW or the SMW Shareholders, any breach of this Agreement by ABU, provided, however, that with respect to paragraphs (i), (ii) and (iii), such matter does not have a disproportionate effect on ABU or SMW, as applicable, relative to other comparable companies or entities operating in the industry in which the party operates;

- (ii) "**Material Contracts**" means all contracts or other obligations or rights (and all amendments, modifications and supplements thereto to which any Party or any of its Subsidiaries is a party affecting the obligations of any party thereunder) to which a Party or its Subsidiaries is a party or by which any of their respective properties or assets are bound that are material to the business, properties or assets of a Party or its Subsidiaries taken as a whole;
- (jj) "**material fact**" has the meaning ascribed thereto in the Securities Act;
- (kk) "**misrepresentation**" has the meaning ascribed thereto in the Securities Act;
- (ll) "**Roughrider Energy Corp.**" means a wholly owned Subsidiary of ABU incorporated for the purposes of completing the Plan of Arrangement;
- (mm) "**Ordinary Course**" means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day to day operations of the Person;
- (nn) "**Party**" means a party to this Agreement and "**Parties**" means all parties to this Agreement;
- (oo) "**Permits**" means in respect of a party, all permits, licenses, variances, exemptions, orders and approvals of all Governmental Entities necessary for the lawful conduct of the respective businesses of the Party or any of its Subsidiaries;
- (pp) "**Permitted Liens**" means Liens for current Taxes or other governmental charges not yet due and payable or delinquent, the amount or validity of which is being contested in good faith by appropriate proceedings or which may thereafter be paid without penalty or such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not material (alone or in the aggregate) in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of any property subject thereto or affected thereby;
- (qq) "**Person**" means and includes an individual, firm, sole proprietorship, partnership, joint venture, venture capital or hedge fund, association, unincorporated association, unincorporated syndicate, unincorporated organization, estate, group, trust, body corporate (including a limited liability company and an unlimited liability company), a trustee, executor, administrator or other legal representative, Governmental Entity, syndicate or other entity, whether or not having legal status;
- (rr) "**Plan of Arrangement**" means the statutory plan of arrangement pursuant the *Business Corporations Act* (British Columbia) to be undertaken by ABU in order to effect the Spin-Out;

- (ss) **“Post-Consolidation”** means the ABU Shares after affecting the ABU Share Consolidation;
- (tt) **“Regulatory Approvals”** means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that permits a transaction to be implemented if a prescribed time lapses following the giving of notice without an objection being made) of any applicable Governmental Entity;
- (uu) **“Resulting Issuer”** means the issuer existing after completion of the Spin-Out and the Acquisition, to be named "Nile Gold Corp.";
- (vv) **“Securities Act”** means the *Securities Act* (British Columbia) and all blanket rulings, policy statements, orders, rules and notices of the British Columbia Securities Commission;
- (ww) **“Securities Authorities”** means the TSXV and any applicable securities commissions or similar regulatory authorities in Canada and each of the provinces and territories thereof;
- (xx) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval;
- (yy) **“SMW Assets”** means the property and assets of SMW as a going concern, of every kind and description and wheresoever situated including, without limiting the foregoing, SMW’s interests in the El Fawakhir Concession and the Um Balad Concession;
- (zz) **“SMW Financial Statements”** means the audited financial statements for the fiscal years ended December 31, 2007, December 31, 2008 and December 31, 2009, and the unaudited financial statements for the interim period ended June 30, 2010, including the notes thereto and, as applicable, the report of SMW's auditors thereon;
- (aaa) **“SMW Shares”** is defined in the recitals, above;
- (bbb) **“SMW Shareholders”** means, collectively, SMW Engineering Ltd., Magnesium and Metals Ltd., Karim Ashraf Helmy Matar, Vladimir Shashkin, Maxim Dlugy and Ksenia Istratova;
- (ccc) **“Spin-Out”** means the transfer by ABU of the ABU Oil and Gas Assets and up to \$100,000 in cash (leaving a minimum of \$1,250,000 in cash in ABU excluding the proceeds received from the Financing) to Roughrider Energy Corp. in exchange for Roughrider Energy Corp. shares that will be distributed pursuant to the Plan of Arrangement to existing shareholders of ABU;
- (ddd) **“Subsidiary”** means, with respect to a specified body corporate, a body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the directors thereof, whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency, are at the time owned, directly or indirectly, by such specified body corporate, and includes a body corporate in like relation to a subsidiary;
- (eee) **“Taxes”** means all present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Entity in

the nature of a tax, including any interest, additions to tax and penalties applicable thereto;

- (fff) “**Technical Reports**” means, together, the technical report entitled, “NI 43-101 Technical report on the Fawakhir/El Sid Exploration Concession Area in Egypt” and the technical report, entitled, “NI 43-101 Technical report on the Um Balad/El Urf Concession Area in Egypt”; and
- (ggg) “**TSXV**” means the TSX Venture Exchange Inc.

### **Interpretation**

1.2 For the purposes of this Agreement, except as otherwise expressly provided:

- (a) a reference to an Article is to an Article of this Agreement, and a reference to a Section followed by a number or some combination of numbers and letters refers to the section, subsection, paragraph, subparagraph, clause or subclause of this Agreement so designated;
- (b) the captions, Section numbers and Article numbers appearing in this Agreement are inserted for convenience of reference only and shall in no way define, limit, construe or describe the scope or intent of this Agreement nor in any way affect this Agreement;
- (c) the word "including", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;
- (d) if any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day;
- (e) a reference to a statute includes all regulations made thereunder, all amendments to the statute or regulation in force from time to time, and every statute or regulation that supplements or supersedes such statute or regulation;
- (f) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, a word importing a corporate entity includes an individual, and vice versa;
- (g) all dollars amounts, unless otherwise specified, are in Canadian dollars; and
- (h) where any matter is stated to be "to the knowledge" or "to the best of the knowledge" of ABU or words to like effect in this Agreement, it shall mean the actual knowledge of any of the senior officers of ABU after due inquiry. Where any matter is stated to be "to the knowledge" or "to the best of the knowledge" of SMW or the SMW Shareholders or words to like effect in this Agreement, it shall mean the actual knowledge of each SMW Shareholder and of any of the senior officers of SMW after due inquiry.

## **ARTICLE 2 SHARE EXCHANGE**

### **Purchase and Sale**

2.1 Subject to the terms and conditions hereof and based upon the mutual representations, warranties, terms and conditions herein contained, each of the SMW Shareholders agrees to assign, sell and transfer to ABU on the Closing Date all of such shareholder's right, title and interest in and to the SMW Shares set forth opposite such shareholder's name in Schedule "A" attached hereto and ABU agrees to purchase from the SMW Shareholders all of the SMW Shares.

### **Purchase Consideration**

2.2 The purchase price for the SMW Shares will be paid by ABU on the Closing Date by the issuance to the SMW Shareholders of the number of ABU Consideration Units entitled to be received by each SMW Shareholder, as set forth in Schedule "A" hereto, at a deemed price per ABU Consideration Unit of \$0.80, for a total value of \$20,000,000.

### **Resale Restrictions**

2.3 The ABU Consideration Units will be issued in accordance with applicable Canadian securities Laws and will be subject to a statutory or TSXV imposed restriction on resale for a period not exceeding four months from the Closing Date.

### **Escrow**

2.4 Some of the ABU Consideration Units to be issued to the SMW Shareholders pursuant to the Acquisition including up to 100% of the securities to be issued to "Principals" (as defined under applicable Laws) may be subject to the escrow provisions which shall be imposed pursuant to the policies of the TSXV. The Parties acknowledge that these escrowed ABU Consideration Units shall be held in escrow pursuant to an escrow agreement amongst ABU, the SMW Shareholders and the Escrow Agent and released as prescribed by the policies of the TXXSV.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF ABU**

### **Representations and Warranties of ABU**

3.1 ABU hereby represents and warrants to SMW and the SMW Shareholders as follows and acknowledges that SMW and the SMW Shareholders are relying on such representations and warranties in connection with the transactions contemplated hereby, despite any investigation made by or on behalf of SMW and the SMW Shareholders:

#### **Incorporation, Organization and Authority of ABU**

- (a) ABU is a corporation duly amalgamated and validly subsisting and in good standing under the laws of the Province of Alberta, and has all the requisite corporate capacity and authority to enter into this Agreement and to perform its obligations hereunder and to carry on its business.

- (b) As of the date of this Agreement, ABU has no Subsidiaries other than Roughrider Energy Corp. and does not own any securities issued by, or any equity or ownership interest in, any other Persons other than Roughrider Energy Corp..
- (c) ABU is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.

#### Necessary Proceedings

- (d) All necessary and required corporate measures, proceedings and actions of the directors of ABU have been taken to authorize and enable ABU to enter into and deliver this Agreement and to perform its obligations hereunder and to issue the ABU Consideration Units to the SMW Shareholders in accordance with the terms of this Agreement.

