

ARRANGEMENT AGREEMENT

between

RESERVOIR CAPITAL CORP.

and

RESERVOIR MINERALS INC.

September 12, 2011

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS, INTERPRETATION AND SCHEDULE	1
1.1 Definitions	1
1.2 Interpretation Not Affected by Headings	10
1.3 Number, Gender and Persons	10
1.4 Date for any Action	11
1.5 Statutory References.....	11
1.6 Currency	11
1.7 Invalidity of Provisions	11
1.8 Accounting Matters	11
1.9 Knowledge.....	11
1.10 Interpretation Not Affected by Party Drafting	11
1.11 Due Diligence.....	12
1.12 Schedule	12
ARTICLE 2 THE ARRANGEMENT	12
2.1 Arrangement.....	12
2.2 Withholding Tax.....	13
2.3 Effective Date.....	13
2.4 Consultation.....	13
2.5 Pre-closing.....	13
2.6 Privacy Issues	14
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF RESERVOIR CAPITAL	15
3.1 Organization and Qualification	15
3.2 Subsidiaries and Partnerships	15
3.3 Authority Relative to this Agreement.....	16
3.4 No Violations	16
3.5 Capitalization.....	17
3.6 Board Approval and Determination.....	17
3.7 No Material Adverse Change or Other Matters	17
3.8 No Undisclosed Material Liabilities	18
3.9 Brokerage Fees	18
3.10 Books and Records.....	18
3.11 Financial Statements.....	18
3.12 Technical Report	19
3.13 Compliance with Law.....	19
3.14 Material Agreements	19
3.15 Employees, Consultants and Employment Legislation.....	19
3.16 Employee Benefit Plans.....	20
3.17 Reporting Issuer Status.....	20
3.18 Listing Status	20
3.19 Public Disclosure.....	20
3.20 No Cease Trade Orders.....	21
3.21 Disclosure to Minerals.....	21
3.22 Litigation	21
3.23 Mineral Property Interests	21
3.24 Title to Mineral Properties.....	22
3.25 No Encumbrances.....	22
3.26 Operation and Condition of Tangibles	22
3.27 Conduct of Operations by Third Parties	22

3.28 Outstanding AFEs	22
3.29 Participation.....	22
3.30 Documents of Title	22
3.31 Compliance.....	23
3.32 Areas of Mutual Interest.....	23
3.33 Take or Pay Obligations	23
3.34 Operating Limitations.....	23
3.35 Environmental	23
3.36 Tax Matters.....	24
3.37 Guarantees	25
3.38 U.S. Matters.....	25
3.39 Investment Canada Act.....	25
3.40 Information Circular	26
3.41 No Default Under Lending Agreements.....	26
3.42 No Net Profits or Other Interests	26
3.43 Non-Arm's Length Debt.....	26
3.44 Voting Arrangements	26
3.45 Insurance	26
3.46 No Claims.....	26
3.47 Location of Owned Real Property and Leased Real Property	27
3.48 Intellectual Property	27
3.49 Corrupt Practices	27
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF MINERALS	27
4.1 Organization and Qualification	27
4.2 Subsidiaries	28
4.3 Authority Relative to this Agreement.....	28
4.4 No Violations	28
4.5 Capitalization.....	29
4.6 Board Approval	29
4.7 No Material Adverse Change and Other Matters	29
4.8 No Undisclosed Material Liabilities	29
4.9 Books and Records.....	29
4.10 Financial Statements.....	30
4.11 Compliance with Law.....	30
4.12 Material Agreements	30
4.13 Employment Matters	30
4.14 Reporting Issuer Status.....	30
4.15 Listing Status	30
4.16 Public Disclosure.....	30
4.17 No Cease Trade Orders.....	30
4.18 Disclosure to Reservoir Capital	31
4.19 Litigation	31
4.20 Tax Matters.....	31
4.21 No Default Under Lending Agreements.....	32
4.22 No Net Profits or Other Interests	32
4.23 Non-Arm's Length Debt.....	32
4.24 Information Circular	32
4.25 Minerals Shares	33
ARTICLE 5 CONDUCT OF BUSINESS	33
5.1 Conduct of Business	33

5.2 Integration of Operations	34	8.3 Reservoir Capital Conditions	46
ARTICLE 6 COVENANTS OF RESERVOIR CAPITAL.....	34	8.4 Notice and Cure Provisions	47
6.1 Interim Order	34	8.5 Survival	48
6.2 Reservoir Capital Meeting	34	ARTICLE 9 AMENDMENT AND TERMINATION.....	48
6.3 Amendments	35	9.1 Amendment	48
6.4 Final Order	35	9.2 Alternative Transaction	48
6.5 Closing of Arrangement	36	9.3 Termination	49
6.6 Copy of Documents	36	9.4 Effect of Termination	49
6.7 Insurance	36	ARTICLE 10 CONFIDENTIALITY	49
6.8 Certain Actions by Reservoir Capital	36	10.1 Confidentiality	49
6.9 No Compromise.....	38	ARTICLE 11 GENERAL	50
6.10 Satisfaction of Conditions	38	11.1 Notices.....	50
6.11 Co-operation	39	11.2 Expenses	51
6.12 Closing Documents	39	11.3 Time of the Essence.....	51
6.13 Non-Solicitation	39	11.4 Entire Agreement.....	51
ARTICLE 7 COVENANTS OF MINERALS.....	41	11.5 Further Assurances	52
7.1 Minerals Assistance	41	11.6 Governing Law	52
7.2 Closing of Arrangement	42	11.7 Execution in Counterparts	52
7.3 Copy of Documents	42	11.8 Waiver	52
7.4 Insurance	42	11.9 Enurement and Assignment.....	53
7.5 Certain Actions	42		
7.6 Satisfaction of Conditions	43		
7.7 Co-operation	43		
7.8 Closing Documents	44		
7.9 Reimbursement of Mining Asset Expenses	44		
ARTICLE 8 CONDITIONS	44	SCHEDULE A - PLAN OF ARRANGEMENT	
8.1 Mutual Conditions	44	SCHEDULE B – EXPLORATION PERMITS	
8.2 Minerals Conditions	45		

ARRANGEMENT AGREEMENT

THIS AGREEMENT made as of September 12, 2011.

BETWEEN:

RESERVOIR CAPITAL CORP., a corporation existing under the *Business Corporations Act* (British Columbia) (“**Reservoir Capital**”)

- and -

RESERVOIR MINERALS INC., a corporation existing under the *Business Corporations Act* (British Columbia) (“**Minerals**”)

WHEREAS Reservoir Capital proposes to spin-out its Serbian mining assets to Minerals;

AND WHEREAS the parties hereto intend to carry out the proposed spin-out of Reservoir Capital’s Serbian mining assets by way of a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia);

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE 1

DEFINITIONS, INTERPRETATION AND SCHEDULE

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following terms with the initial letter or letters thereof capitalized have the meaning ascribed to such capitalized term below:

- (a) “**1934 Act**” means the *United States Securities Exchange Act of 1934*, as amended;
- (b) “**Acquisition Proposal**” means with respect to Reservoir Capital, any inquiry or the making of any proposal to Reservoir Capital or any of the Reservoir Capital Securityholders from any person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from Reservoir Capital of any securities of the Mining Subsidiaries, including the Mining Assets; (ii) any acquisition of a substantial amount of assets of the Mining Subsidiaries, including the Mining Assets; (iii) an amalgamation, arrangement, merger, or consolidation involving Reservoir Capital or the Mining Subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving the Mining Subsidiaries or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to Minerals under this Agreement or the Arrangement;
- (c) “**affiliate**” has the meaning set forth in the Securities Act;

- (d) “**Agreement**”, “**this Agreement**”, “**herein**”, “**hereto**”, and “**hereof**” and similar expressions refer to this arrangement agreement, as the same may be amended or supplemented from time to time and, where applicable, to the appropriate Schedule hereto;
- (e) “**Arrangement**” means the arrangement under the provisions of section 288 of the BCBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith or at the direction of the Court in the Final Order;
- (f) “**Arrangement Resolution**” means the special resolution in respect of the Arrangement to be considered by Reservoir Capital Shareholders at the Meeting;
- (g) “**BCBCA**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as from time to time amended or re-enacted;
- (h) “**BEM d.o.o.**” means Balkan Exploration and Mining d.o.o.;
- (i) “**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday observed in Vancouver, British Columbia;
- (j) “**BVI Mining Subsidiaries**” means Reservoir Exploration (BVI) Ltd., Reservoir Consulting (BVI) Ltd. and Rakita (BVI) Ltd., each of which is a “**BVI Mining Subsidiary**”;
- (k) “**Canadian GAAP**” means generally accepted accounting principles in Canada applied consistently;
- (l) “**Compensation Option Receipts**” means the compensation option receipts of Minerals issued which have been issued to certain finders in connection with the Private Placement, with each compensation option receipt convertible into units of Minerals (with each unit being comprised of Minerals Share and one Minerals Warrant) upon the conversion of Minerals Subscription Receipts into Minerals Shares and Minerals Warrants pursuant to the satisfaction of the release conditions.
- (m) “**Conveyance Agreements**” means the agreement between Reservoir Capital and Minerals to be dated as of the Effective Date transferring the BVI Mining Subsidiaries and the Mining Subsidiary Loans to Minerals in exchange for the issuance by Minerals of the Minerals Share Consideration to Reservoir Capital;
- (n) “**Court**” means the Supreme Court of British Columbia;
- (o) “**Current Assets**” means the current assets shown on a company’s financial statements as at any date determined in accordance with Canadian GAAP;
- (p) “**Current Liabilities**” means the current liabilities shown on a company’s financial statements as at any date determined in accordance with Canadian GAAP;
- (q) “**Debt**” means, as at any date, the aggregate of Current Assets less the aggregate of Current Liabilities calculated in accordance with Canadian GAAP, including bank debt and long-term liabilities such as long-term debt instruments and excluding asset retirement obligations and future income tax;

- (r) “**Disclosure Letter**” means the disclosure letter provided by Reservoir Capital to Minerals or Minerals to Reservoir Capital, as the case may be, dated the date hereof;
- (s) “**Documents of Title**” means, collectively, any and all certificates of title, leases, permits, licences, unit agreements, assignments, trust declarations, royalty agreements, operating agreements or procedures, participation agreements, farm in and farm out agreements, sale and purchase agreements, pooling agreements and other agreements by virtue of which the Mining Interests, are derived;
- (t) “**Effective Date**” means the date upon which the Arrangement becomes effective in accordance with its terms;
- (u) “**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date;
- (v) “**Employment Legislation**” means any and all applicable Law relating to employment, including employment standards, workers’ compensation, employment insurance, pension, occupational health and safety, and employment equity;
- (w) “**Eurasian Royalty Agreement**” means the royalty agreement dated November 8, 2007 between Eurasian Minerals Inc. (“**Eurasian**”) and Preduzece Za Minarlnu Sirovine SEE d.o.o. Beograd (“**Preduzece**”), whereby each of the Plavkovo, Lece, Brestovac, Lece, Stara Planina and Deli Jovan properties as set forth therein are subject to a 2% net smelter return royalty to Eurasian on gold and silver sold and a 1% net smelter return royalty to Eurasian on all other minerals sold;
- (x) “**Euromax Royalty Agreement**” means the royalty agreement dated March 16, 2010 between Reservoir Capital and Euromax Resources Ltd. (“**Euromax**”) whereby the Durlan Potok portion of the Jasikovo Durlan Potok property and the Metovnica portion of the Brestovac Metovnica property are subject to a 0.5% net smelter return royalty to Euromax;
- (y) “**Exploration Permits**” means those exploration permits set forth in Schedule B;
- (z) “**Final Order**” means the order made after application to the Court pursuant to section 291 of the BCBCA approving the Plan of Arrangement as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Time;
- (aa) “**Freeport**” means Freeport-McMoRan Exploration Corporation;
- (bb) “**Freeport Earn-In Agreement**” means the earn-in agreement dated March 18, 2010 among Freeport, Reservoir Capital, Reservoir Capital (BVI) Ltd. and Rakita (BVI) Ltd., whereby Freeport is granted the right to earn an interest in the Brestovac Metovnica and Jasikovo Durlan Potok exploration permits. Under the terms of the earn-in agreement, Freeport may earn an initial 55% interest in Rakita, an indirect wholly-owned subsidiary of Reservoir Capital, by investing US\$3 million in exploration over a four-year period. Once Freeport has earned its initial 55% interest, it may become the project operator and may elect to earn an additional 20% interest (for a total interest of 75%) by completing a scoping study within four years, a pre-feasibility study within eight years and a feasibility study within thirteen years;
- (cc) “**Governing Documents**” means either the Minerals Governing Documents or the Reservoir Capital Governing Documents, as the case may be;