#### Issuance of ABU Consideration Units

- (e) Upon Closing, the ABU Shares to be issued to the SMW Shareholders pursuant to this Agreement will be duly authorized, validly allotted and issued as fully paid and non-assessable ABU Shares, in compliance with applicable corporate and securities Laws.
- (f) Upon Closing, the ABU Consideration Warrants to be issued to the SMW Shareholders pursuant to this Agreement will be duly authorized and validly issued and the ABU Shares underlying the ABU Consideration Warrants will be duly authorized and reserved for issuance for the persons entitled thereto;

#### Valid and Binding Obligations

- (g) This Agreement has been duly executed and delivered by ABU and constitutes a legal, valid and binding obligation of ABU, enforceable against it in accordance with its respective terms subject only to:
  - (i) any limitation under applicable Laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to or affecting the enforcement of creditors' rights generally; and
  - (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

#### Required Authorizations

- (h) Other than the consent(s) from Securities Authorities to proceed with the transaction contemplated herein and obtaining the approval of the ABU Shareholders at the ABU Meeting and obtaining approval of the ABU Shareholders of the Acquisition, there is no requirement to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Entity as a condition to the lawful completion of the transaction contemplated in this Agreement where the failure to obtain such Authorization or consent would prevent ABU from completing the transaction contemplated in this Agreement or would have a Material Adverse Effect on ABU.

Required Consents

- (i) There is no requirement on the part of ABU to obtain any consent, approval or waiver of any Person (other than the ABU Shareholders) under any contracts or instruments to which ABU is a party or pursuant to which ABU Shares may be affected in connection with the completion of the transaction contemplated in this Agreement where the failure to obtain such consent, approval or waiver would have a Material Adverse Effect on ABU.

Auditors

- (j) The auditors of ABU who audited the ABU Financial Statements and delivered the audit report with respect to those statements are a member in good standing with Canadian Institute of Chartered Accountants (CICA) and are independent from ABU.

Guarantees

- (k) ABU is not a party to, or bound by, any agreement, guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

No Breach Caused by this Agreement

- (l) The execution, delivery and performance by ABU of its obligations under this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) contravene, conflict with or result in a violation or breach of any provision of any applicable Laws or any license, approval, consent or authorization held by ABU, (ii) require any notice or consent or other action by any Person under, contravene, conflict with, violate, breach or constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which ABU is entitled under, or give rise to any rights of first refusal or trigger any change in control provisions or any restriction under, any provision of any Material Contract or other instrument binding upon ABU or affecting any of its assets or (iii) result in the creation or imposition of any Lien on any assets of ABU, with such exceptions, in the case of each of clauses (i), (ii) and (iii), as do not have or would not have, or be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on ABU.

Current Share Capital

- (m) As at the date of this Agreement, the authorized capital of ABU consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares without nominal or par value, of which there are 15,433,266 common shares and nil preferred shares duly and validly issued and outstanding as fully paid and non-assessable shares.

Reporting Issuer

- (n) ABU is a "reporting issuer" (as such term is defined under the Securities Act and in the Securities Act (*Alberta*), as applicable) in British Columbia and Alberta.

- (o) As of the date of this Agreement, ABU is not noted in default under the list of reporting issuers maintained by the Alberta Securities Commission and ABU's name does not appear on a list of defaulting reporting issuers maintained by British Columbia Securities Commission.
- (p) ABU is in compliance and up to date with all filings under applicable corporate and securities Laws and regulations.

#### Financial Statements

- (q) The ABU Financial Statements have been prepared in accordance with Canadian GAAP and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of ABU as of the respective dates thereof and the results of operations and cash flows of ABU for the respective financial periods covered thereby.

#### Material Change

- (r) There are no material facts which exist, and there has been no material change in the capital, business, assets, liabilities, obligations (absolute, accrued, contingent or otherwise), operations, condition (financial or otherwise), results of operations, financial position, capital affairs or prospects of ABU since the date of the ABU Financial Statements, which have not been disclosed in the manner required by the Securities Act.

#### Business of ABU

- (s) ABU has conducted and is conducting its business in all material respects in full compliance with all applicable Laws, rules and regulations and is carrying on no activity other than as permitted pursuant to the TSXV policies.
- (t) All of the Material Contracts of ABU are set out in Schedule 3.1(t).

#### Liabilities of ABU

- (u) ABU does not have any material liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) not reflected in the ABU Financial Statements to be included in the ABU Filing Statement and no liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) has been incurred or shall be incurred without the express written approval of SMW .

#### Tax Matters

- (v) ABU is not in arrears or in default in respect of the filing of any required federal, provincial or municipal tax or other tax return; and (i) all taxes, filing fees and other assessments due and payable or collectible from ABU shall have been paid or collected prior to the Closing Date, (ii) no claim for additional taxes, filing fees or other amounts and assessments due and payable or collectible from ABU has been made which has not been collected, and (iii) to the best of the knowledge of ABU, no such return contains any misstatement or conceals any statement that should have been included therein.

Absence of Other Agreements

- (w) ABU is not a party to any oral or written contract of employment, contract for services, contract or commitment which requires prior approval of any change of control or any other contract or commitment other than those entered into the ordinary course of business.

Good Standing of Agreements

- (x) ABU is not in default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or by which it is bound save and except in any case which would not have a Material Adverse Effect on ABU and there exists no state of facts which, to the best of the knowledge of ABU, after notice or lapse of time or both, would constitute such a default or breach. All such contracts, agreements, commitments, indentures and other instruments have been duly authorized, executed and delivered and are now in good standing, in full force and effect without amendment thereto. ABU is entitled to all benefits thereunder and, to the best of the knowledge of ABU, the other parties to such contracts, agreements, commitments, indentures and other instruments are not in default or breach of any of their obligations thereunder save and except in any case which would not have a Material Adverse Effect on ABU.

ABU Corporate Records

- (y) The corporate records and minute books of ABU contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders of ABU held since its incorporation, all such meetings having been duly called and held, and signed copies of all resolutions duly passed or confirmed by the directors or shareholders of ABU other than at a meeting.

Public Disclosure

- (z) None of the materials filed by, or on behalf of, ABU with the applicable securities regulators and the TSXV contained a misrepresentation or omitted to state a material fact as at the date of such filing, which has not been corrected.

Litigation

- (aa) There are no claims, demands, disputes, actions, suits, proceedings or investigations pending or, to the knowledge of ABU, threatened against or, directly or indirectly, affecting ABU (including without limitation, restraining or preventing ABU from issuing ABU Shares in accordance with this Agreement or which prohibits, restricts or seeks to enjoin the transactions contemplated by this Agreement, including, but not limited to, the Acquisition and the Financing), at law or in equity or before or by any federal, provincial, municipal or other local court, department or Governmental Entity, domestic or foreign, nor is ABU subject to any presently effective adverse order, writ, injunction or decree of any such body.

Dividends

- (bb) Since its incorporation, ABU has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.

Compliance with Laws

- (cc) ABU is not in violation of any Laws save and except for acts of non-compliance which would not have a Material Adverse Effect on ABU.

Shareholders' Agreements, etc.

- (dd) There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of ABU Shares.

No Bankruptcy

- (ee) No proceedings have been taken, are pending or authorized by ABU or by any other person in respect of the bankruptcy, insolvency, liquidation or winding up of ABU.

Transfer Agent and Registrar

- (ff) Olympia Trust Company at its office in Vancouver, British Columbia, has been duly appointed as the transfer agent and registrar for all of the outstanding ABU Shares.

Affiliate Transaction

- (gg) There are no material amounts or other material financial obligations owing or existing between ABU on the one hand, and director or employee or insider of ABU on the other hand.

Non Arm's Length Contracts

- (hh) ABU is not a party to any contract or agreement with any officer, director, shareholder or any Person not dealing at arm's length with any of the foregoing.

Obligations to Related Parties

- (ii) There are no obligations of ABU or indebtedness or other amounts owing to any of the officers, directors, shareholders or employees of ABU other than (i) for payment for services rendered, (ii) reimbursement for reasonable expenses incurred on behalf of ABU, (iii) for other standard employee benefits made generally available to all employees of the same level (including stock option agreements approved by the board of directors of SMW ), and (iv) as set forth in the ABU Financial Statements.

Rights to Acquire Securities

- (jj) ABU is not party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any ABU Shares or securities convertible into or exchangeable for ABU Shares, other

than: (i) the Existing ABU Options, (ii) the Existing ABU Warrants and (iii) the subscription receipts issued pursuant to the Financing.

Debt

- (kk) ABU is not a party to any debt instrument or any agreement, contract or commitment to create, assume or issue any debt instrument;

Omissions and Misrepresentations

- (ll) None of the foregoing representations, warranties and statements of fact contains any untrue statement of material fact or omits to state any material fact necessary to make any such statement, warranty or representation not misleading to SMW in seeking full information as to ABU.