- (dd) “**Governmental Authority**” means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) any subdivision, agency, commission, board or authority of any of the foregoing; or (iii) any quasigovernmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (ee) “**Government Charges**” means all federal, provincial, municipal, foreign or other taxes, imposts, rates, levies, assessments and government fees, and any other charges lawfully levied, assessed or imposed against a Party, or in respect of a Party’s business, including, without limitation, all Taxes and other government charges of any kind whatsoever, and assessments and includes additions to Taxes, interest, fines and penalties with respect thereto;
- (ff) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (gg) “**Information Circular**” means the management information circular to be prepared by Reservoir Capital for the Meeting;
- (hh) “**Interim Order**” means the order made after application to the Court pursuant to section 291 of the BCBCA, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably);
- (ii) “**in writing**” means written information including documents, files, records, books and other materials made available, delivered or produced to a Party (or to its representatives) by or on behalf of another Party, including in the course of the former’s due diligence review of the latter;
- (jj) “**Law**” means any law, bylaw, rule, regulation, order, ordinance, protocol, code, guideline, policy, notice, direction and judgement or other requirement of any Governmental Authority;
- (kk) “**Letter Agreement**” means the letter of intent dated March 24, 2011 between Minerals and Reservoir Capital;
- (ll) “**Material Adverse Change**” means, in respect of either Minerals or the Mining Subsidiaries, as the case may be, any change (or any condition, event or development involving a prospective change) in the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise, of such entities, that is, or could reasonably be expected to have, a Material Adverse Effect;
- (mm) “**Material Adverse Effect**” in relation to any event or change in respect of Minerals or the Mining Subsidiaries, as the case may be, means an effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise, of Minerals, taken as a whole, or the Mining Subsidiaries provided that a Material Adverse Effect shall not include an adverse effect in the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise,

of Minerals or the Mining Subsidiaries, as applicable, that arises or results from or is in any way connected with, either directly or indirectly: (i) a matter that has prior to the date hereof or concurrently with the announcement of this Agreement been publicly disclosed or otherwise disclosed in the Minerals Disclosure Letter or the Reservoir Capital Disclosure Letter, as applicable, or otherwise disclosed in writing to the other Party; (ii) conditions affecting the mining industry as a whole; (iii) general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere, including any decline in crude oil or natural gas prices on a current or forward basis; (iv) relating to any change in the trading price of the Minerals Shares or value of the Reservoir Capital Shares, respectively, that arises from the announcement of execution of this Agreement; or (v) any change in Canadian GAAP; or (vi) that is consented to by the other Party or results from any matter consented to by the other Party;

- (nn) “**Meeting**” means the special meeting, including any adjournments or postponements thereof, of the Reservoir Capital Shareholders to be held, among other things, to consider, and if thought fit, authorize, approve and adopt the Arrangement in accordance with the Interim Order;
- (oo) “**Mineral Exploration Business**” means the mineral exploration business of Reservoir Capital conducted in connection with the Mining Assets;
- (pp) “**Mineral Rights**” means all rights, whether contractual or otherwise, for the exploration for or the exploitation or extraction of mineral resources and reserves together with surface rights, water rights, royalty interests, fee interests, joint venture interests and other leases, rights of way and enurements related to any such rights;
- (qq) “**Minerals**” means Reservoir Minerals Inc., a corporation existing under the BCBCA;
- (rr) “**Minerals Board**” means the board of directors of Minerals;
- (ss) “**Minerals BVI**” means Global Reservoir Minerals (BVI) Inc., a corporation duly incorporated and existing under the laws of the British Virgin Islands and a wholly-owned subsidiary of Minerals;
- (tt) “**Minerals Disclosed Information**” means: (i) all information disclosed pursuant to the Minerals Disclosure Letter; (ii) all information disclosed by Minerals pursuant to the Letter Agreement prior to the date hereof;
- (uu) “**Minerals Entities**” means, collectively and taken as a whole, Minerals and Reservoir Minerals Corp. (BVI), and “**Minerals Entity**” means any of them;
- (vv) “**Minerals Financial Statements**” has the meaning ascribed thereto in Section 4.9 hereof;
- (ww) “**Minerals Governing Documents**” means, in the case of Minerals, the certificate of incorporation, articles and notice of articles of Minerals, all as amended to the date hereof;
- (xx) “**Minerals Shares**” means the common shares without par value in the capital of Minerals as constituted on the date of this Agreement;
- (yy) “**Minerals Share Consideration**” means 9,000,000 Minerals Shares;

- (zz) “**Minerals Shareholders**” means holders of Minerals Shares at the applicable time;
- (aaa) “**Minerals Subscription Receipts**” means subscription receipts of Minerals which have been issued at a price of \$0.65 per subscription receipt pursuant to the Private Placement, with each subscription receipt convertible to a Minerals Share and one Minerals Warrant upon satisfaction of the Release Conditions;
- (bbb) “**Mineral Unit**” means one Minerals Share and one Minerals Warrant;
- (ccc) “**Minerals Warrant**” means one non-transferable Minerals Shares purchase warrant entitling the holder thereof to acquire one Minerals Share at: (i) a price of \$0.90 per share for the first year, subject to accelerated expiry following the satisfaction of the Release Conditions; and (ii) a price of \$1.00 for the second year following the satisfaction of the Release Conditions;
- (ddd) “**Mining Assets**” means the Serbian mining assets of Reservoir Capital and includes the Exploration Permits and Mineral Rights of Reservoir Capital and all related tangibles, equipment, facilities and miscellaneous interests;
- (eee) “**Mining Interests**” has the meaning ascribed thereto in Section 3.23 hereof;
- (fff) “**Mining Subsidiary Loans**” means the outstanding loans made by Reservoir Capital to the Mining Subsidiaries;
- (ggg) “**Mining Subsidiaries**” means the BVI Mining Subsidiaries and the Serbian Subsidiaries, each of which is “**Mining Subsidiary**”;
- (hhh) “**misrepresentation**” has the meaning ascribed thereto under the Securities Act;
- (iii) “**Net Debt of Mining Subsidiaries**” means Current Liabilities plus Debt for the Mining Subsidiaries, less its Current Assets. For greater certainty, the Net Debt of Mining Subsidiaries is to take into account, among other things, settlements, office lease obligations, capital lease obligations, the Mining Subsidiaries severance obligations, change of control payments, tax amounts, transaction costs (including legal and accounting fees), brokerage fees, current income tax, and income tax interest and penalties, including Part XII.6 tax of the Tax Act;
- (jjj) “**NI 43-101**” means National Instrument 43-101 – Standards of Disclosure for Mineral Projects;
- (kkk) “**Orogen Earn-In Agreement**” means the earn-in agreement dated December 15, 2010 among Reservoir Capital, Reservoir Exploration (BVI) Ltd., Deli Jovan Exploration d.o.o. and Orogen Gold Limited (“**Orogen**”), whereby Orogen may earn up to a 75% interest in the Deli Jovan property by completing \$3.5 million in exploration expenditures within 42 months of December, 2010;
- (lll) “**Outside Date**” means the later of (i) October 17, 2011; and (ii) such later date as Reservoir Capital and Minerals may agree in writing;
- (mmm) “**Parties**” means the parties to this Agreement and their respective successors and permitted assigns and “**Party**” means any one of them;

- (nnn) “**Permitted Encumbrances**” means: (a) the terms and conditions of the Documents of Title, including the following: (i) any overriding royalties, net profits interests or other encumbrances applicable to the Mining Interests, (ii) any existing potential alteration of the Mining Interests because of a payout conversion or farm-in, farm-out, earn-in, earn-out or other such agreement, including pursuant to or in connection with a consent to assign the Eurasian Royalty Agreement, the Euromax Royalty Agreement, the Orogen Earn-In Agreement, the Freeport Earn-In Agreement and the SEE Share Purchase Agreement; and (iii) any penalty or forfeiture that applies to the Mining Interests, at the date hereof because of an election by Reservoir Capital, not to participate in a particular operation; (b) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, and wires; (c) the regulations and any rights reserved to or vested in any Governmental Authority to levy taxes or to control or regulate any of the Mining Assets, as applicable, in any manner, including, without limitation, the right to control or regulate the conduct of operations; (d) statutory exceptions to title and the reservations, limitations and conditions in any grants or transfers from any Governmental Authority of any of the Mining Interests, as applicable, or interests therein; (e) undetermined or inchoate liens incurred or created in the ordinary course of business as security for Reservoir Capital’s or Minerals’ share, as applicable, of the costs and expenses of the development or operation of any of Mining Assets, which costs and expenses are not delinquent as of the Effective Time; (f) undetermined or inchoate mechanics’ liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time; and (g) liens granted in the ordinary course of business to a Governmental Authority respecting operations pertaining to the Mining Assets.
- (ooo) “**person**” includes any individual, a sole proprietorship, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, union, Governmental Authority, syndicate or other entity, whether or not having legal status;
- (ppp) “**Plan**” or “**Plan of Arrangement**” means a plan of arrangement substantially in the form and content of the plan of arrangement attached as Schedule A hereto and any amendment or variation thereto made in accordance with Article 6 of the plan of arrangement or Sections 9.1 and 9.2 of this Agreement;
- (qqq) “**Private Placement**” means the private placement of 14,776,150 Subscription Receipts;
- (rrr) “**Promissory Note**” means the loan in the principal amount of up to \$300,000 from Reservoir Capital to Minerals payable upon demand, subject to certain conditions, with interest thereon of 3% per annum;
- (sss) “**Rakita**” means Rakita (BVI) Ltd., a corporation duly incorporated and existing under the laws of the British Virgin Islands;
- (ttt) “**Release Conditions**” means all conditions, undertakings and other matters to be satisfied, completed and otherwise met prior to completion of the Plan of Arrangement and Acquisition pursuant to this Agreement, including the conditional approval of the TSXV to list the Mineral Shares and necessary regulatory and court approvals;

- (uuu) “**Required Approvals**” means all consents, waivers, permits, exemptions, orders and approvals required by Reservoir Capital and Minerals in connection with the Arrangement;
- (vvv) “**Reservoir Capital**” means Reservoir Capital Corp., a corporation existing under the BCBCA;
- (www) “**Reservoir Capital Board**” means the board of directors of Reservoir Capital;
- (xxx) “**Reservoir Capital BVI**” means Reservoir Capital Corp. (BVI), a corporation existing under the laws of the British Virgin Islands and a wholly-owned subsidiary of Reservoir;
- (yyy) “**Reservoir Capital Convertible Securities**” means all options, warrants or other rights, agreements or commitments of any character whatsoever (contingent or otherwise) requiring the issuance, sale or transfer by Reservoir Capital of any securities of Reservoir Capital or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire Reservoir Capital securities;
- (zzz) “**Reservoir Capital Disclosed Information**” means: (i) all information disclosed pursuant to the Reservoir Capital Disclosure Letter; (ii) all information disclosed by Reservoir Capital pursuant to the Letter Agreement prior to the date hereof; and (iii) the Reservoir Capital Public Record;
- (aaaa) “**Reservoir Capital Disclosure Letter**” means the disclosure letter provided by Reservoir Capital to Minerals dated the date hereof;
- (bbbb) “**Reservoir Capital Entities**” means, collectively and taken as a whole, Reservoir Capital and Reservoir Capital BVI a direct wholly-owned subsidiary of Reservoir Capital, and “**Reservoir Capital Entity**” means any of them;
- (cccc) “**Reservoir Capital Financial Statements**” has the meaning ascribed thereto in Section 3.10 hereof;
- (dddd) “**Reservoir Capital Governing Documents**” means, in the case of Reservoir Capital, the certificate of incorporation, articles and notice of articles of Reservoir Capital, all as amended to the date hereof;
- (eeee) “**Reservoir Capital Optionholders**” means the holders of Reservoir Capital Options;
- (ffff) “**Reservoir Capital Options**” means the options outstanding under the Reservoir Capital Share Option Plan, the details of which are set out in the Reservoir Capital Disclosure Letter;
- (gggg) “**Reservoir Capital Public Record**” means all documents or information filed by or on behalf of Reservoir Capital, on or after the date of Reservoir Capital’s most recent audited balance sheet, in compliance with or intended compliance with applicable Laws and which are accessible by a member of the general public through the System for Electronic Document Analysis and Retrieval (SEDAR) website maintained by the Canadian Securities Administrators;
- (hhhh) “**Reservoir Capital Securities**” means the Reservoir Capital Shares, Reservoir Capital Options and the Reservoir Capital Warrants;

- (iii) “**Reservoir Capital Securityholders**” means, collectively, Reservoir Capital Shareholders, Reservoir Capital Optionholders, Reservoir Capital Warrantholders and any other holders of securities of Reservoir Capital;
- (jjj) “**Reservoir Capital Share Option Plan**” means that stock option plan adopted by Reservoir Capital, as amended;
- (kkk) “**Reservoir Capital Shareholders**” means the holders of Reservoir Capital Shares;
- (lll) “**Reservoir Capital Shares**” means common shares in the capital of Reservoir Capital;
- (mmm) “**Reservoir Capital Warrantholders**” means the holders of Reservoir Capital Warrants;
- (nnn) “**Reservoir Capital Warrants**” means warrants to acquire Reservoir Capital Shares;
- (ooo) “**Returns**” means all reports, estimates, declarations of estimated tax, information statements, elections and returns relating to, or required to be filed in connection with, any Government Charges;
- (ppp) “**Securities Act**” means the *Securities Act* (British Columbia) and the rules, regulations and policies made thereunder, as now in effect and as they may be amended from time to time prior to the Effective Date;
- (qqq) “**Securities Authorities**” means, collectively, the British Columbia Securities Commission and the other applicable securities regulatory authorities in Canada, including the TSXV, each of which is a “**Securities Authority**”;
- (rrr) “**SEE d.o.o.**” means Southern European Exploration d.o.o.;
- (sss) “**SEE Share Purchase Agreement**” means the share purchase agreement dated January 26, 2007 among Eurasian Minerals Inc., Reservoir Capital, Southern European Exploration (BVI) Ltd. and Southern European Exploration Limited, whereby Reservoir Capital is obliged, until the 15th anniversary of the closing date set forth therein, to pay \$500,000 in cash or shares on completion of a bankable feasibility study as defined therein completed on a different property up to, in either case, a maximum of two properties consisting of the Plavkovo, Lece, Brestovac-Zlot, Lece, Stara Planina and Deli Jovan properties;
- (ttt) “**Serbian Subsidiaries**” means Deli Jovan Exploration d.o.o., Balkan Exploration and Mining d.o.o. and Rakita Exploration d.o.o., each of which is a “**Serbian Subsidiary**”;
- (uuu) “**Subscription Receipts**” means the 14,776,150 non-transferable subscription receipts of Minerals issued at a price of \$0.65 per Subscription Receipt with each Subscription Receipt entitling the holder thereof to receive one non-transferable Minerals Unit upon satisfaction of the Release Conditions;
- (vvv) “**subsidiary**” has the meaning set forth in the BCBCA and includes all partnerships directly or indirectly owned by Minerals or Reservoir Capital, as the case may be;
- (www) “**Superior Proposal**” has the meaning set forth in subsection 6.13(b)(v)(A);

- (xxxx) “**Swaps**” means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);
- (yyyy) “**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), including the regulations promulgated thereunder, as amended;
- (zzzz) “**Tax**” or “**Taxes**” shall mean, with respect to any person, all taxes, however denominated, including any interest, penalties or other additions thereto that may become payable in respect thereof, imposed by any federal, provincial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), capital, payroll and employee withholding taxes, labour taxes, employment insurance, employment insurance premiums, social insurance taxes, Canada Pension Plan contributions, sales and use taxes, ad valorem taxes, value added taxes, goods and services tax, harmonized sales tax, excise taxes, franchise taxes, gross receipts taxes, business licence taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers’ compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing;
- (aaaaa) “**Tax Returns**” shall mean all reports, estimates, elections, notices, filings, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be supplied to any Governmental Authority in connection with, any Taxes (including any attached schedules, estimated tax returns, withholding tax returns, and information returns and reports);
- (bbbbb) “**Technical Report**” means the NI 43-101 compliant technical report entitled “Independent Technical Report on the Parlozi Property, Serbia” dated July 17, 2011 and prepared by Exploration Alliance Ltd.; and
- (ccccc) “**TSXV**” means the TSX Venture Exchange.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

1.3 Number, Gender and Persons

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and words importing a person or persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

1.4 Date for any Action

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

1.5 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute, regulation or rule in force from time to time and any statute or regulation that supplements or supersedes such statute, regulation or rule.

1.6 Currency

Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of Canada.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the Parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The Parties hereto will engage in good faith negotiations to replace any provision hereof which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which approximates as much as possible the invalid or unenforceable provision which it replaces.

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement have the meanings attributable thereto under Canadian GAAP (as amended by International Financial Reporting Standards principles in force in Canada and to the extent applicable for this Agreement), and such reference shall be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor entity thereto, applicable as at the date on which such principles are to be applied or on which any calculation or determination is required to be made in accordance with generally accepted accounting principles.

1.9 Knowledge

Where the phrase “to the best of the knowledge” or “to the best of a Party’s knowledge” is used, such phrase means, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the collective knowledge of the senior officers of the Party making the representation and warranty after having conducted an actual investigation as to the subject matter relating thereto, with the level of such investigation in each case being that of a reasonably prudent person investigating a material consideration in the context of a material transaction, and the use of such phrase herein constitutes a representation and warranty by the Party making the representation and warranty in each case that such investigation has been actually made.

1.10 Interpretation Not Affected by Party Drafting

The Parties acknowledge that their respective legal counsel has reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that

any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

1.11 Due Diligence

Each of the Parties is responsible for its own evaluation of the economic value of the Arrangement and is responsible for its own due diligence in respect thereof.

1.12 Schedule

The following schedule is attached to, and is deemed to be incorporated into and form part of, this Agreement:

Schedule A – Plan of Arrangement
Schedule B – Exploration Permits

ARTICLE 2 **THE ARRANGEMENT**

2.1 Arrangement

- (a) Pursuant, and subject, to the detailed steps contained in the Plan of Arrangement holders of Reservoir Capital Shares as of the Effective Time, other than a Dissenting Shareholder, will receive a pro rata share of the Minerals Share Consideration (calculated assuming there are no Dissenting Shareholders) as a reduction of stated capital and which pro rata share will be determined based on the number of Reservoir Capital Shares outstanding at the Effective Time.
- (b) The Arrangement shall be structured such that, assuming the Arrangement Resolution is approved and the Final Order is obtained, the issuance of the Minerals Shares issuable to the Reservoir Capital Shareholders under the Arrangement will not require registration under the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder, in reliance on Section 3(a)(10) thereof.
- (c) As soon as is reasonably practicable after the execution of this Agreement and in any event, on or before September 13, 2011, Reservoir Capital shall apply to the Court pursuant to Section 291 of the BCBCA for the Interim Order and, in connection with such application shall:
 - (i) forthwith file, proceed with and diligently prosecute an application to the Court for the Interim Order which shall provide for, among other things, the calling and holding of the Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement and thereafter proceed with and diligently seek the Interim Order in form and substance satisfactory to Reservoir Capital and Minerals, acting reasonably;
 - (ii) subject to obtaining the approvals contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all actions and steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order; and
 - (iii) subject to Section 2.7 hereof and obtaining the Final Order and the satisfaction or waiver of the other conditions herein contained in favour of each Party, take all

steps as may be necessary to give effect to the Arrangement pursuant to the BCBCA.

- (d) The notice of motion for the application referred to in Section 2.1(c) shall be satisfactory to each of Minerals and Reservoir Capital, acting reasonably, and shall request that the Interim Order provide, among other things:
 - (i) for the persons to whom notice is to be provided in respect of the Arrangement and the Meeting and for the manner in which such notice is to be provided; and
 - (ii) that the requisite approval of the Reservoir Capital Shareholders for the Arrangement is 66 $\frac{2}{3}$ % of the votes cast thereon by the holders of each of the Reservoir Capital Shares present in person or represented by proxy at the Meeting.

2.2 Withholding Tax

Minerals and Reservoir Capital shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to the Arrangement to any Reservoir Capital Shareholder who is not resident in Canada for purposes of the Tax Act or is otherwise required to have deductions made from any consideration otherwise payable to any Reservoir Capital Shareholder in connection with the Arrangement, and remit to the applicable Governmental Authority, such amounts as the Minerals and Reservoir Capital are required to deduct, withhold and remit with respect to such payment under the Tax Act and other applicable laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Reservoir Capital Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

2.3 Effective Date

The Arrangement shall become effective at the Effective Time on the Effective Date on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

2.4 Consultation

Subject to Section 10.1, Minerals and Reservoir Capital agree to consult with each other prior to issuing any press release or otherwise making any public statement with respect to this Agreement or the Arrangement or making any filing with any federal, provincial or state governmental or regulatory agency or with any stock exchange with respect thereto, except as may be required by applicable law or by obligations pursuant to any listing agreement with a stock exchange and only after using its reasonable commercial efforts to consult the other Party, taking into account the time constraints to which it is subject as a result of such law or obligation. Each of Minerals and Reservoir Capital shall use its commercially reasonable efforts to enable the other of them to review and comment on all such press releases and filings prior to the release thereof. Minerals and Reservoir Capital agree to issue a joint or individual press release with respect to this Agreement as soon as practicable after the execution hereof, in a form acceptable to each of them, acting reasonably.

2.5 Pre-closing

Unless this Agreement is terminated pursuant to the provisions hereof, Minerals and Reservoir Capital shall meet at the offices of Borden Ladner Gervais LLP on the day immediately prior to the Meeting or at such other time or place or on such other date at they may mutually agree upon and each of them shall then table the documents required to be delivered by such Party hereunder to complete the

transaction contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the Arrangement becoming effective.

2.6 Privacy Issues

- (a) For the purposes of this Section 2.6, the following definitions apply:
- (i) “**applicable law**” means, in relation to any person, transaction or event, all applicable provisions of laws, statutes, rules, regulations, official directives and orders of and the terms of all judgments, orders and decrees issued by any authorized authority by which such person is bound or having application to the transaction or any event in question, including applicable privacy laws;
 - (ii) “**applicable privacy laws**” means any and all applicable laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Document Act* (Canada) and any comparable provincial law, including the *Freedom of Information and Protection of Privacy Act* (British Columbia);
 - (iii) “**authorized authority**” means, in relation to any person, transaction or event, any (A) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (D) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such person, transaction or event; and
 - (iv) “**Personal Information**” means information about an individual transferred by Minerals to Reservoir Capital or by Reservoir Capital to Minerals (or by representatives of any of the foregoing) in accordance with this Agreement or as a condition of the Arrangement.
- (b) Each of Minerals and Reservoir Capital acknowledges that it is responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of Personal Information acquired by or disclosed to it pursuant to or in connection with this Agreement (the “**Disclosed Personal Information**”).
- (c) Neither Minerals nor Reservoir Capital shall use the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement.
- (d) Each of Minerals and Reservoir Capital acknowledges and confirms that the disclosure of Personal Information is necessary for the purposes of determining if the Parties will proceed with the Arrangement, and that the disclosure of Personal Information relates solely to the carrying on of the business and the completion of the Arrangement.

- (e) Each of Minerals and Reservoir Capital acknowledges and confirms that it has and shall continue to employ appropriate technology and procedures in accordance with applicable law to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Each of Minerals and Reservoir Capital shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Each of Minerals and Reservoir Capital shall ensure that access to the Disclosed Personal Information is restricted to its employees or advisors who have a *bona fide* need to access to such information in order to complete the Arrangement.
- (g) Each of Minerals and Reservoir Capital shall promptly notify each other of all inquiries, complaints, requests for access, and claims of which it is made aware in connection with the Disclosed Personal Information. Minerals and Reservoir Capital shall fully cooperate with one another, with the other persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims.
- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of the other Party, each Party shall forthwith cease all use of the Personal Information acquired by it in connection with this Agreement and shall return to the applicable other Party and cause its advisors to return to the applicable Party or, at the applicable Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF RESERVOIR CAPITAL

Reservoir Capital hereby represents and warrants to Minerals as follows and acknowledges that Minerals is relying upon such representations and warranties in connection with the entering into of this Agreement and performance of their obligations hereunder.

3.1 Organization and Qualification

Reservoir Capital is a corporation duly incorporated and validly existing under the laws of British Columbia and has the requisite corporate power and capacity to carry on business as it is now being conducted. Reservoir Capital is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Reservoir Capital.

3.2 Subsidiaries and Partnerships

Reservoir Capital BVI is a wholly-owned subsidiary of Reservoir Capital and has good and marketable title to each of the BVI Mining Subsidiaries, free and clear of all encumbrances except Permitted Encumbrances.

The Mining Subsidiaries are direct or indirect, wholly-owned subsidiaries of Reservoir Capital and Reservoir Capital has good and marketable title to each of the outstanding securities of the Mining

Subsidiaries, free and clear of all Encumbrances. Except as set forth in the Reservoir Capital Disclosure Letter and the Freeport Earn-In Agreement and the Orogen Earn-In Agreement, no person has any agreement, commitment, arrangement or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment to purchase any Mining Assets.