**ARTICLE 4  
REPRESENTATIONS AND WARRANTIES OF SMW**

**Representations and Warranties of SMW**

4.1 SMW hereby represents and warrants to ABU as follows and acknowledges that ABU is relying on such representations and warranties in connection with the transactions contemplated hereby, despite any investigation made by or on behalf of ABU:

Incorporation, Organization, Corporation Structure and Authority of SMW

- (a) SMW is a company duly incorporated and validly subsisting and in good standing under the laws of Cyprus, and has all the requisite corporate capacity and authority to enter into this Agreement and to perform its obligations hereunder and to carry on its business and to own, lease and operate the SMW Assets.
- (b) SMW has no Subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons.
- (c) Other than Ordinary Course payments respecting SMW 's exploration permits, SMW is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.

Necessary Proceedings

- (d) All necessary or required corporate measures, proceedings and actions of the directors and shareholders of SMW have been taken to:
- (i) authorize and enable SMW to enter into and deliver this Agreement and to perform its obligations hereunder; and
- (ii) authorize the transfer of SMW Shares by the SMW Shareholders to ABU as contemplated by this Agreement.

#### Valid and Binding Obligation

- (e) This Agreement has been duly executed and delivered by SMW and constitutes a legal, valid and binding obligation of SMW, enforceable against it in accordance with its terms subject only to:
  - (i) any limitation under applicable Laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to or affecting the enforcement of creditors' rights generally; and
  - (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

#### Required Authorizations

- (f) There is no requirement to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Entity as a condition to the lawful completion of the transaction contemplated in this Agreement where the failure to obtain such Authorization or consent would prevent SMW from completing the transaction contemplated in this Agreement or would have a Material Adverse Effect on SMW.

#### Required Consents

- (g) There is no requirement on the part of the SMW Shareholders or SMW to obtain any consent, approval or waiver of any Person (other than ABU) under any contracts or instruments to which the SMW Shareholders or SMW is a party or pursuant to which SMW Shares or any of the SMW Assets may be affected in connection with the completion of the transaction contemplated in this Agreement where the failure to obtain such consent, approval or waiver would have a Material Adverse Effect on SMW .

#### Share Capital of SMW

- (h) As at the date of this Agreement, the authorized capital of SMW consists of 20,000 ordinary shares of nominal value, of which 20,000 ordinary shares are duly and validly issued and outstanding as fully paid as set out in Schedule "A" to this Agreement.

#### Rights to Acquire Securities

- (i) No Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription or issuance from treasury of any shares or other securities of SMW or securities convertible into, exchangeable for, or which carry the right to purchase shares or other securities of SMW.

#### Title to SMW Assets

- (j) SMW has good and marketable title to the SMW Assets free and clear of any actual, pending or, to the knowledge or belief of SMW, threatened claims, Liens or set-offs whatsoever, other than Permitted Liens.

- (k) SMW holds its proprietary interest or rights in respect of its properties under valid title documents or other enforceable agreements or instruments recognized in Egypt, sufficient to permit SMW to explore and exploit the minerals relating thereto, and all such documents, agreements or instruments have been recorded in accordance with all applicable Laws.

#### Technical Reports

- (l) Other than the deficiencies raised by the TSXV in its review of the Technical Report, to the knowledge of SMW, the Technical Reports are in material compliance with National Instrument 43-101 and there has been no change in the information set out in the Technical Reports of which SMW is aware that would disaffirm any aspect of such report in a materially adverse manner.
- (m) SMW made available to the authors of the Technical Reports, prior to the issuance thereof, for the purposes of preparing such reports, all information required by it, which information, to the knowledge of SMW, did not contain any material misrepresentation at the time such information was so provided and SMW has no knowledge of a material change in any information provided to the authors of the Technical Reports since that date.

#### Financial Statements

- (n) The SMW Financial Statements have been prepared in accordance with International Financial Reporting Standards and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of SMW as of the respective dates thereof and the income and results of operations of SMW for the respective financial periods covered thereby.

#### Auditors

- (o) The auditors of SMW who audited the annual financial statements for the period ended December 31, 2009 and delivered the audit report with respect to those statements are Public Accountants in Cyprus, independent from SMW.

#### Material Change

- (p) Other than as disclosed to ABU, there are no material facts which exist, and there has been no material change in the capital, business, SMW Assets, liabilities, obligations, condition (absolute, accrued, contingent or otherwise), results of operations, results of operations, financial position, capital or long-term debt, affairs or prospects of SMW since the date of the SMW Financial Statements.

#### Business of SMW

- (q) SMW has conducted and is conducting its business in full compliance with all applicable Laws, rules and regulations of each jurisdiction in which the business is carried on (except for act of non-compliance which would not leave a Material Adverse Effect on SMW ) and holds all necessary licenses, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable

the business to be carried on as it is currently conducted and the same are validly existing and in good standing.

- (r) The Material Contracts of SMW are set out in Schedule 3.2(p).

#### Liabilities of SMW

- (s) Other than the EMRA Guarantees, SMW does not have any material liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) not reflected in the SMW Financial Statements to be included in the ABU Filing Statement and no liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) has been incurred.

#### Employees of SMW

- (t) Other than as referred to herein, SMW has no employees.

#### Guarantees

- (u) SMW is not a party to, or bound by, any agreement, guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

#### Tax Matters

- (v) SMW is not in arrears or in default in respect of the filing of any required federal, provincial or municipal tax or other tax return; and (i) all taxes, filing fees and other assessments due and payable or collectible from SMW shall have been paid or collected prior to the Closing Date, (ii) no claim for additional taxes, filing fees or other amounts and assessments due and payable or collectible from SMW has been made or threatened which has not been collected, and (iii) to the best of the knowledge of SMW, no such return contains any misstatement or conceals any statement that should have been included therein.

#### Absence of Other Agreements

- (w) SMW is not a party to any oral or written contract of employment, contract for services, contract or commitment which requires prior approval of any change of control or any other contract or commitment other than those entered into the ordinary course of business.

#### Good Standing of Agreements

- (x) SMW is not in default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments, to which it is a party or by which it is bound save and except in any case which would not have a Material Adverse Effect on SMW and there exists no state of facts which, to the best of the knowledge of SMW, after notice or lapse of time or both, would constitute such a default or breach. All such contracts, agreements, commitments, indentures and other instruments have been duly authorized, executed and delivered and are now in good standing, in full force and effect without amendment thereto. SMW is entitled to all

benefits thereunder and, to the best of the knowledge of SMW, the other parties to such contracts, agreements, commitments, indentures and other instruments are not in default or breach of any of their obligations thereunder save and except in any case which would not have a Material Adverse Effect on SMW.

#### SMW Corporate Records

- (y) The share certificate books, register of members, register of transfers, register of mortgages and charges and register of directors and any similar corporate records of SMW are complete and accurate.

#### No Breach Caused by this Agreement

- (z) The execution, delivery and performance by SMW of its obligations under this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) contravene, conflict with or result in a violation or breach of any provision of any applicable Laws or any license, approval, consent or authorization held by SMW, (ii) require any notice or consent or other action by any Person under, contravene, conflict with, violate, breach or constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which SMW is entitled under, or give rise to any rights of first refusal or trigger any change in control provisions or any restriction under, any provision of any Material Contract or other instrument binding upon SMW or affecting any of its assets or (iii) result in the creation or imposition of any Lien on any SMW Assets, with such exceptions, in the case of each of clauses (i), (ii) and (iii), as do not have or would not have, or be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on SMW .

#### Litigation

- (aa) There are no claims, demands, disputes, actions, suits, proceedings or investigations pending or, to the knowledge of SMW, threatened against or directly or indirectly affecting SMW, at law or in equity or before or by any federal, provincial, municipal or other local court, department or Governmental Entity, domestic or foreign, nor is SMW subject to any presently effective adverse order, writ, injunction or decree of any such body.

#### No Brokers

- (bb) SMW has not entered into any agreement which would entitle any Person to any valid claim against SMW for a broker's commission, finder's fee or any like payment in respect of any matters contemplated by this Agreement.

#### Intellectual Property

- (cc) SMW now, or at Closing will, own or have the valid rights to use all of the Intellectual Property that is material to the conduct of the business of SMW as currently conducted or as currently proposed to be conducted (and had all rights necessary to carry out its former activities at such time such activities were being conducted) and SMW has a valid and

enforceable right to use all third party Intellectual Property used or held for use in the business of SMW .

- (dd) To the knowledge of SMW, the conduct of the business of SMW as currently conducted does not infringe or otherwise impair or conflict with any Intellectual Property rights of any third party or any confidentiality obligation owed to a third party, and the Intellectual Property of SMW which is material to the conduct of the business of SMW as currently conducted or as currently proposed to be conducted is not, to the knowledge of SMW, being infringed by any third party.