Each Mining Subsidiary is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the requisite corporate power and capacity to carry on business as its is now being conducted. Each Mining Subsidiary is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary except where the failure to be so registered or in good standing would not have a Material Adverse Effect on such subsidiary.

Except as set forth in the Reservoir Capital Disclosure Letter, neither Reservoir Capital nor any Mining Subsidiary is a partner or participant in any partnership, joint venture, profit-sharing arrangement or other business combination of any land relating solely to the Mining Assets, and is not party to any agreement under which it agrees to share any revenue or profit with any other person.

3.3 Authority Relative to this Agreement

Reservoir Capital has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Reservoir Capital of the transactions contemplated hereby have been duly authorized by the Reservoir Capital Board, and, except as set out in the Reservoir Capital Disclosure Letter, no other corporate proceedings or other third party consents on the part of Reservoir Capital are or will be necessary to authorize the performance of its obligations under this Agreement and the completion of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Reservoir Capital and constitutes a legal, valid and binding obligation of Reservoir Capital enforceable against Reservoir Capital in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to the general principles of equity.

3.4 No Violations

- (a) The execution and delivery of, and the performance of and compliance with, the terms of this Agreement and the performance of any of the transactions contemplated hereby by Reservoir Capital does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any term or provision of the Reservoir Capital Governing Documents or the constating documents of the Mining Subsidiaries or, subject to the consent of Reservoir Capital's bankers, secured lenders or secured creditors to the Arrangement, any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which Reservoir Capital or the Mining Subsidiaries is a party or by which Reservoir Capital or the Mining Subsidiaries is bound, or any law, judgement, decree, order, statute, rule or regulation applicable to Reservoir Capital, which default or breach might reasonably be expected to have a Material Adverse Effect on Reservoir Capital or the ability of Reservoir Capital to complete the transactions contemplated hereby.
- (b) There is no legal impediment to Reservoir Capital's consummation of the transactions contemplated by this Agreement and no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required by Reservoir Capital in connection with the transactions contemplated hereby, except for:
 - (i) consents or approvals required by the Interim Order or the Final Order, and such other regulatory approvals as may be required;
 - (ii) filings with and approvals required by

Securities Authorities; (iii) any other consent, waiver, permit, order or approval referred to in Section 8.1 hereof; and (iv) such filings or registrations which, if not made, or such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of Reservoir Capital to consummate the transactions contemplated hereby.

3.5 Capitalization

As of the date hereof, the authorized share capital of Reservoir Capital consists of an unlimited number of: (a) Reservoir Capital Shares; and (b) preferred shares, issuable in series of which 46,701,698 Reservoir Capital Shares and no preferred shares are issued and outstanding. As of the date hereof: (i) Reservoir Capital Options to acquire an aggregate of 2,570,000 Reservoir Capital Shares are outstanding at the exercise prices set out in the Reservoir Capital Disclosure Letter; and Reservoir Capital Warrants to acquire an aggregate of 3,870,508 Reservoir Capital Shares are outstanding at the exercise prices set out in the Reservoir Capital Disclosure Letter. Except for the Reservoir Capital Options and the Reservoir Capital Warrants, there are no Reservoir Capital Convertible Securities outstanding, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Reservoir Capital. No changes shall be made to the terms of any outstanding Reservoir Capital Convertible Securities without the prior written consent of Minerals. All outstanding Reservoir Capital Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all Reservoir Capital Shares issuable upon exercise of outstanding Reservoir Capital Options and Reservoir Capital Warrants in accordance with their respective terms will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

Except as set forth in the Reservoir Capital Disclosure Letter, there are no securities of the Mining Subsidiaries outstanding and the Mining Subsidiaries have no other options, warrants or other rights, agreement or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by the Mining Subsidiaries of any securities of the Mining Subsidiaries.

3.6 Board Approval and Determination

The Reservoir Capital Board, following receipt of a fairness opinion in this regard, has determined that: (i) the Arrangement is fair, from a financial point of view, to Reservoir Capital Shareholders; (ii) that the Arrangement is in the best interests of Reservoir Capital; (iii) it will unanimously recommend that Reservoir Capital Shareholders vote in favour of the Arrangement; and (iv) has unanimously approved the Arrangement and the entering into of this Agreement.

3.7 No Material Adverse Change or Other Matters

Other than as disclosed in the Reservoir Capital Disclosed Information, since April 30, 2010: (i) Reservoir Capital has not amended the Reservoir Capital Governing Documents; (ii) Reservoir Capital has not disposed of any property or assets out of the ordinary course of business; (iii) Reservoir Capital has conducted its business in all material respects in the usual, ordinary and regular course and consistent with past practice; (iv) Reservoir Capital has not suffered any Material Adverse Change or any occurrences or circumstances which have resulted or might reasonably be expected to result in a Material Adverse Change in Reservoir Capital; (v) Reservoir Capital has not made any change in its accounting principles and practices as theretofore applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained; (vi) Reservoir Capital has maintained in effect salary and other compensation levels in accordance with its then existing salary administration program; (vii) other than the Reservoir Capital Severance Obligations,

Reservoir Capital has not entered into any agreements, whether in writing or oral, providing for payments to be made to any employees, consultants, officers or directors of Reservoir Capital in respect of loss of office or loss of employment in connection with the transactions contemplated hereby; or (viii) Reservoir Capital has not entered into any agreement or transactions with any director, officer, employee, consultant or any party not at arm's length with Reservoir Capital.

3.8 No Undisclosed Material Liabilities

Except: (a) as disclosed or reflected in the Reservoir Capital Financial Statements or as set forth or included in the Reservoir Capital Disclosed Information; and (b) for liabilities and obligations: (i) incurred in the ordinary course of business and consistent with past practice; or (ii) pursuant to the terms of this Agreement, Reservoir Capital has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by Canadian GAAP to be reflected on a balance sheet of Reservoir Capital) that have constituted or would be reasonably likely to constitute a Material Adverse Change in Reservoir Capital.

3.9 Brokerage Fees

Except for the fees payable to NCP Northland Capital Partners Inc. ("NCP") in respect of an agreement between Reservoir Capital and NCP whereby NCP will provide a fairness opinion in respect of the Arrangement (the "**Fairness Opinion Agreement**"), Reservoir Capital has not retained any consulting, financial advisor, broker, agent or finder or paid or agreed to pay any additional consulting, financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated. Reservoir Capital has provided a true and complete copy of the Fairness Opinion Agreement to Minerals, which agreement has not been amended. All of Reservoir Capital's obligations pursuant to any agency, underwriting or financial advisory agreement (except in respect of the Fairness Opinion Agreement) have been terminated.

3.10 Books and Records

The corporate records and minute books of each of the Mining Subsidiaries has been maintained in accordance with all applicable statutory requirements and are complete and up to date in all material respects.

3.11 Financial Statements

Reservoir Capital's audited consolidated financial statements as at and for the year ended April 30, 2011, 2010, and 2009 the "**Reservoir Capital Financial Statements**") have been prepared in accordance with Canadian GAAP (except as otherwise indicated in such financial statements and the notes thereto) and fairly present the financial position, results of operations and changes in financial position of Reservoir Capital as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited financial statements, to year-end audit adjustments in accordance with Canadian GAAP). Other than as disclosed in the Reservoir Capital Financial Statements, Reservoir Capital has no long term indebtedness owing.

The Mining Subsidiary Loans are approximately \$314,688 as at the date hereof and such loans will be transferred from Reservoir Capital to Minerals pursuant to the Conveyance Agreements. The Net Debt of the Mining Subsidiaries is approximately \$289,355 as at July 31, 2011. Since July 31, 2011, there has been no Material Adverse Change in the Mining Subsidiaries taken as a whole.

3.12 Technical Report

Reservoir Capital has made available to Exploration Alliance Ltd., prior to the issuance of the Technical Report, all material information relating to the mineral resource estimates contained therein, including all information requested by Exploration Alliance Ltd. for the purposes of preparing such report which report was prepared based on the assumptions contained therein and in all other respects compliant with NI 43-101. All information made available by Reservoir Capital to Exploration Alliance Ltd. was accurate and correct in all material respects and did not omit any information necessary to make any information provided not misleading, and there has been no Material Adverse Change in any of the information provided since the date provided. Reservoir Capital believes that the Technical Report reasonably presents, as at the effective date thereof, Reservoir Capital's mineral resources based upon the information available in respect of such resources at the time such report was prepared and the assumptions contained therein.

3.13 Compliance with Law

Reservoir Capital, Reservoir Capital BVI and the Mining Subsidiaries have each complied with and is in compliance with all Laws and regulations applicable to the operation of its Mineral Exploration Business, except where such non-compliance would not, considered individually or in the aggregate, give rise to a Material Adverse Effect on Mining Subsidiaries or the Mining Assets or materially affect the ability of Reservoir Capital or the Mining Subsidiaries to perform its obligations hereunder.

3.14 Material Agreements

All agreements, permits, licences, approvals, certificates or other rights or authorizations material to the conduct of Mineral Exploration Business are valid and subsisting and neither of the Reservoir Capital Entities nor any of the Mining Subsidiaries is not in material default under any such agreements, permits, licences, approvals, certificates and other rights and authorizations, except where a failure to hold such licences or the result of any such default would not have a Material Adverse Effect on Reservoir Capital or the Mining Subsidiaries or materially affect or delay the ability of Reservoir Capital to perform its obligations hereunder.

3.15 Employees, Consultants and Employment Legislation

Except as set out in the Reservoir Capital Disclosure Letter, none of the Mining Subsidiaries are a party to any written employment or consulting agreement or any oral employment or consulting agreement which cannot be terminated without cause upon giving such notice as may be required by law and without the payment of any additional amount or any written agreement that provides for a payment by a Mining Subsidiary on a change of control of a Mining Subsidiary or severance of employment. Prior to the completion of the Arrangement, the key employees moving from SEE d.o.o. to BEM d.o.o. will be issued contracts by BEM d.o.o. substantially on the terms set forth in the contracts such employees had with SEE d.o.o.

The Reservoir Capital Disclosure Letter contains a complete and accurate list of the names of all individuals who are full-time, part-time or casual employees or individuals engaged on contract to provide employment services or other agents or representatives of the Mining Subsidiaries as of the date of this Agreement or those individuals that are moving their employment from SEE d.o.o. to a Mining Subsidiary or employed by a Mining Subsidiary after previously working for SEE d.o.o. pursuant to this Agreement (the "**Employees**") specifying the length of hire, title or classification and rate of salary or hourly pay and commission or bonus entitlements (if any) for each such Employee. The Reservoir Capital Disclosure Letter contains a complete list of all independent consultants retained by the Mining Subsidiaries as of the date of this Agreement. Except as described in Reservoir Capital Disclosure Letter, there is no Employee who has been continually absent from work for a period in excess of one month and

who is in receipt of benefits pursuant to the provisions of a short or long term disability plan provided by Reservoir Capital, SEE d.o.o. or a Mining Subsidiary, applicable workers' compensation or other applicable workplace safety and insurance legislation in each jurisdiction where SEE d.o.o. or the Mining Subsidiary carries on business. Each of Reservoir Capital, SEE d.o.o. and the Mining Subsidiaries is in material compliance with all Employment Legislation and there are no complaints, claims, charges, levies, assessments or penalties outstanding, or to the knowledge of the Reservoir Capital, SEE d.o.o. or a Mining Subsidiary, anticipated, nor are there any orders, decisions, directions or convictions currently registered or outstanding by any tribunal or agency against or in respect of Reservoir Capital, SEE d.o.o. or any of the Mining Subsidiaries under or in respect of any Employment Legislation. Neither Reservoir Capital, SEE d.o.o. or the Mining Subsidiaries are a party to any application, complaint or other proceeding under any applicable Law with respect to the Employees or any former Employee. There are no outstanding fines, penalties, pending criminal prosecutions against Reservoir Capital, SEE d.o.o. or the Mining Subsidiaries or against any officers or directors of the Reservoir Capital, SEE d.o.o. or the Mining Subsidiaries under any applicable Law or Employment Legislation. None of Reservoir Capital, SEE d.o.o. or the Mining Subsidiaries are a party to or bound by any statutorily required re-employment of any Employee.

3.16 Employee Benefit Plans

Except as set out in the Reservoir Capital Disclosure Letter, none of the Mining Subsidiaries have any employee benefit plans, health, dental, vision, parking and vehicle allowance and short and long term disability plans of general application, and has made no promises with respect to increased benefits under such plans and has not amended such plans. Subject to applicable Laws, each of the foregoing plans is cancellable upon 30 days notice to the other parties therein or will be terminated on or prior to the Effective Date.