#### Dividends

- (ee) SMW has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.

#### Compliance with Laws

- (ff) SMW is not in violation of any Laws, save and except for acts of non-compliance which would not have a Material Adverse Effect on SMW.

#### Environmental and Safety Laws

- (gg) SMW has not been in violation of, in connection with the ownership, use, maintenance or operation of its respective property and assets, of any applicable Environmental Laws applicable in Egypt which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on SMW. Without limiting the generality of the foregoing, SMW does not have any knowledge of, and has not received any notice of, any claim, judicial or administrative proceeding, pending or threatened against, or which may affect, SMW or any of the property, assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, and to the knowledge of SMW, SMW is not the subject of any investigation, evaluation, audit or review by any Governmental Entity to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Entity, in each case which could reasonably be expected to have a Material Adverse Effect on SMW .
- (hh) There are no orders, rulings or directives issued, pending or, to the knowledge of SMW, threatened against SMW under or pursuant to any Environmental Laws requiring any material work, repairs, construction or capital expenditures with respect to the property or assets of SMW.
- (ii) SMW is not subject to any contingent or other liability relating to the restoration or rehabilitation of land, water or any other part of the environment (except for those derived from normal exploration activities) or non-compliance with Environmental Law which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on SMW.

Shareholders' Agreements, etc.

- (jj) To the knowledge of SMW, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the SMW Shares.

No Bankruptcy

- (kk) No proceedings have been taken, are pending or authorized by SMW or by any other person in respect of the bankruptcy, insolvency, liquidation or winding up of SMW.

Obligations to Related Parties

- (ll) There are no obligations of SMW or indebtedness or other amounts owing to any of the officers, directors or shareholders of SMW other than (i) for payment for services rendered, (ii) reimbursement for reasonable expenses incurred on behalf of SMW, and (iii) as set forth in the SMW Financial Statements.
- (mm) Other than the SMW Shareholders and affiliates of the SMW Shareholders and to the knowledge of SMW, none of the officers or directors of SMW has any director or indirect ownership interest in any firm or corporation which competes with SMW .

Protection of Confidentiality

- (nn) SMW has taken commercially reasonable precautions and used reasonable commercial efforts to protect and to secure the confidentiality of their respective trade secrets and other proprietary and confidential information.

Debt

- (oo) Other than as disclosed in the SMW Financial Statements, SMW is not a party to any debt instrument or any agreement, contract or commitment to create, assume or issue any debt instrument;

Assets

- (pp) SMW is not a partner, co-tenant, joint venturer or otherwise a participant in any partnership, joint venture, co-tenancy or other similarly joint owned business.

Insurance

- (qq) SMW has no insurance policies.

Non Arm's Length Contracts

- (rr) Other than as disclosed in the SMW Financial Statements, SMW is not a party to any contract or agreement with any officer, director, shareholder or any Person not dealing at arm's length with any of the foregoing.

No Material Adverse Change

- (ss) Since June 30, 2010, there has not been any Material Adverse Change in the financial position affairs, prospects, operations or condition of SMW and no event has occurred or circumstance exists which may result in such a Material Adverse Change.

Royalties

- (tt) Other than the royalties owed to the Government of the Arab Republic of Egypt pursuant to the Concession Agreements, SMW has no responsibility or obligation to pay any commission, royalty or similar payment to any Person.

Preservation of Business

- (uu) Since June 30, 2010, SMW has used reasonable efforts to preserve its current business, its goodwill and its property and all other assets, both tangible and intangible. Since such date, SMW has not:

- (i) redeemed, purchased or otherwise retired any of its shares or otherwise reduced its respective stated capital;
- (ii) subjected any of its assets or permitted any of its assets to be subjected to any respective Lien other than in the ordinary and customary course of business; or
- (iii) acquired, sold, leased or otherwise disposed of or transferred any assets other than in the ordinary and customary course of business,

and has not:

- (iv) modified, amended or terminated any contract, agreement or arrangement to which it is or was a party or waived or released any right which it has or had, other than in the ordinary and customary course of its business;
- (v) incurred any debt, liability or obligation for borrowed money;
- (vi) issued, sold or become liable on any share or debt obligation;
- (vii) increased the salary, fringe benefits or other compensation of, or paid any bonus or similar compensation to, any of its officers, directors or other management personnel or given salary or wage increases or additional fringe benefits or other compensation to any of its other employees, except normal annual wage and salary increases to employees other than officers, directors or other management personnel; or
- (viii) agreed or offered to do any of the things described in the preceding clauses (i) through (vii).

Infringement

- (vv) None of:
- (i) the machinery and equipment operated by SMW ;

- (ii) the processes involved in the operation of any such machinery or equipment or otherwise involved in the activities of SMW; or
- (iii) the activities carries on by SMW,

constitutes or involves a material infringement of any Intellectual Property, trade mark, patent or copyright.

Convertible Securities

- (ww) SMW has no stock options or any other convertible securities to acquire SMW Shares.

Omissions and Misrepresentations

- (xx) None of the foregoing representations, warranties and statements of fact contains any untrue statement of material fact or omits to state any material fact necessary to make any such statement, warranty or representation not misleading to ABU in seeking full information as to SMW .

**ARTICLE 5  
REPRESENTATIONS AND WARRANTIES OF  
THE SMW SHAREHOLDERS**

**Representations and Warranties of the SMW Shareholders**

5.1 Each SMW Shareholder, on its own behalf and not on behalf of any other SMW Shareholder, hereby represents and warrants to ABU as follows and acknowledges that ABU is relying on such representations and warranties in connection with the transactions contemplated hereby:

Ownership of SMW Shares

- (a) The SMW Shareholder is the legal and beneficial owner of that number of SMW Shares set forth opposite its name in Schedule "A" hereto and has good title to them, free and clear of any Lien. At Closing, the SMW Shareholder will have the absolute and exclusive right to sell such SMW Shares to ABU as contemplated by this Agreement.

Capacity and Authority of the SMW Shareholders

- (b) The SMW Shareholder has all necessary power, authority and capacity to execute, deliver and perform its obligations under this Agreement.

Valid and Binding Obligation

- (c) This Agreement has been duly executed and delivered by the SMW Shareholder and constitutes a legal, valid and binding obligation of the SMW Shareholder, enforceable against it in accordance with its terms subject only to:
  - (i) any limitation under applicable Laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to or affecting the enforcement of creditors' rights generally; and
  - (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

Title to SMW Assets and Good Practices

- (d) To the SMW Shareholder's knowledge:
- (i) all operations in respect of the SMW Assets have been conducted in all material respects in accordance with all applicable Laws and regulations and good mining industry practices in effect in Egypt;
  - (ii) SMW has not received any written notice which remains in effect that any of the operations on any of the properties of SMW (including, without limitation, any mines on such property) have not been operated in material compliance with all applicable Laws and good mining industry practice except for such matters that would not reasonably be expected to have a Material Adverse Effect on SMW;
  - (iii) SMW has all necessary surface rights and access rights relating to its properties as are appropriate in view of the rights and interest therein of it to conduct exploration and production of any minerals on such property, including, without limitation, the right to operate any mines on such property, with only such exceptions as do not materially interfere with the use made by it of the rights or interests so held;
  - (iv) each of the proprietary interests or rights of SMW in respect of its properties and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing; and
  - (v) SMW Assets constitute all of the material property and assets necessary to permit the operation of SMW as currently conducted.

**ARTICLE 6  
SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

**Survival of Representations and Warranties**

6.1 The representations and warranties made by the Parties and contained in this Agreement shall continue in full force and effect for the benefit of the respective Party or Parties, as applicable, subject to the following:

- (a) except as provided in paragraph (b), ABU, SMW and the SMW Shareholders may make or bring any claim for a period of two (2) years after the Closing Date; and
- (b) any claim which is based upon or relates to the tax liability of SMW or ABU for a particular taxation year may be made or brought at any time prior to the expiration of the period (if any) during which an assessment, reassessment or other form of recognized document assessing liability for tax, interest or penalties in respect of such taxation year under applicable tax legislation could be issued, assuming that a waiver or similar document extending such period has not been filed.

After the expiration of the period of time referred to in paragraph (a), ABU, SMW and the SMW Shareholders will be released from any and all obligations and liabilities in respect of the representations and warranties made by each of them and contained in this Agreement or in any document or certificate given in order to carry out the transactions contemplated hereby, except with respect to any claims made

by any of the Parties in writing prior to the expiration of such period and subject to the rights of each of the Parties to make any claim permitted by paragraph (b).

## **ARTICLE 7 COVENANTS OF SMW AND THE SMW SHAREHOLDERS**

7.1 SMW and each SMW Shareholder hereby covenants and agrees with ABU as follows:

### Representations and Warranties

- (a) From the date hereof until the termination of this Agreement, SMW and the SMW Shareholder shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in this Agreement being untrue in any material respect at any time prior to the Closing Date or termination of this Agreement, whichever is first.