3.17 Reporting Issuer Status

Reservoir Capital is a "reporting issuer" or the equivalent under applicable securities Laws in the provinces of British Columbia, Alberta and Ontario.

3.18 Listing Status

The issued and outstanding Reservoir Capital Shares are listed and posted for trading on the TSXV and Reservoir Capital is in material compliance with the by-laws, rules and regulations of the TSXV.

3.19 Public Disclosure

All information or documents sent by or on behalf of Reservoir Capital to holders of Reservoir Capital Securities or otherwise filed with regulatory authorities in Canada or the United States do not, as of their respective dates, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and no material change has occurred in relation to Reservoir Capital which is not disclosed in the Reservoir Capital Public Record. Reservoir Capital has not filed any material change reports which continue to be confidential. Reservoir Capital is in material compliance with the filing and certification requirements of each of National Instrument 51-102 (Continuous Disclosure Obligations) and Multilateral Instrument 52-109 (Certificate of Disclosure in Issuers' Annual and Interim Filings).

3.20 No Cease Trade Orders

No Securities Authority or similar regulatory authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Reservoir Capital, no such proceeding is, to the best of the knowledge of Reservoir Capital, pending, contemplated or threatened and Reservoir Capital is not in default of any requirement of any securities laws, rules or policies applicable to Reservoir Capital or its securities.

3.21 Disclosure to Minerals

- (a) The data and information in respect of the Reservoir Capital Entities, the Mining Subsidiaries and the Mining Assets provided by Reservoir Capital or Reservoir Capital's advisors to Minerals or Minerals' advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.
- (b) To the knowledge of Reservoir Capital, Reservoir Capital has not withheld from Minerals any material information or documents concerning the Mining Subsidiaries and the Mining Assets during the course of Minerals' review of the Mining Subsidiaries and the Mining Assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to Minerals by Reservoir Capital pursuant hereto contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.
- (c) Reservoir Capital has disclosed to Minerals any information in its possession of which it is aware regarding any event, circumstance or action taken which could reasonably be expected to have a Material Adverse Effect on the Mining Subsidiaries.

3.22 Litigation

There are: (a) no actions, suits or proceedings pending or to Reservoir Capital's knowledge threatened against Reservoir Capital or the Mining Subsidiaries by any person or before or by any federal, provincial, state, local, foreign, municipal or other governmental department, commission, board, bureau, agency, court or instrumentality, which action, suit or proceeding involves the possibility of any judgment against Reservoir Capital or the Mining Subsidiaries; (b) to the best of Reservoir Capital's knowledge, no grounds upon which any such action, suits or proceedings may be commenced with reasonable likelihood of success; and (c) no actions, suits or proceedings pending or threatened by Reservoir Capital or the Mining Subsidiaries against any person.

3.23 Mineral Property Interests

Other than Permitted Encumbrances and security obligations with respect to its bank indebtedness, all of the interests of Reservoir Capital and each of the Mining Subsidiaries in its Mining Assets (the "**Mining Interests**") are free and clear of adverse claims created by, through or under the Reservoir Capital Entities or the Mining Subsidiaries, except as disclosed in the Reservoir Capital Financial Statements or those arising in the ordinary course of business and that would not have a Material Adverse Effect on the Mining Subsidiaries and, to its knowledge, Reservoir Capital holds the Mining Assets under valid and subsisting licenses, leases, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold the Mining Assets would not have a Material Adverse Effect on the Mining Subsidiaries.

3.24 Title to Mineral Properties

Although it does not warrant title, other than Permitted Encumbrances, Reservoir Capital is not aware of any defects, failures or impairments to the title to the Mining Assets, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which taken together, could reasonably be expected to have a Material Adverse Effect on the Mining Subsidiaries.

3.25 No Encumbrances

Other than Permitted Encumbrances, neither Reservoir Capital nor the Mining Subsidiaries have encumbered or alienated their respective interests in the Mining Assets or agreed to do so and such assets are free and clear of all encumbrances except for or pursuant to: (i) encumbrances securing Reservoir Capital's current credit facility and derivative transactions with the lenders (and other affiliates) thereunder; or (ii) encumbrances arising in the ordinary course of business, which are not material in the aggregate.

3.26 Operation and Condition of Tangibles

Reservoir Capital's tangible depreciable property used or intended for use in connection with the Mining Assets for which Reservoir Capital or any Mining Subsidiary was or is operator, was or has been constructed, operated and maintained in accordance with good and prudent mining industry practices and all applicable Law during all periods in which Reservoir Capital or any Mining Subsidiary was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business.

3.27 Conduct of Operations by Third Parties

To Reservoir Capital's knowledge any and all operations by third parties, on or in respect of the Mining Assets, have been conducted in accordance with good mineral industry practices.

3.28 Outstanding AFEs

Other than as set forth in the Reservoir Capital Disclosure Letter, there are no outstanding authorizations for expenditure pertaining to any of the Mining Assets or any other commitments, approvals or authorizations pursuant to which an expenditure may be required to be made in respect of the Mining Assets after the date of the most recent Reservoir Capital Financial Statements.

3.29 Participation

Neither any Reservoir Capital Entity nor any of the Mining Subsidiaries has elected or refused to participate in any exploration, development or other operations with respect to the Mining Assets which has or may give rise to any penalties, forfeitures or reduction of interest by virtue of any conversion or other alteration occurring under the title and operating documents which govern the Mining Assets.

3.30 Documents of Title

Reservoir Capital has made available to Minerals all Documents of Title and other documents and agreements in its possession affecting the title of Reservoir Capital or the Mining Subsidiaries to the Mining Assets.

3.31 Compliance

To Reservoir Capital's knowledge (it being acknowledged that Reservoir Capital is not under an obligation to contact third parties in respect of the same), neither Reservoir Capital nor any of the Mining Subsidiaries has failed to comply with, perform, observe or satisfy any term, condition, obligation or liability which has heretofore arisen under the provisions of any of title or operating documents or any other agreements and documents to which the Mining Assets are subject, except where the failure would not have a Material Adverse Effect on the Mining Subsidiaries.

3.32 Areas of Mutual Interest

Neither Reservoir Capital nor any of the Mining Subsidiaries is bound by or subject to active area of mutual interest covenants.

3.33 Take or Pay Obligations

Neither Reservoir Capital nor any of the Mining Subsidiaries has any take or pay obligations.

3.34 Operating Limitations

There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which Reservoir Capital or any of the Mining Subsidiaries is a party or by which it is otherwise bound that would now or hereafter in any way limit its business or operations in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of Reservoir Capital or any of the Mining Subsidiaries from engaging in its business or from competing with any person or in any geographic area, transferring or transferring any of the Mining Subsidiaries or the Mining Assets to Minerals.

3.35 Environmental

- (a) Reservoir Capital is not aware of, and has not received, and is not aware of any circumstances which could lead to:
 - (i) any order or directive that relates to environmental matters and that requires any material work, repairs, construction or capital expenditures that is still outstanding; or
 - (ii) any demand or notice with respect to the material breach of any environmental, health or safety laws applicable to Reservoir Capital or the Mining Subsidiaries, including, without limitation, any regulations respecting the use, storage, treatment, transportation, or disposition of environmental contaminants that is still outstanding.
- (b) Reservoir Capital has not received notice of, nor is Reservoir Capital aware of any material environmental liabilities related to the Mining Assets.
- (c) All material environmental and health and safety permits, licences, approvals, consents, certificates and other authorizations of any kind or nature ("**Environmental Permits**") necessary to be held by Reservoir Capital or the Mining Subsidiaries or, to the best of Reservoir Capital's knowledge, any third party for the ownership, operation, development, maintenance, or use of any of the Mining Assets have been obtained and maintained in effect, except for properties or assets of Reservoir Capital for which

Reservoir Capital or the Mining Subsidiaries is not the operator, in which case, to the best of Reservoir Capital's knowledge, all Environmental Permits necessary to be held by Reservoir Capital or a Mining Subsidiary or any third party for the ownership, operation, development, maintenance, or use of any of the Mining Assets have been obtained and maintained in effect.

- (d) Reservoir Capital, the Mining Subsidiaries, the Mining Assets and the ownership, operation, development, maintenance and use of the Mining Assets are in material compliance with all environmental laws and with all material terms and conditions of all Environmental Permits, except for the Mining Assets of Reservoir Capital for which Reservoir Capital or a Mining Subsidiary is not the operator, in which case, to the best of Reservoir Capital's knowledge, the ownership, operation, development, maintenance and use of those Mining Assets are in material compliance with all environmental laws and with all material terms and conditions of all Environmental Permits.
- (e) There are no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes by Reservoir Capital, its associates or affiliates or the Mining Subsidiaries, which have not been rectified, on any of the Mining Assets owned or leased by Reservoir Capital or the Mining Subsidiaries or in which Reservoir Capital or the Mining Subsidiaries has an interest or over which Reservoir Capital or the Mining Subsidiaries has control (except for any such spills, releases, deposits or discharges which, in aggregate, would not have a Material Adverse Effect on Reservoir Capital or the Mining Subsidiaries or such spills, releases, deposits), except for the Mining Assets of Reservoir Capital for which such Reservoir Capital or a Mining Subsidiary is not the operator, in which case, to the best of Reservoir Capital's knowledge, there are no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes, which have not been rectified, on any of those properties or assets (except for any such spills, releases, deposits or discharges which, in aggregate, would not have a Material Adverse Effect on Reservoir Capital) for the period(s) that Reservoir Capital, its associates or affiliates or the Mining Subsidiaries have owned, leased or had an interest in such properties or assets.

3.36 Tax Matters

- (a) Each of Reservoir Capital and the Mining Subsidiaries have (i) timely filed (or there have been filed on their behalf) with the appropriate Governmental Authority all material Tax Returns required to be filed by them (giving effect to all extensions) on or prior to the date hereof, and such Tax Returns are true, correct and complete in all material respects, and (ii) timely paid in full or made provision in accordance with GAAP (or there has been paid or provision has been made on their behalf) for the payment of all material Taxes (whether or not reflected on a Tax Return) for all periods ending through the date hereof.
- (b) There are no liens for Taxes upon any property or assets of Reservoir Capital or any Mining Subsidiary, except for liens for Taxes not yet due and for which adequate reserves have been established in accordance with GAAP.
- (c) There are no federal, state, local, or foreign audits, investigations, claims, suits or other proceedings presently existing, pending or threatened with regard to any material Taxes or Tax Returns of Reservoir Capital or the Mining Subsidiaries and none of Reservoir Capital or any of the Mining Subsidiaries have received any written notice of any material proposed claim, audit, investigation, claim, suit or proceeding with respect to Taxes.

- (d) There are no outstanding requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any material Taxes of the filing of any material Tax Returns, designations or similar filings related to Taxes of Reservoir Capital or any of the Mining Subsidiaries, and no power of attorney granted by either Reservoir Capital or any of the Mining Subsidiaries with respect to any material Taxes is currently in force.
- (e) The Reservoir Capital Financial Statements reflect an adequate reserve, in accordance with GAAP, for all Taxes payable by Reservoir Capital and the Mining Subsidiaries accrued through the date of such Financial Statements, whether or not shown as being due on any Tax Returns and neither Reservoir Capital nor any of the Mining Subsidiaries has incurred any material Taxes since the date of such statements other than in the ordinary course of business.
- (f) Reservoir Capital and each of the Mining Subsidiaries have paid, collected, withheld or remitted, or caused to be paid, collected, withheld or remitted, all taxes that are due and payable, collectible and remittable in each case, except for any such Tax Returns or Taxes the non-filing or non-payment of which are being contested in good faith.
- (g) Each of Reservoir Capital and each of the Mining Subsidiaries is resident in the jurisdiction in which it was formed, and in no other jurisdiction, for purposes of the tax legislation in that jurisdiction in which it was formed and any relevant income tax treaty or convention.

3.37 Guarantees

Reservoir Capital is not a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to their bylaws and standard indemnity agreements and pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person.

3.38 U.S. Matters

- (a) Reservoir Capital, including all entities “controlled by” Reservoir Capital for purposes of the United States *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, as amended, currently holds no assets (on a fair market value basis) located in the United States and had no sales in or into the United States in its most recently completed fiscal year; and
- (b) Reservoir Capital is a “foreign private issuer” as defined in Rule 3b-4 under the 1934 Act; and
- (c) Reservoir Capital is not registered or required to be registered as an investment company under the United States *Investment Company Act of 1940*, as amended; and
- (d) Reservoir Capital does not have a class of securities registered or required to be registered under Section 12 of the 1934 Act, as amended, or a reporting obligation under Section 15(d) of the *U.S. Exchange Act*.

3.39 Investment Canada Act

Reservoir Capital is not a “non-Canadian” within the meaning of the *Investment Canada Act* (Canada).