### Necessary Consents

- (b) SMW and the SMW Shareholder shall use its commercially reasonable efforts to obtain from its directors, shareholders and all appropriate Governmental Entities such approvals, Permits or consents as are required (if any) to complete the transactions contemplated herein.

### Standstill

- (c) The SMW Shareholder covenants and agrees that he or she shall not sell any ABU Shares beneficially owned by such shareholder at the date of this Agreement or received by the SMW Shareholder in connection with the transactions contemplated by this Agreement for six months following the Closing.

### Conditions

- (d) SMW and each SMW Shareholder will use its commercially reasonable efforts to ensure compliance with all applicable conditions set forth in Section 11.1 and 11.3.

7.2 From the date of this Agreement until the Closing Date, SMW will, and each SMW Shareholder will use its commercially reasonable efforts to cause SMW to, conduct its business as carried on as of the date hereof in the Ordinary Course. Without limiting the generality of the foregoing, during the period starting on the date of this Agreement and ending on the Closing Date:

- (a) SMW will, and each SMW Shareholder shall use its commercially reasonable efforts to cause SMW to:
  - (i) carry on its business in the usual and Ordinary Course consistent with past practices and in a manner consistent with industry practice,
  - (ii) use commercially reasonable efforts to preserve intact its present business organization and material rights, to keep available the services of its current officers and employees and to preserve its relationships with customers, suppliers and others having business dealings with it, and

- (iii) maintain and keep its material properties and assets in as good repair and condition as at the date hereof, subject to ordinary wear and tear, all to the end that its goodwill and ongoing businesses shall not be impaired in any material respect at the Closing Date;
- (b) SMW shall not, and each SMW Shareholder will use its commercially reasonable efforts to cause SMW not to, without prior written consent of ABU (such consent not to be unreasonably withheld) and other than as contemplated herein:
- (i) issue or modify any equity or debt securities or rights to acquire securities;
  - (ii) incur any debt, other than in the Ordinary Course of business consistent with past practice;
  - (iii) declare or pay any dividends or distribute any of its properties or assets to the SMW Shareholders;
  - (iv) enter into any material contract, other than in the Ordinary Course of business consistent with past practice;
  - (v) alter or amend its memorandum of association or articles of association;
  - (vi) engage in any business enterprise or other activity different from that carried on as of the date hereof;
  - (vii) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any material portion of its assets;
  - (viii) redeem, purchase or offer to purchase any of its shares or other securities;
  - (ix) declare or pay any dividends on, make other distributions or return capital in respect of any of their capital stock or any other equity interests;
  - (x) reduce its stated capital;
  - (xi) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance or distribution of any other securities in respect or in lieu of or in substitution for, shares of its capital stock;
  - (xii) issue, sell, reserve or set aside any shares of its capital stock or any securities or obligations convertible into, exercisable or exchangeable for, or any rights, warrants, calls, subscriptions or options to acquire, shares of its capital stock, or any of its material assets;
  - (xiii) dispose of or encumber, repurchase, redeem or otherwise acquire, (1) any shares of its capital stock or any securities or obligations convertible into, exercisable or exchangeable for, or any rights, warrants, calls, subscriptions or options to acquire, shares of its capital stock, or (2) any of its material assets;

- (xiv) except as permitted pursuant to (iv) above, enter into or announce any agreement or arrangement with respect to the sale, voting, registration or repurchase of any shares of their capital stock or any security convertible into or exchangeable for such shares or any of their material assets;
- (c) SMW shall not, and each SMW Shareholder will use its commercially reasonable efforts to cause SMW not to, without prior written consent of ABU (such consent not to be unreasonably withheld) and other than as contemplated herein:
  - (i) (1) incur, assume or prepay any long term or short term debt or issue any debt securities, except in the ordinary and usual course of business consistent with past practice; (2) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person; (3) make any loans, advances or capital contributions to, or investments in, any other Person; and (4) pledge or otherwise encumber shares of their capital stock or SMW ;
  - (ii) enter into any material operating lease or create any mortgages, security interests, Liens or other encumbrances on its property;
  - (iii) increase or modify the amount of (or accelerate the payment or vesting of) any benefit or amount payable under, any employee benefit plan or any other contract, agreement, commitment, arrangement, plan or policy providing for compensation or benefits to any former, present or future director, officer or employee of SMW;
  - (iv) increase or modify (or enter into any contract or arrangement to increase or modify) the compensation or benefits, or otherwise to extend, expand or enhance the engagement, employment or any related rights, of any former, present or future director, officer, employee or consultant of SMW; or
  - (v) adopt, establish, enter into or implement or amend any employee benefit plan, policy, severance or termination agreement providing for any form of benefits or other compensation to any former, present or future director, officer or employee of SMW or amend any employee benefit plan, policy, severance or termination agreement;
  - (vi) pay, discharge, satisfy, compromise or settle any material claims, liabilities or obligations prior to the same being due;
  - (vii) reorganize, amalgamate or merge with any other Person;
  - (viii) except as required by applicable Laws, enter into, terminate or waive any provision of, exercise any material option or relinquish any material contractual rights under, or modify or request to modify in any material respect any material contract, agreement, guarantee, lease commitment or arrangement or enter into any contract that would be a material contract if entered into as of the date hereof, in either case other than in the ordinary course of business consistent with past practice;
  - (ix) revalue in any material respect any of their assets;

- (x) make any changes to the existing accounting practices, methods and principles relating to such party;
- (xi) make or rescind any material tax election;
- (xii) make any capital expenditure, other than capital expenditures that are made in the Ordinary Course of business consistent with past practice or which are in accordance with their existing budgets provided to ABU prior to the date hereof;
- (xiii) waive, release, assign, settle or compromise any pending or threatened suit, action or claim against it or any other rights, claims or litigation material to it;
- (xiv) enter into any confidentiality or standstill agreement;
- (xv) amend or release any third party from its obligations or grant any consent under, any confidentiality or standstill provision or fail to fully enforce any such provision;
- (xvi) take or fail to take any action which would render, or that would be reasonably expected to render, any of SMW 's representations or warranties hereunder to be untrue or would be reasonably expected to prevent or materially impede, interfere with or delay the transaction contemplated by this Agreement; and
- (xvii) agree in writing or otherwise to take any of the actions as described above in clauses (i) through (xvi).

## **ARTICLE 8 COVENANTS OF ABU**

8.1 ABU hereby covenants and agrees with SMW and the SMW Shareholders as follows:

### Necessary Consents

- (a) ABU shall use its commercially reasonable efforts to obtain from its directors, shareholders and all appropriate Governmental Entities such approvals, Permits or consents as are required (if any) to complete the transactions contemplated herein.

### Approval of Acquisition

- (b) ABU shall use its commercially reasonable efforts to obtain the Regulatory Approvals of the Securities Authorities for the Acquisition, the Spin Out, the Continuance, the Financing and the listing on the TSXV of the ABU Shares issuable pursuant to this Agreement.

### ABU Meeting

- (c) ABU hereby acknowledges that, to the extent required by Law and subject to obtaining all Regulatory Approvals, the ABU Meeting will be held as soon as practicable for the purposes of: (A) attending to all required annual business; (B) obtaining ABU Shareholder approval of the Continuance and the Share Consolidation; and (C) obtaining

ABU Shareholder approval of the Spin Out and such other business as is customary at an annual general meeting of the ABU Shareholders.

Filing Statement

- (d) ABU, with the assistance of SMW, shall use commercially reasonable efforts to finalize the ABU Filing Statement together with any other documents required by applicable securities and corporate Laws, and ABU shall cause the Filing Statement to be filed as required by applicable Laws as soon as reasonably practicable.

Conditions

- (e) ABU will use its commercially reasonable efforts to ensure compliance with all applicable conditions set forth in Sections 11.1 and 11.2.

Status and Filings

- (f) ABU will maintain its corporate status and comply with all applicable corporate and securities Laws and requirements (including any applicable filing requirements) prior to Closing.

Listing

- (g) ABU shall use its commercially reasonable efforts to have the issuance of all the ABU Shares issuable pursuant to, or as a consequence of, the Acquisition accepted by the TSXV. In that regard, ABU shall provide SMW with all communications sent to or received from the TSXV or any Securities Authorities in connection with the Acquisition.

Representations and Warranties

- (h) ABU covenants and agrees that from the date hereof until the termination of this Agreement, ABU shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Article 3 being untrue in any material respect at any time prior to the Closing Date or termination of this Agreement, whichever is first.

Sponsorship

- (i) ABU shall retain a sponsor in accordance with TSXV policies for the transactions contemplated herein, if required.

Standstill

- (j) ABU shall use its commercially reasonable efforts to cause the current directors and officers of ABU to enter into agreements wherein such persons will covenant and agree not to sell any ABU Shares beneficially owned by such person as at the date of this Agreement for six months following Closing.

Existing Options and Warrants

- (k) ABU shall use its commercially reasonable efforts to cause the holders of the Existing ABU Options to exercise the Existing ABU Options or, failing that, agree to cancel the Existing ABU Options, prior to Closing.

**ARTICLE 9  
MUTUAL COVENANTS**

- 9.1 The Parties covenant and agree as follows:

Preparation of Filings

- (a) ABU and SMW shall cooperate in the preparation of all applications for all approvals and the preparation of any other documents and taking of all actions reasonably deemed by ABU and SMW, as the case may be, to be necessary to discharge their respective obligations under applicable Laws in connection with the Acquisition and all other matters contemplated in the ABU Filing Statement and this Agreement. In this regard:
  - (i) each of ABU and SMW shall furnish to the other all such information concerning it and its shareholders, as may be required to effect the transactions contemplated in this Agreement;
  - (ii) each of ABU and SMW covenant that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the transaction contemplated in this Agreement will, to the best of its knowledge, contain any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used;
  - (iii) each of ABU and SMW shall promptly notify the other if at any time before the Closing Date it becomes aware that the ABU Filing Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the ABU Filing Statement; and
  - (iv) ABU and SMW shall cooperate in the preparation of a supplement or amendment to the ABU Filing Statement, as required and as the case may be, and, if required, shall cause the same to be distributed to ABU Shareholders, SMW, the SMW Shareholders and/or filed with the Securities Authorities.

Notice of Material Change

- (b) From the date hereof until the earlier of the Closing Date or the termination of this Agreement, each Party shall promptly notify the other Party in writing of:
  - (i) any material change (actual, anticipated, contemplated or, to the best of the knowledge of such Party threatened, financial or otherwise) in the business,

affairs, operations, assets, liabilities (contingent or otherwise) or capital of such Party taken as whole;

- (ii) any change in the facts relating to any applicable representation or warranty set out in this Agreement, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
- (iii) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.

Each of ABU, the SMW Shareholders and SMW shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need be given to the other pursuant to this Section 9.1(b).

#### Consummation of the Transaction

- (c) Use all commercially reasonable efforts to consummate the transactions contemplated in this Agreement and all matters described in the ABU Filing Statement.

#### Other Filings

- (d) The Parties shall, as promptly as practicable hereafter, prepare and file all filings required under any securities Laws, the rules and policies of the TSXV or any other applicable Laws relating to the transaction contemplated in this Agreement.

#### Board and Officer Appointments

- (e) Each of the Parties shall use all commercially reasonable efforts to ensure that, on Closing, unless otherwise agreed between ABU and SMW:
  - (i) the board of directors of ABU is reconstituted to consist of six members being David Parry, Robert Matthews, Peter Pollard, William Shor, Mokhamed Khadi and Stephen Polakoff;
  - (ii) an advisory board is appointed to advise the ABU board of directors and shall include Mark Lisnyansky, Maxim Dlugy and David Sussman, whom shall be compensated by day rate and options;
  - (iii) Vladimir Shashkin shall be appointed as the Vice-President of Exploration pursuant to a one year contract;
  - (iv) Oleg Morozov and Gayas Yusupov, Senior Geologists of SMW, will continue in their employment as Senior Geologists of ABU; and
  - (v) Mokhamed Khadi and Ilya Birgauz's employment with SMW will continue in ABU through December 31, 2011, or later as determined by the board of directors.

Finder's Units and Management Incentive Warrants

- (f) On Closing, the Parties shall use all commercially reasonable efforts to ensure:
- (i) the Finder's Units are issued to the Finder;
  - (ii) the Management Incentive Warrants, having the terms described in paragraph (iii) below, are issued in accordance with the following allocations:
    - (A) 250,000 to Chris Wilson or as may otherwise direct;
    - (B) 2,500,000 to David Parry, or as he may otherwise direct;
    - (C) 2,000,000 to the SMW nominee directors, or as SMW may otherwise direct;
    - (D) 250,000 to Peter Pollard, or as he may otherwise direct;
    - (E) 300,000 to Sean McGrath or as he may otherwise direct;
    - (F) 100,000 to Tunningley; and
    - (G) 600,000 to Robert Matthews, or as he may otherwise direct;
  - (iii) the Management Incentive Warrants shall have the following terms and conditions:
    - (A) one quarter shall be exercisable at \$0.90 per ABU Share and will vest on the date that the trading price on the TSXV of the ABU Shares closes at or above \$0.90 per ABU Share for 45 consecutive trading days;
    - (B) one quarter shall be exercisable at \$1.20 per ABU Share and will vest on the date that the trading price on the TSXV of the ABU Shares closes at or above \$1.20 per ABU Share for 45 consecutive trading days;
    - (C) one quarter shall be exercisable at \$1.60 per ABU Share and will vest on the date that the trading price on the TSXV of the ABU Shares closes at or above \$1.60 per ABU Share for 45 consecutive trading days;
    - (D) one quarter shall be exercisable at \$2.00 per ABU Share and will vest on the date that the trading price on the TSXV of the ABU Shares closes at or above \$2.00 per ABU Share for 45 consecutive trading days;
    - (E) the Management Incentive Warrants shall expire on the earlier of: (1) three years from the date of grant; and (2) 90 days after the holder ceases to be a director, senior officer of, or otherwise employed by ABU or its subsidiaries.

Additional Agreements

- (g) Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under applicable Laws, use all commercially reasonable efforts to take, or cause to be

taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Acquisition contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including, as applicable, using commercially reasonable efforts:

- (i) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements;
- (ii) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated hereby;
- (iii) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the Acquisition contemplated hereby; and
- (iv) to effect all necessary registrations and other filings and submissions of information requested by any Governmental Entity.

## **ARTICLE 10 INDEMNIFICATION**

### **Indemnification by ABU**

10.1 Subject to Section 10.4, ABU hereby covenants and agrees with SMW and the SMW Shareholders to indemnify and save harmless SMW and the SMW Shareholders from and against any claims which may be made or brought against such Party or which such Party may suffer or incur as a result of, or arising out of any non-fulfillment of any covenant or agreement on the part of ABU under this Agreement or any incorrectness in or breach of any representation or warranty of ABU contained in this Agreement.

### **Indemnification by SMW**

10.2 Subject to Section 10.4, SMW and Magnesium & Metals Ltd. hereby jointly and severally covenant and agree with ABU to indemnify and save harmless ABU from and against any claims which may be made or brought against it or which it may suffer or incur as a result of, or arising out of non-fulfillment of any covenant or agreement on the part of SMW under this Agreement or any incorrectness in or breach of any representation or warranty of SMW contained in this Agreement.

### **Indemnification by the SMW Shareholders**

10.3 Subject to Section 10.4, each SMW Shareholder hereby covenants and agrees with ABU to indemnify and save harmless ABU from and against any claims which may be made or brought against it or which it may suffer or incur as a result of, or arising out of non-fulfillment of any covenant or agreement on the part of such SMW Shareholder under this Agreement or any incorrectness in or breach of any representation or warranty of such SMW Shareholder contained in this Agreement.

### **Limitation on Indemnification**

10.4 The indemnification obligations of each of the Parties pursuant to Section 10.1, Section 10.2 and Section 10.3 shall be subject to the following:

- (a) the applicable limitation mentioned in Article 6 respecting the survival of the representations and warranties; and
- (b) an Indemnifying Party shall not be required to indemnify an Indemnified Party until the aggregate claims sustained by that Indemnified Party exceeds a value of \$10,000, in which case, the Indemnifying Party shall be obligated to the Indemnified Party for all claims.