3.40 Information Circular

The information, data and other material (financial or otherwise) in respect of Reservoir Capital to be included in the Information Circular will be complete and correct in all material respects at the date thereof and will not contain any misrepresentations or any untrue statement of a material fact in respect of Reservoir Capital and will not omit to state a material fact in relation to Reservoir Capital necessary to make such information not misleading in light of the circumstances under which it is presented.

3.41 No Default Under Lending Agreements

There is no event of default or breach of any covenant under Reservoir Capital's existing banking and lending agreements.

3.42 No Net Profits or Other Interests

No officer, director, employee or any other person not dealing at arm's length with the Reservoir Capital or any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the Mining Assets or any revenue or rights attributed thereto.

3.43 Non-Arm's Length Debt

No director, officer, insider or other non-arm's length party to Reservoir Capital of the Mining Subsidiaries is indebted to the Mining Subsidiaries and no Mining Subsidiary is a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities, (contingent or otherwise) or indebtedness of any person, firm or corporation.

3.44 Voting Arrangements

Neither Reservoir Capital nor, to the best of Reservoir Capital's knowledge, any of the Reservoir Capital Securityholders is a party to any unanimous shareholder agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Reservoir Capital.

3.45 Insurance

The policies of insurance in force at the date hereof naming Reservoir Capital or the Mining Subsidiaries as an insured and as disclosed in the Reservoir Capital Disclosed Information adequately covers all risks reasonably and prudently foreseeable in the operation and conduct of the business of Reservoir Capital which would be customary in the business carried on by Reservoir Capital or the Mining Subsidiaries in connection with the Mining Assets, and to the knowledge of Reservoir Capital, all such policies and insurance remain in force and effect and should not be cancelled or otherwise terminated as a result of the transactions contemplated herein.

3.46 No Claims

There is no claim, action, proceeding or investigation pending or, to the knowledge of Reservoir Capital, threatened against or relating to Reservoir Capital or the Mining Subsidiaries or affecting any of their respective properties or assets before any Governmental Authority that, if adversely determined, is likely to prevent or materially delay consummation of the transactions contemplated by this Agreement or the Arrangement, nor is Reservoir Capital aware of any basis of any such claim, action, proceeding or investigation. Neither Reservoir Capital nor any of the Mining Subsidiaries is not subject to any outstanding order, injunction or decree that is reasonably likely to prevent or materially delay consummation of the transaction contemplated by this Agreement or the Arrangement.

3.47 Location of Owned Real Property and Leased Real Property

The Reservoir Capital Disclosure Letter sets forth the municipal addresses of all the real property owned (the “**Mining Subsidiaries Owned Real Property**”) or leased (the “**Mining Subsidiaries Leased Real Property**”) by the Mining Subsidiaries and, in the case of Mining Subsidiaries Owned Real Property, all indebtedness secured against it. Except as set forth in the Reservoir Capital Disclosure Letter, the Mining Subsidiaries (a) do not own or lease and has not agreed to acquire or lease any real property or interest in real property other than the Mining Subsidiaries Owned Real Property and the Mining Subsidiaries Leased Real Property.

3.48 Intellectual Property

- (a) The Mining Subsidiaries own, or is validly licensed or otherwise have the right to use, all patents, patent rights, trademarks, trade names, service marks, industrial designs, design patents, copyrights, know how and other proprietary industrial or intellectual property industrial or rights that are used in their businesses;
- (b) the use by the Mining Subsidiaries of its trademarks, trade names, service marks, copyrights, industrial designs, patents, design patents, know how and other industrial or intellectual property and all applications therefor (“**Applicable IP**”) does not infringe upon or breach the industrial or intellectual property rights of any other person; and
- (c) none of the Mining Subsidiaries has commenced legal proceedings against any person relating to an infringement by such person of any Applicable IP,

except in each case to the extent that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Mining Subsidiaries.

3.49 Corrupt Practices

Neither Reservoir Capital nor any of the Mining Subsidiaries has, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Entity of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other Law of any relevant jurisdiction covering a similar subject matter applicable to Reservoir Capital or any of the Mining Subsidiaries and their respective operations and have instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF MINERALS

Minerals hereby represents and warrants to Reservoir Capital as follows and acknowledges that Reservoir Capital is relying upon such representations and warranties in connection with the entering into of this Agreement and the performance of its obligations hereunder.

4.1 Organization and Qualification

Minerals is a corporation duly incorporated and validly existing under the laws of British Columbia and has the requisite corporate power and authority to carry on its business as it is now being conducted. Each of the Minerals Entities are duly registered to do business and is in good standing in

each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Minerals.

4.2 Subsidiaries

Other than Minerals BVI, Minerals has no direct or indirect, wholly-owned or partially-owned subsidiaries.

Except as set forth in the Minerals Disclosure Letter and pursuant to this Agreement, Minerals does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person and Minerals does not have any agreements to acquire any other business operations.

4.3 Authority Relative to this Agreement

Minerals has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Minerals of the transactions contemplated hereby have been duly authorized by the Minerals Board and no other corporate proceedings or other third party consents on the part of Minerals are or will be necessary to authorize the performance of its obligations under this Agreement (except for obtaining TSXV approvals in respect of the listing of the Minerals Shares to be issued in connection with the Arrangement) and the completion of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Minerals and constitutes a legal, valid and binding obligation of Minerals enforceable against Minerals in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to the general principles of equity.

4.4 No Violations

- (a) The execution and delivery of, and the performance of and compliance with, the terms of this Agreement and the performance of any of the transactions contemplated hereby by Minerals does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any term or provision of the Minerals Governing Documents or any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which Minerals is a party or by which Minerals is bound, or any law, judgement, decree, order, statute, rule or regulation applicable to Minerals, which default or breach might reasonably be expected to have a Material Adverse Effect on Minerals or the ability of Minerals to complete the transactions contemplated hereby.
- (b) There is no legal impediment to Minerals' consummation of the transactions contemplated by this Agreement and no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required by Minerals in connection with the transactions contemplated hereby, except for: (i) consents or approvals required by the Interim Order or the Final Order; (ii) filings with and approvals required by Securities Authorities; (iii) any other consent, waiver, permit, order or approval referred to in Section 8.1 hereof; and (iv) such filings or registrations which, if not made, or such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of Minerals to consummate the transactions contemplated hereby.

4.5 Capitalization

As of the date hereof, the authorized capital of Minerals consists of an unlimited number of: (a) Minerals Shares; and (b) preferred shares, issuable in series, of which 1,900,100 Minerals Shares and no preferred shares are issued and outstanding. As of the date hereof: (i) 14,776,150 Mineral Subscription Receipts are outstanding; and (ii) Minerals Options to acquire an aggregate of nil Minerals Shares are outstanding. Except for Minerals Options to acquire an aggregate of 2,025,000 Minerals Shares at a price of \$0.65 per share to be issued at or prior to the closing of the Arrangement and other than pursuant to this Agreement and the Minerals Subscription Receipts, there are no options, warrants or other rights, agreements or commitments of any character whatsoever (contingent or otherwise) requiring the issuance, sale or transfer by Minerals of any Minerals Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire Minerals Shares, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Minerals. All outstanding Minerals Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all Minerals Shares issuable upon exercise of convertible securities to acquire Minerals Shares in accordance with their terms will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

4.6 Board Approval

The Minerals Board has unanimously approved the Arrangement, the entering into of this Agreement and the issuance of Minerals Shares pursuant to the Arrangement.

4.7 No Material Adverse Change and Other Matters

Other than as disclosed in the Minerals Disclosed Information: (i) Minerals has not amended the Minerals Governing Documents; (ii) no Minerals Entity has disposed of any property or assets out of the ordinary course of business; (iii) each Minerals Entity has conducted its business in all material respects in the usual, ordinary and regular course and consistent with past practice; (iv) Minerals has not suffered any Material Adverse Change or any occurrences or circumstances which have resulted or might reasonably be expected to result in a Material Adverse Change in Minerals; (v) Minerals has not made any change in its accounting principles and practices as theretofore applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained; (vi) each Minerals Entity has maintained in effect salary and other compensation levels in accordance with its then existing salary administration program; or (vii) Minerals has not entered into any agreement or transactions with any director, officer, employee, consultant or any party not at arm's length with Minerals.

4.8 No Undisclosed Material Liabilities

Except: (a) as disclosed or reflected in the Minerals Financial Statements, or as set forth or included in the Minerals Disclosed Information; and (b) for liabilities and obligations: (i) incurred in the ordinary course of business and consistent with past practice; or (ii) pursuant to the terms of this Agreement, no Minerals Entity has incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by Canadian GAAP to be reflected on a balance sheet of Minerals) that have constituted or would be reasonably likely to constitute a Material Adverse Change in Minerals.

4.9 Books and Records

The corporate records and minute books of the Minerals Entities have been maintained in accordance with all applicable statutory requirements and are complete and up to date in all material respects.

4.10 Financial Statements

Minerals' audited consolidated financial statements as at and for the period ended July 31, 2011, (the "**Minerals Financial Statements**") have been prepared in accordance with IFRS (except as otherwise indicated in such financial statements and the notes thereto) and fairly present the financial position, results of operations and changes in financial position of Minerals as of the dates thereof and for the periods indicated (subject, in the case of any unaudited financial statements, to year-end audit adjustments in accordance with IFRS) except that the Promissory Note has been drawn down by Minerals in the amount of \$100,000.

4.11 Compliance with Law

Each Minerals Entity has complied with and is in compliance with all Laws and regulations applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, give rise to a Material Adverse Effect on Minerals or materially affect the ability of Minerals to perform its obligations hereunder.

4.12 Material Agreements

All agreements, permits, licences, approvals, certificates or other rights or authorizations material to the conduct of the Minerals Entities' businesses are valid and subsisting and the Minerals Entities are not in material default under any such agreements, permits, licences, approvals, certificates and other rights and authorizations, except where a failure to hold such licences or the result of any such default would not have a Material Adverse Effect on Minerals or materially affect or delay the ability of Minerals to perform its obligations hereunder.

4.13 Employment Matters

Minerals is not a party to any written employment or consulting agreement or any oral employment or consulting agreement which cannot be terminated without cause upon giving such notice as may be required by law and without the payment of any additional amount or any written agreement that provides for a payment by Minerals on a change of control or severance of employment.

4.14 Reporting Issuer Status

Minerals is not a "reporting issuer" or the equivalent under applicable securities laws.

4.15 Listing Status

The issued and outstanding Minerals Shares are not listed and posted for trading on a stock exchange.

4.16 Public Disclosure

All information or documents sent by or on behalf of Minerals to holders of Minerals Shares or otherwise filed with regulatory authorities in Canada or the United States do not, as of their respective dates, confirm any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.17 No Cease Trade Orders

No Securities Authority or similar regulatory authority in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Minerals,

no such proceeding is, to the knowledge of Minerals, pending, contemplated or threatened and Minerals is not in default of any requirement of any securities Laws, rules or policies applicable to Minerals or its securities.

4.18 Disclosure to Reservoir Capital

- (a) The data and information in respect of the Minerals Entities and their assets, liabilities, business and operations provided by Minerals or Minerals' advisors to Reservoir Capital or Reservoir Capital's advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.
- (b) To the knowledge of Minerals, Minerals has not withheld from Reservoir Capital any material information or documents concerning the Minerals Entities or their assets or liabilities during the course of Reservoir Capital's review of Mineral's assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to Reservoir Capital by Minerals pursuant hereto contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.
- (c) Minerals has disclosed to Reservoir Capital any information in its possession of which it is aware regarding any event, circumstance or action taken which could reasonably be expected to have a Material Adverse Effect on Minerals.

4.19 Litigation

There are: (a) no actions, suits or proceedings pending or to Minerals' knowledge threatened against any Minerals Entity by any person or before or by any federal, provincial, state, local, foreign, municipal or other governmental department, commission, board, bureau, agency, court or instrumentality, which action, suit or proceeding involves the possibility of any judgment against any Minerals Entity; (b) to the best of Minerals' knowledge, no grounds upon which any such action, suits or proceedings may be commenced with reasonable likelihood of success; and (c) no actions, suits or proceedings pending or threatened by a Minerals Entity against any person.

4.20 Tax Matters

- (a) Each of Minerals and Minerals BVI have (i) timely filed (or there have been filed on their behalf) with the appropriate Governmental Authority all material Tax Returns required to be filed by them (giving effect to all extensions) on or prior to the date hereof, and such Tax Returns are true, correct and complete in all material respects, and (ii) timely paid in full or made provision in accordance with IFRS (or there has been paid or provision has been made on their behalf) for the payment of all material Taxes (whether or not reflected on a Tax Return) for all periods ending through the date hereof.
- (b) There are no liens for Taxes upon any property or assets of Minerals or Minerals BVI, except for liens for Taxes not yet due and for which adequate reserves have been established in accordance with IFRS.
- (c) There are no federal, state, local, or foreign audits, investigations, claims, suits or other proceedings presently existing, pending or threatened with regard to any material Taxes or Tax Returns of Minerals or Minerals BVI and neither Minerals nor Minerals BVI have

received any written notice of any material proposed claim, audit, investigation, claim, suit or proceeding with respect to Taxes.