### **Procedure for Indemnification**

10.5 The Party or other indemnified person making a claim for indemnification under this Article is referred to as the "**Indemnified Party**" and the Party providing indemnification is referred to as the "**Indemnifying Party**" for the purposes of this Article. The following provisions shall apply to any Claims for which an Indemnifying Party may be obligated to indemnify an Indemnified Party pursuant to this Agreement:

- (a) upon receipt from a third party by the Indemnified Party of notice of a claim or the Indemnified Party becoming aware of a claim in respect of which the Indemnified Party proposes to demand indemnification from the Indemnifying Party, the Indemnified Party shall give notice to that effect to the Indemnifying Party with reasonable promptness, provided that failure to give such notice shall not relieve the Indemnifying Party from any liability it may have to the Indemnified Party except to the extent that the Indemnifying Party is prejudiced thereby;
- (b) in the case of Claims arising from third parties, the Indemnifying Party shall have the right by notice to the Indemnified Party not later than fifteen (15) days after receipt of the notice described in paragraph (a) above to assume the control of the defence, compromise or settlement of the claims, provided that such assumption shall, by its terms, be without costs to the Indemnified Party and the Indemnifying Party shall at the Indemnified Party's request furnish it with reasonable security against any costs or other liabilities to which it may be or become exposed by reason of such defence, compromise or settlement;
- (c) upon the assumption of control by the Indemnifying Party as aforesaid, the Indemnifying Party shall diligently proceed with the defence, compromise or settlement of the claims at its sole expense, including employment of counsel reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall cooperate fully, but at the expense of the Indemnifying Party, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are necessary to enable the Indemnifying Party to conduct such defence; provided always that the Indemnified Party shall be entitled to reasonable security from the Indemnifying Party for any expense, costs or other liabilities to which it may be or may become exposed by reason of such cooperation;
- (d) the final determination of any such claims arising from third parties, including all related costs and expenses, will be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such claims against the Indemnifying Party hereunder; and
- (e) should the Indemnifying Party fail to give notice to the Indemnified Party as provided in paragraph (b) above, the Indemnified Party shall be entitled to make such settlement of

the claims as in its sole discretion may appear reasonably advisable, and such settlement or any other final determination of the claims shall be binding upon the Indemnifying Party.

## **ARTICLE 11 CONDITIONS PRECEDENT**

### **Mutual Conditions Precedent**

11.1 The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the mutual benefit of ABU, SMW and the SMW Shareholders and may be waived by the Parties, jointly, in writing:

- (a) the receipt of all necessary Regulatory Approvals, corporate and third party approvals, including the conditional acceptance of the TSXV, and compliance with all applicable Laws, regulatory requirements and conditions in connection with the Acquisition;
- (b) completion of the Continuance, the Share Consolidation, the Spin Out and the Financing; and
- (c) no legal action or proceedings shall be pending or threatened by any Person against ABU or SMW in any jurisdiction and no order or notice will have been issued or delivered by any Governmental Entity or Securities Authority seeking to enjoin or prohibit on a temporary or permanent basis as of the transactions contemplated in this Agreement (including but not limited to the Acquisition and Financing) or imposing temporary or permanent terms or conditions on such transactions.

### **Condition Precedent for the Benefit of SMW and the SMW Shareholders**

11.2 The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of SMW and the SMW Shareholders and may be waived, in whole or in part, by SMW or the SMW Shareholders in their sole discretion:

- (a) the liabilities of ABU will not have materially increased from the date of this Agreement, other than in the ordinary course of business and ABU will have a minimum of \$1.25 million in cash available at the time of Closing without giving effect to the Financing;
- (b) other than pursuant to the transactions contemplated herein, there will be no Material Adverse Effect on the financial and operational condition or the assets of ABU;
- (c) SMW has received no unfavourable tax advice from its tax advisors of the Canadian income tax consequences of the Acquisition;
- (d) ABU will enter into an agreement with the SMW Shareholders which will provide that, for a period of one year following Closing, ABU will not undertake an equity offering (or a series of connected equity offerings) for gross proceeds greater than \$8,000,000 or at a price per share less than \$0.80, without either (i) prior written consents of the SMW Shareholders; or (ii) approval of a minimum of 75% of ABU shareholders at such time;

- (e) the representations and warranties of ABU contained in this Agreement will be true and accurate on the date hereof and at the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date;
- (f) ABU will have delivered to SMW and the SMW Shareholders a certificate in a form satisfactory to SMW's counsel, acting reasonably, confirming that the facts with respect to the representations and warranties of ABU are as set out herein and remain true as at the Closing Date and that ABU has performed each of its covenants required to be performed by it hereunder;
- (g) there will be no material actions, suits or proceedings, whether or not purportedly on behalf of ABU, outstanding or, to the best of the management of ABU's knowledge, pending or threatened by or against ABU at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, bureau, agency or instrumentality;
- (h) closing of the Financing; and
- (i) as of the Closing Date, ABU shall have delivered all agreements, certificates and other instruments and documents required pursuant to Section 12.3.

**Condition Precedent for the Benefit of ABU**

11.3 The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date (or such earlier date as indicated below), which conditions are for the exclusive benefit of ABU and may be waived, in whole or in part, by ABU in its sole discretion:

- (a) the representations and warranties of SMW and the SMW Shareholders contained in this Agreement will be true and accurate on the date hereof and at the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date;
- (b) receipt of a favourable fairness opinion rendered by ABU's financial advisors acceptable to ABU's board of directors or independent committee, acting reasonably;
- (c) ABU having received no unfavourable tax advice from its tax advisors of the income tax consequences of the Acquisition;
- (d) ABU shall have received the Technical Reports and shall be satisfied as to the content and form provided that ABU will be deemed to be satisfied with the Technical Reports upon acceptance by, or clearance of, the TSXV of the Technical Reports;
- (e) ABU shall be satisfied, in its sole discretion with the results of its due diligence investigation into the business, operations and affairs of SMW which due diligence investigation shall be completed no later than two weeks after the delivery of the SMW Financial Statements and interim financial statements for SMW dated September 30, 2010 to ABU (the "**Due Diligence Deadline**"), and failure to provide written notice to SMW by the Due Diligence Deadline shall mean ABU is satisfied with its due diligence investigation such that this condition does not survive past the Due Diligence Deadline;

- (f) SMW and the SMW Shareholders will have delivered to ABU a certificate in a form satisfactory to ABU's counsel, acting reasonably, confirming that the facts with respect to the representations and warranties of SMW and the SMW Shareholders are as set out herein and remain true as at the Closing Date and that SMW and the SMW Shareholders have performed each of their covenants required to be performed by them hereunder;
- (g) there will be no material actions, suits or proceedings, whether or not purportedly on behalf of SMW, outstanding or, to the best of the management of SMW 's knowledge, pending or threatened by or against SMW at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, bureau, agency or instrumentality;
- (h) there will be no Material Adverse Effect on the financial and operational condition or the assets of SMW; and
- (i) as of the Closing Date, SMW and the SMW Shareholders shall have delivered all agreements, certificates and other instruments and documents required pursuant to Section 12.2.

## **ARTICLE 12 CLOSING**

### **Time of Closing**

12.1 The Closing of the transactions contemplated herein shall be completed at the offices of McCullough O'Connor Irwin LLP, Suite 2610- 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1 at 10:00 a.m. (Vancouver time) on the Closing Date.

### **Closing Deliveries**

12.2 On the Closing Date, SMW and the SMW Shareholders shall deliver to ABU:

- (a) the certificates contemplated by Section 11.3(f);
- (b) the certificate(s) representing the SMW Shares and the form of transfer duly completed for transfer to ABU;
- (c) a certified copy of the updated register of members showing the transfer of the SMW Shares to ABU;
- (d) a certified copy of the resolutions passed by the board of directors of SMW approving this Agreement as well as the consummation of the transactions contemplated hereby;
- (e) resignations of each of the current directors and officers of SMW;
- (f) all books, minute books, records and accounts of SMW and any other information necessary for ABU to operate and manage the business of SMW;
- (g) legal opinions from SMW's counsel in a form satisfactory to ABU's counsel; and
- (h) such other documents as may be required by ABU's counsel, acting reasonably.

- 12.3 On the Closing Date, ABU shall deliver to SMW and the SMW Shareholders:
- (a) the certificate contemplated by Section 11.2(f);
  - (b) certificates representing the ABU Shares and ABU Consideration Warrants;
  - (c) a certified copy of the resolutions passed by the board of directors of ABU approving this Agreement as well as the consummation of the transactions contemplated hereby;
  - (d) legal opinions from ABU's counsel in a form satisfactory to SMW's counsel; and
  - (e) such other documents as may be required by ABU's counsel, acting reasonably.

### ARTICLE 13 EXCLUSIVITY

#### Non-Solicitation

13.1 From the date of this Agreement until the earlier of Closing of the Acquisition or the date on which this Agreement is terminated, ABU, SMW and their respective directors, officers, representatives and agents will not, and the SMW Shareholders will not:

- (a) solicit directly or indirectly, or cause, or facilitate anyone else to solicit any offer (conditional or otherwise) similar to the one contemplated herein (an "**Acquisition Proposal**"); or
- (b) provide information concerning its securities, assets or business to anyone for or in furtherance of anything mentioned in Subsection 13.1(a);

provided, however, that the foregoing shall not in any manner impede the ability of the boards of directors of ABU and SMW to discharge their respective fiduciary obligations.

13.2 Each of ABU and SMW will promptly notify the other at first orally and then in writing regarding any contact between it or its representatives or, in respect of SMW, the SMW Shareholders, and any other persons regarding any Acquisition Proposal or any related inquiry.