- (d) There are no outstanding requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any material Taxes of the filing of any material Tax Returns, designations or similar filings related to Taxes of Minerals or Minerals BVI, and no power of attorney granted by either Minerals or Minerals BVI with respect to any material Taxes is currently in force.
- (e) The Minerals Financial Statements reflect an adequate reserve, in accordance with IFRS, for all Taxes payable by Minerals and Minerals BVI accrued through the date of such Financial Statements, whether or not shown as being due on any Tax Returns and neither Minerals nor Minerals BVI has incurred any material Taxes since the date of such statements other than in the ordinary course of business.
- (f) Minerals and Minerals BVI have each paid, collected, withheld or remitted, or caused to be paid, collected, withheld or remitted, all taxes that are due and payable, collectible and remittable in each case, except for any such Tax Returns or Taxes the non-filing or non-payment of which are being contested in good faith.
- (g) Each of Minerals and Minerals BVI is resident in the jurisdiction in which it was formed, and in no other jurisdiction, for purposes of the tax legislation in that jurisdiction in which it was formed and any relevant income tax treaty or convention.

4.21 No Default Under Lending Agreements

There is no event of default or breach of any covenant under Minerals' existing banking and lending agreements.

4.22 No Net Profits or Other Interests

No officer, director, employee or any other person not dealing at arm's length with the Minerals Entities or any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of a Minerals Entity or any revenue or rights attributed thereto.

4.23 Non-Arm's Length Debt

No director, officer, insider or other non-arm's length party to the Minerals Entities is indebted to any Minerals Entity and no Minerals Entity is a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities, (contingent or otherwise) or indebtedness of any person, firm or corporation.

4.24 Information Circular

The information, data and other material (financial or otherwise) in respect of Minerals to be provided to Reservoir Capital for inclusion in the Information Circular will be complete and correct in all material respects at the date thereof and will not contain any misrepresentations or any untrue statement of a material fact in respect of Minerals and will not omit to state a material fact in relation to Minerals necessary to make such information not misleading in light of the circumstances under which it is presented.

4.25 Minerals Shares

All Minerals Shares to be issued pursuant to and in accordance with the Arrangement will be duly and validly issued as fully paid and non-assessable common shares.

ARTICLE 5 **CONDUCT OF BUSINESS**

5.1 Conduct of Business

- (a) Subject to Article 6, Reservoir Capital covenants and agrees that, during the period from the date of this Agreement until the earlier of: (i) the Effective Time; or (ii) the date that this Agreement is terminated, except as required by Law or as otherwise expressly permitted or specifically contemplated by this Agreement or except with the written consent of the other Party (not to be unreasonably withheld):
- (i) Reservoir Capital shall conduct the Mineral Exploration Business only in the usual and ordinary course of business and consistent with past practice, and it shall use all commercially reasonable efforts to maintain and preserve its Mineral Exploration Business, Mining Assets and advantageous business relationships in connection therewith, provided that it shall be entitled and authorized to comply with all pre-emptive rights, first purchase rights or rights of first refusal that are applicable to its Mining Assets and become operative by virtue of this Agreement or any of the transactions contemplated by this Agreement;
 - (ii) Reservoir Capital shall not take any action, refrain from taking any action (subject to its commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would have a Material Adverse Effect on Reservoir Capital, the Mining Subsidiaries or the Mining Assets, provided that where Reservoir Capital is required to take any such action or refrain from taking such action (subject to its commercially reasonable efforts) as a result of this Agreement, it shall immediately notify Minerals in writing of such circumstances; and
 - (iii) Reservoir Capital shall refrain from taking any action that would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.
- (b) Minerals covenants and agrees that, during the period from the date of this Agreement until the earlier of: (i) the Effective Time; or (ii) the date that this Agreement is terminated, except as required by law or as otherwise expressly permitted or specifically contemplated by this Agreement or except with the written consent of the other Party (not to be unreasonably withheld):
- (i) Minerals shall conduct its business only in the usual and ordinary course of business and consistent with past practice, and shall use all commercially reasonable efforts to maintain and preserve its business, assets, employees and advantageous business relationships, provided that it shall be entitled and authorized to comply with all pre-emptive rights, first purchase rights or rights of first refusal that are applicable to its assets and become operative by virtue of this Agreement or any of the transactions contemplated by this Agreement;

- (ii) Minerals shall not take any action, refrain from taking any action (subject to its commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would have a Material Adverse Effect on Minerals, provided that where Minerals is required to take any such action or refrain from taking such action (subject to its commercially reasonable efforts) as a result of this Agreement, Minerals shall immediately notify Reservoir Capital in writing of such circumstances; and
- (iii) Minerals shall refrain from taking any action that would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect,

provided that Minerals may carry out any financings or arm's length third party business combinations or asset acquisitions which the Minerals Board believe to be in the best interest of Minerals.

5.2 Integration of Operations

- (a) From the date hereof, Minerals and its respective representatives will be permitted reasonable access to the Reservoir Capital's offices and management personnel to permit them to be in a position to expeditiously integrate the business and operations of Reservoir Capital with those of Minerals immediately upon but not prior to, the Effective Time, provided the activities of either Party pursuant to this Section 5.2 do not cause any unreasonable disruptions to Reservoir Capital's business or operations prior to the Effective Time and all such disclosure shall still be subject to Section 10.1.
- (b) Reservoir Capital shall provide Minerals with all information reasonably necessary relating to its Mineral Exploration Business and affairs, including access to officers, employees and field sites which Minerals may reasonably require in connection with the transaction contemplated hereby, which information shall be and remain subject to Section 10.1. Reservoir Capital shall conduct itself so as to keep Minerals fully informed as to its Mineral Exploration Business and affairs and as to decisions required with respect to the most advantageous methods for supplying, operating and producing from the Mining Assets and shall co-operate with the other in respect thereof.

ARTICLE 6 **COVENANTS OF RESERVOIR CAPITAL**

6.1 Interim Order

As soon as reasonably practicable, Reservoir Capital shall file, proceed with and diligently prosecute an application to the Court for the Interim Order on terms and conditions acceptable to Minerals and Reservoir Capital, acting reasonably.

6.2 Reservoir Capital Meeting

In a timely and expeditious manner, Reservoir Capital shall:

- (a) use its commercially reasonable efforts to carry out such terms of the Interim Order as are required under the terms thereof to be carried out by Reservoir Capital, provided that nothing shall require Reservoir Capital to consent to any modifications of this

Agreement, the Plan of Arrangement or any of the obligations of Reservoir Capital hereunder or thereunder;

- (b) prepare, in consultation with Minerals, and file the Information Circular in all jurisdictions where the Information Circular is required to be filed and mail the Information Circular, as ordered by the Interim Order and in accordance with all applicable Laws, in all jurisdictions where the Information Circular is required to be mailed, complying in all material respects with all applicable Laws on the date of mailing thereof and containing full, true and plain disclosure of all material facts relating to the Arrangement and Minerals (subject to provision of same by Minerals) and not containing any misrepresentation (as defined under applicable securities Laws) with respect thereto and which Information Circular shall include: (i) the unanimous determination of the Reservoir Capital Board that the Arrangement is fair, from a financial point of view, to Reservoir Capital Shareholders, and in the best interests of Reservoir Capital; (ii) the unanimous recommendation of the Reservoir Capital Board that the Reservoir Capital Shareholders vote in favour of the Arrangement; and (iii) the unanimous approval of the Reservoir Capital Board of the Arrangement and the entering into of this Agreement;
- (c) convene the Meeting as soon as practicable and in any event no later than, October 11, 2011 as ordered by the Interim Order;
- (d) provide notice to Minerals of the Meeting and allow representatives of Minerals to attend the Reservoir Capital Meeting unless such attendance is prohibited by the Interim Order;
- (e) solicit proxies to be voted at the Meeting in favour of the Arrangement;
- (f) promptly advise Minerals of the number of Reservoir Capital Securities for which Reservoir Capital receives notices of dissent or written objections to the Arrangement and provide Minerals with copies of such notices and written objections;
- (g) conduct the Meeting in accordance with the Interim Order, the BCBCA, the Reservoir Capital Governing Documents and as otherwise required by applicable Laws; and
- (h) take all such actions as may be required under the BCBCA in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.

6.3 Amendments

In a timely and expeditious manner, Reservoir Capital shall prepare, in consultation with Minerals, and file any mutually agreed (or otherwise required by applicable Laws) amendments or supplements to the Information Circular with respect to the Meeting and mail such amendments or supplements, as required by the Interim Order and in accordance with all applicable Laws, in all jurisdictions where such amendments or supplements are required to be mailed, complying in all material respects with all applicable legal requirements on the date of mailing thereof.

6.4 Final Order

Subject to the approval of the Arrangement at the Meeting, in accordance with the provisions of the Interim Order, Reservoir Capital shall forthwith file, proceed with and diligently prosecute an application for the Final Order.

6.5 Closing of Arrangement

Reservoir Capital shall use commercially reasonable efforts to forthwith carry out the terms of the Interim Order and the Final Order and no later than the Business Day following the receipt of the Final Order and the satisfaction or waiver of the conditions in favour of Minerals and Reservoir Capital to be agreed by Reservoir Capital and Minerals have the Arrangement become effective.

6.6 Copy of Documents

Except for non-substantive communications, Reservoir Capital shall, as soon as reasonably possible, furnish to Minerals a copy of each notice, report, schedule or other document or communication delivered, filed or received by Reservoir Capital in connection with the Arrangement, the Interim Order or the Meeting or any other meeting at which Reservoir Capital Securityholders are entitled to attend, any filings under applicable Laws and any dealings with a Governmental Authority in connection with, or in any way affecting, the transactions contemplated in this Agreement.

6.7 Insurance

Reservoir Capital shall use its reasonable commercial efforts to cause its current insurance (or reinsurance) policies with respect to the Mining Subsidiaries and the Mining Assets not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

6.8 Certain Actions by Reservoir Capital

- (a) Reservoir Capital shall not, except in connection with an internal reorganization of Reservoir Capital, implemented in conjunction with the Arrangement or as contemplated in this Agreement or except as previously disclosed in writing or otherwise without prior consultation with and the consent of Minerals, such consent not to be unreasonably withheld directly or indirectly: (i) declare, set aside or pay any dividend or make any other distribution or payment (whether in cash, securities or property) in respect of its outstanding shares; (ii) issue or agree to issue securities (including Reservoir Capital Convertible Securities), other than the issuance of Reservoir Capital Shares pursuant to the exercise of currently outstanding rights to acquire Reservoir Capital Shares or to employees hired after the date hereof in a manner consistent with past practice; (iii) redeem, purchase or otherwise acquire any of its outstanding securities or other securities; (iv) split, combine or reclassify any of its securities; (v) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; or (vi) enter into or modify any contract, agreement, commitment or arrangement specifically with respect to any of the foregoing.
- (b) Reservoir Capital shall not, except as previously disclosed in writing or otherwise without prior consultation with and the consent of Minerals, such consent not to be unreasonably withheld, directly or indirectly: (i) sell, pledge, dispose of or encumber any Mining Assets having a value in excess of \$100,000; (ii) expend or commit to expend more than \$100,000 individually or in the aggregate with respect to any capital expenditures with respect to the Mining Assets beyond the budget disclosed in writing to Minerals; (iii) expend or commit to expend any amounts with respect to any operating expenses other than in the ordinary course of Mineral Exploration Business; (iv) have the Mining Subsidiaries acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division

thereof which is not a subsidiary or affiliate of such party, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer; (v) acquire assets with an acquisition cost in excess of \$100,000 individually or in the aggregate beyond the budget disclosed in writing to Minerals; (vi) have the Mining Subsidiaries incur any indebtedness for borrowed money in excess of existing credit facilities, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances; (vii) have the Mining Subsidiaries authorize, recommend or propose any release or relinquishment or any material contract right; (viii) have the Mining Subsidiaries waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material licence, lease, contract, production sharing agreement, government land concession or other material document; (ix) have the Mining Subsidiaries enter into or terminate any hedges, swaps or other financial instruments or like transactions; or (x) have the Mining Subsidiaries authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing.