13.3 If a party receives a request for non-public information concerning ABU or SMW in connection with a possible or actual Acquisition Proposal or for access to the properties, books or records of ABU or SMW from a person who proposes an Acquisition Proposal and the board of directors of ABU or SMW, as applicable, determines in good faith, after consultation with financial advisors and legal advisors that such possible or actual Acquisition Proposal if consummated in accordance with its actual or proposed terms, is reasonably likely to result in a transaction which:

- (a) is more favourable from a financial point of view than the transactions contemplated herein, having regard to all circumstances, and
- (b) is reasonably capable of completion taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal;

(the “**Superior Proposal**”), then ABU or SMW, as applicable, may, subject to entering into, and providing the other with a copy of, any confidentiality agreement, provide such person with access to such non-public information.

### **Break Fee**

13.4 In the event:

- (a) ABU or SMW (the “**Terminating Party**”) breaches paragraph 13.1 of this Agreement or provides to the other written notice that negotiations towards a Definitive Agreement are terminated as a result of a Superior Proposal, and
- (b) within six months after the date of such breach or the termination date, as the case may be, the Terminating Party signs a letter of intent or other agreement relating to the acquisition of the business of the Terminating Party or the capital stock, assets or business of the Terminating Party, whether directly or indirectly, through purchase, merger, consolidation or otherwise and such transaction is ultimately completed;

then, immediately upon the closing of such transaction, the Terminating Party will pay to the other party (the “**Non-Terminating Party**”) a sum equal to one percent (1%) of the value of the ABU Consideration Units to be issued to the SMW Shareholders pursuant to this Agreement (the “**Break Fee**”). The Break Fee represents liquidated damages of the Non-Terminating Party and no further fees, costs or damages are payable to or may be claimed by the Non-Terminating Party against the Terminating Party as a result thereof.

## **ARTICLE 14 TERMINATION**

### **Termination Rights**

14.1 This Agreement may, by notice in writing given prior to or on the Closing Date, be terminated:

- (a) in accordance with the provisions of Article 13;
- (b) by mutual consent of ABU and SMW;
- (c) by either ABU or SMW if any of the conditions set forth herein for its benefit has not been fulfilled or waived at or prior to Closing Date; or
- (d) by either ABU or SMW if the Acquisition is not consummated by February 28, 2011 or such other date as may be agreed to by ABU and SMW.

### **Effect of Termination**

14.2 Each Party's right of termination under this Article 14 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in Article 14 shall limit or affect any other rights or causes of action the Parties may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement.

## **ARTICLE 15 GENERAL**

### **Public Announcement**

15.1 Immediately after the execution of this Agreement, SMW and ABU shall issue a joint public announcement, announcing the entering into of this Agreement, which announcement shall address all matters required by the policies of the TSXV and applicable Laws and shall be in form and substance acceptable to each of them, acting in a commercially reasonable manner. No Party shall issue any news release or public statements inconsistent with such public announcement.

### **Independent Legal Advice**

15.2 Each of the Parties acknowledges having been encouraged to seek and has had the opportunity to obtain independent legal advice with respect to the terms of this Agreement.

### **Entire Agreement**

15.3 This Agreement constitutes the entire agreement among the Parties hereto and supersedes all prior agreements, letters of intent, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof, including the Letter of Intent. None of the Parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered on the Closing Date pursuant to this Agreement. The Parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered on the Closing Date, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement or in such schedules, documents or instruments.

### **Further Assurances**

15.4 Each of the Parties hereto will from time to time after the Closing Date at the other's request and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment and take such further action as the other may reasonably require to give effect to any matter provided for herein.

### **Commercially Reasonable Efforts**

15.5 For purposes of this Agreement, the obligation to use "commercially reasonable efforts" to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other parties.

### **Severability**

15.6 In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision shall be severed to the extent that it is so declared and the other provisions of this Agreement shall continue in full force and effect.

**Applicable Law**

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

**Governing Language**

15.8 This Agreement is drawn up in the English language. This Agreement may be translated into any language other than English provided however that the English text shall in any event prevail.

**Attornment**

15.9 The Parties hereby irrevocably and unconditionally consent to and submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such applicable courts, as the case may be, that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

**Successors and Assigns**

15.10 This Agreement shall accrue to the benefit of and be binding upon each of the Parties hereto and their respective heirs, executors, administrators and assigns, provided that this Agreement shall not be assigned or transferred by any one of the Parties without the prior written consent of the other Party.

**Time of Essence**

15.11 Time shall be of the essence hereof.

**Notices**

15.12 Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication (confirmed on the same or following day by prepaid mail) addressed as follows:

in the case of notice to ABU:

Abenteuer Resources Corp.  
Suite 900-555 Burrard Street  
Vancouver, British Columbia  
V7X 1M8

Attention: President & Chief Executive Officer  
Telephone: (604) 899-7011  
Facsimile: (604) 443-5001

in the case of notice to SMW and/or to the SMW Shareholders:

SMW Gold Limited  
Prospect Mira, 7, bld 2  
129090, Moscow, Russia

Attention: Ily Birgauz  
Telephone: +7-495-956-7950  
Facsimile: +7-495-956-7951

Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:

- (a) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
- (b) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received (but not actually received) on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mail, allowing for such discontinuance or interruption of regular postal service; and
- (c) if sent by facsimile machine, be deemed to have been given, sent, delivered and received on the date the sender receives the facsimile machine answer back confirming receipt by the recipient.

### **Waiver**

15.13 Any Party hereto which is entitled to the benefits of this Agreement may, and has the right to, unless otherwise provided, waive any term or condition hereof at any time on or prior to the Closing Date, provided however that such waiver shall be evidenced by written instrument duly executed on behalf of such Party.

### **Amendments**

15.14 No amendment, modification or supplement to this Agreement shall be effective unless provided in writing and signed by all the Parties hereto and approved by all necessary governmental regulatory authorities.

### **Remedies Cumulative**

15.15 The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

**Notice of Untrue Covenants, Representation or Warranty**

15.16 SMW and the SMW Shareholders shall promptly notify ABU, and ABU shall promptly notify SMW and the SMW Shareholders, upon any covenant, representation or warranty made by it contained in this Agreement becoming untrue or incorrect during the period beginning on the date of this Agreement and ending on the Closing Date. Any such notification shall set out particulars of the untrue or incorrect covenant, representation or warranty and details of any actions being taken by SMW and the SMW Shareholders or ABU, as the case may be, to rectify that state of affairs.

**Counterparts**

15.17 This Agreement may be executed in several counterparts (by original, facsimile or PDF scanned signature), each of which when so executed shall be deemed to be an original and each of such counterparts, if executed by each of the Parties, shall constitute a valid and enforceable agreement among the Parties.

*[Remainder of this page intentionally left blank; signature page follows.]*

**IN WITNESS WHEREOF** this Share Exchange Agreement has been executed by the Parties hereto as of the date first above written.

**ABENTEUER RESOURCES CORP.**

Per:

“Sean McGrath”  
*Name: Sean McGrath*  
*Title: Chief Financial Officer*

**SMW GOLD LIMITED**

Per:

“Mark Lisnvansky”  
*Name: Mark Lisnvansky*  
*Title: Attorney*

**SMW SHAREHOLDERS:**

**SMW ENGINEERING LTD.**

Per:

“Zinovy Rogalskiy”  
*Name: Zinovy Rogalskiy*  
*Title: Managing Director*

**MAGNESIUM & METALS LTD.**

Per:

“Vlyu Puk”  
*Name: Vlyu Puk*  
*Title: Attorney*

WITNESS to the signature of KARIM )  
ASHRAF HELMY MATAR in the presence )  
of: )

\_\_\_\_\_  
Name )

\_\_\_\_\_  
Address )

\_\_\_\_\_  
Occupation )

“Karim Ashraf Helmy Matar”  
\_\_\_\_\_  
**KARIM ASHRAF HELMY MATAR**

WITNESS to the signature of VLADIMIR )  
SHASHKIN in the presence of: )

\_\_\_\_\_  
Name )

\_\_\_\_\_  
Address )

\_\_\_\_\_  
Occupation )

“Vladimir Shashkin”  
\_\_\_\_\_  
**VLADIMIR SHASHKIN**

WITNESS to the signature of MAXIM A. )  
DLUGY in the presence of: )

\_\_\_\_\_  
Name )

\_\_\_\_\_  
Address )

\_\_\_\_\_  
Occupation )

“Maxim A. Dlugy”  
\_\_\_\_\_  
**MAXIM A. DLUGY**

**SCHEDULE "A"**

**SMW SHARES**

<b>Name of SMW Shareholder</b>	<b>Number of SMW Shares Held</b>	<b>Number of ABU Consideration Units to be Received</b>
SMW Engineering Ltd.	1,000	1,250,000
Magnesium and Metals Ltd.	17,750	22,187,500
Karim Ashraf Helmy Matar	300	375,000
Vladimir Shaskin	200	250,000
Maxim Dlugy	750	937,500
<b>TOTAL</b>	<b>20,000</b>	<b>25,000,000</b>