- (c) Reservoir Capital shall cause the Mining Subsidiaries to not: (i) grant any officer, director, consultant, or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements for any directors, officers, consultants or employees; (iv) enter into or amend any, written or oral, employment or consulting agreement; (v) amend any incentive plan or the terms of any outstanding rights thereunder; or (vi) advance any loan to any officer, consultant, director or any other party not at arm's length.
- (d) Reservoir Capital shall cause the Mining Subsidiaries to not adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance (except that Reservoir Capital may put in place "trailing" or "run-off" directors' and officers' liability insurance for all present and former directors and officers of the Mining Subsidiaries, which shall be for not more than a period of three years, with substantially the same coverage and amounts containing substantially similar terms and conditions as the Mining Subsidiaries current directors' and officers' liability insurance), incentive compensation, other compensation or other similar plan, agreement, stock incentive or purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements.
- (e) Reservoir Capital shall use all commercially reasonable efforts to obtain receipt of the consents of any and all lenders to Reservoir Capital whose consent is required to prevent a default or any event that with the passage of time may constitute an event of default thereunder, to the transactions contemplated herein.
- (f) Reservoir Capital shall forthwith respond to any inquiries of Minerals with respect to material operational matters of the Mining Subsidiaries and the Mining Assets and Reservoir Capital shall advise Minerals of any activities of Reservoir Capital that are outside the ordinary course of business.
- (g) Reservoir Capital shall promptly notify Minerals of: (i) any Material Adverse Change in Reservoir Capital, the Mining Subsidiaries or the Mining Assets or any change which could reasonably be expected to become a Material Adverse Change in respect of Reservoir Capital, the Mining Subsidiaries and the Mining Assets; (ii) any material

Governmental Authority or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated); (iii) any breach by Reservoir Capital of any covenant or agreement contained in this Agreement; and (iv) any event occurring subsequent to the date hereof that would render any representation or warranty of Reservoir Capital contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or incorrect in any material respect.

- (h) Reservoir Capital shall not amend or allow the amendment of the Fairness Opinion Agreement without the prior written consent of Minerals.

6.9 No Compromise

Reservoir Capital shall not settle or compromise any claim brought by any present, former or purported holder of any securities of the Mining Subsidiaries in connection with the transactions contemplated by this Agreement prior to the Effective Time without the prior written consent of Minerals, such consent not to be unreasonably withheld or delayed.

6.10 Satisfaction of Conditions

Reservoir Capital shall use all commercially reasonable efforts to satisfy or cause the satisfaction of the conditions precedent to its obligations and the obligations of Minerals hereunder set forth in Article 8 hereof to the extent the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

- (a) seek the approval of Reservoir Capital Shareholders to the Arrangement, subject to the proviso set forth in Section 6.13 hereof;
- (b) obtain all consents, approvals and authorizations as are required to be obtained by it under any applicable Law or from any Governmental Authority or Securities Authorities which would, if not obtained, materially impede the completion of the transactions contemplated hereby or have a Material Adverse Effect on Reservoir Capital, the Mining Subsidiaries or the Mining Assets;
- (c) effect all necessary registrations, filings and submissions of information requested by a Governmental Authority or Securities Authorities required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any Party before any Governmental Authority or Securities Authorities;
- (d) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby;
- (e) fulfil all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by Reservoir Capital; and
- (f) co-operate with Minerals in connection with the performance by Minerals of its obligations hereunder.

6.11 Co-operation

Reservoir Capital shall make, or co-operate as necessary in the making of, all other necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

6.12 Closing Documents

Reservoir Capital shall execute and deliver, deliver or cause to be delivered at the closing of the transactions contemplated hereby such customary certificates, resolutions and other closing documents as may be required by the other Parties, acting reasonably.

6.13 Non-Solicitation

- (a) Reservoir Capital shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any advisors or other parties on its behalf), if any, with any third parties conducted before the date of this Agreement with respect to any Acquisition Proposal and shall immediately request the return or destruction of all information provided to any third parties who have entered into a confidentiality agreement with such party relating to an Acquisition Proposal and shall use all reasonable commercial efforts to ensure that such requests are honoured.
- (b) During the period from execution of this Agreement to the earlier of the Effective Time and the date of termination of this Agreement, Reservoir Capital shall not, directly or indirectly, do or authorize or permit any of its officers, directors or employees or any financial advisor, expert or other representative retained by it to do, any of the following:
 - (i) solicit, facilitate, initiate or encourage any Acquisition Proposal;
 - (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish to any other person any information with respect to its business, properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person to do or seek to do any of the foregoing;
 - (iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements, including, without limitation, any “standstill provisions” thereunder; or
 - (iv) accept, recommend, approve or enter into an agreement to implement an Acquisition Proposal,

provided, however, that notwithstanding any other provision hereof, Reservoir Capital and its officers, directors and advisers may:

- (v) enter into or participate in any discussions or negotiations with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the date of this Agreement, by Reservoir Capital or any of its officers, directors or employees or any financial advisor, expert or other representative retained by Reservoir Capital) seeks to initiate such discussions or negotiations and, subject

to execution of a confidentiality agreement containing confidentiality provisions substantially similar to the confidentiality provisions contained in this Agreement (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to Minerals as set out below), may furnish to such third party information concerning Reservoir Capital and its business, properties and assets, in each case if, and only to the extent that:

- (A) the third party has first made a written bona fide Acquisition Proposal which the Reservoir Capital Board determines in good faith: (1) that funds or other consideration necessary for the Acquisition Proposal are or are likely to be available; (2) (after consultation with its advisors) would, if consummated in accordance with its terms, result in a transaction financially superior for securityholders of Reservoir Capital than the transaction contemplated by this Agreement; and (3) after receiving the advice of outside counsel as reflected in minutes of the Reservoir Capital Board, that the taking of such action is appropriate for the Reservoir Capital Board in discharge of its fiduciary duties under applicable Laws (a “**Superior Proposal**”); and
- (B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party, Reservoir Capital provides prompt notice to Minerals to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such person or entity together with a copy of the confidentiality agreement referenced above and if not previously provided to Minerals, subject to applicable privacy laws, copies of all information provided to such third party concurrently with the provision of such information to such third party, and provided further that Reservoir Capital shall notify Minerals in writing of any inquiries, offers or proposals with respect to a Superior Proposal (which written notice shall include, without limitation, a copy of any such proposal (and any amendments or supplements thereto), the identity of the person making it, if not previously provided to Minerals, copies of all information provided to such third party and all other information reasonably requested by Minerals), within 24 hours of the receipt thereof, shall keep Minerals informed of the status and details of any such inquiry, offer or proposal and answer Minerals’ questions with respect thereto; or
 - (vi) comply with Multilateral Instrument 62-104 - *Take-Over Bids and Issuer Bids* and similar provisions under applicable Canadian securities Laws relating to the provision of directors’ circulars and make appropriate disclosure with respect thereto to its securityholders; and
 - (vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation, the Reservoir Capital Board has concluded in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 6.13(c) and after receiving the advice of outside counsel as reflected in minutes of the Reservoir Capital Board, that the taking of such action is appropriate for the Reservoir Capital Board in discharge of its fiduciary duties under applicable Laws and Reservoir Capital complies with its obligations set forth in Section 6.13(c).
- (c) Upon receipt by Reservoir Capital of a Superior Proposal, Reservoir Capital shall give Minerals, orally and in writing, at least 72 hours advance notice of any decision by the Reservoir Capital Board to accept, recommend, approve or enter into an agreement to

implement a Superior Proposal, which notice is to: (i) confirm that the Reservoir Capital Board has determined that such Acquisition Proposal constitutes a Superior Proposal; (ii) identify the third party making the Superior Proposal; and (iii) Reservoir Capital shall provide a true and complete copy thereof and any amendments thereto to Minerals. During such 72 hours period, Reservoir Capital agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In addition, during such 72 hours period Reservoir Capital shall and shall cause its financial and legal advisors to, negotiate in good faith with Minerals and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable Reservoir Capital to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Minerals proposes to amend this Agreement and the Arrangement to provide that the holders of the Reservoir Capital Shares are to receive a value per Reservoir Capital Share equal to or having a value greater than the value per Reservoir Capital Share provided in the Superior Proposal and so advises the Reservoir Capital Board prior to the expiry of such 72 hours Day period, the Reservoir Capital Board shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement.

- (d) Minerals agrees that all information that may be provided to it by Reservoir Capital with respect to any Superior Proposal pursuant to this Section 6.13 shall be subject to Section 10.1 and shall not be disclosed or used except in accordance with the provisions of this Agreement or in order to enforce its rights under this Agreement in legal proceedings.
- (e) Reservoir Capital shall ensure that its officers, directors and employees and any investment bankers or other advisers or representatives retained by it are aware of the provisions of this Section 6.13. Minerals shall be responsible for any breach of this Section 6.13 by its officers, directors, employees, investment bankers, advisers or representatives, and Reservoir Capital shall be responsible for any breach of this Section 6.13 by its officers, directors, employees, investment bankers, advisers or representatives.

ARTICLE 7

COVENANTS OF MINERALS

7.1 Minerals Assistance

In a timely and expeditious manner, Minerals shall:

- (a) use its commercially reasonable efforts to carry out such terms of the Interim Order and Final Order as applicable to it and will use its reasonable commercial efforts to assist Reservoir Capital in obtaining such orders, provided that nothing shall require Minerals to consent to any modifications of this Agreement, the Plan of Arrangement or any of the obligations of Minerals hereunder or thereunder;
- (b) provide to Reservoir Capital the Minerals information for inclusion in the Information Circular and all other information as may be reasonably requested by Reservoir Capital or as is required by the Interim Order or applicable Laws with respect to Minerals for inclusion in the Information Circular and any amendments or supplements thereto, in

each case complying in all material respects with all applicable Laws on the date of issue thereof; and

- (c) take all such commercially reasonable actions as may be required under the BCBCA in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.

7.2 Closing of Arrangement

Minerals shall, as applicable to it, use commercially reasonable efforts to carry out the terms of the Interim Order and the Final Order and, no later than the day following the receipt of the Final Order and the satisfaction or waiver of the conditions in favour of Minerals and Reservoir Capital to be agreed by Reservoir Capital and Minerals, have the Arrangement become effective.

7.3 Copy of Documents

Except for non-substantive communications, Minerals shall, as soon as reasonably possible, furnish to Reservoir Capital a copy of each notice, report, schedule or other document or communication delivered, filed or received by Minerals in connection with the Arrangement or the Interim Order, any filings under applicable Laws and any dealings with regulatory agencies (including the TSXV) in connection with, or in any way affecting, the transactions contemplated in this Agreement.

7.4 Insurance

Minerals shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

7.5 Certain Actions

- (a) After the date of the execution of this Agreement until the earlier of the completion of the Arrangement or the termination of this Agreement, Minerals shall not, except in connection with an internal reorganization of Minerals, implemented in conjunction with the Arrangement, or as contemplated in this Agreement or except as previously disclosed in writing or otherwise without prior consultation with and the consent of Reservoir Capital, such consent not to be unreasonably withheld directly or indirectly: (i) amend the Minerals Governing Documents; (ii) declare, set aside or pay any dividend or make any other distribution or payment (whether in cash, securities or property) in respect of its outstanding shares; (iii) split, combine or reclassify any of its securities; (iv) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; or (v) enter into or modify any contract, agreement, commitment or arrangement specifically with respect to any of the foregoing.
- (b) Minerals shall not take any action that would interfere with or be inconsistent with the completion of the transactions contemplated hereunder or would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to the Effective Time if then made.

- (c) Minerals shall use commercially reasonable efforts to obtain conditional approval of the listing of Minerals Shares issuable under the Arrangement on the TSXV prior to the mailing of the Information Circular.
- (d) Minerals shall promptly notify Reservoir Capital of: (i) any Material Adverse Change in Minerals, or any change which could reasonably be expected to become a Material Adverse Change, in respect of the business or in the conduct of the business of Minerals; (ii) any material Governmental Authority or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated); (iii) any breach by Minerals of any covenant or agreement contained in this Agreement; and (iv) any event occurring subsequent to the date hereof that would render any representation or warranty of Minerals contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or incorrect in any material respect.
- (e) Minerals shall reserve a sufficient number of Minerals Shares for issuance upon the completion of the Arrangement.

7.6 Satisfaction of Conditions

Minerals shall use all commercially reasonable efforts to satisfy or cause the satisfaction of the conditions precedent to its obligations and the obligations of Reservoir Capital hereunder set forth in Article 8 hereof to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

- (a) obtain all consents, approvals and authorizations as are required to be obtained by Minerals under any applicable Law or from any Governmental Authority which would, if not obtained, materially impede the completion of the transactions contemplated hereby or have a Material Adverse Effect on Minerals;
- (b) effect all necessary registrations, filings and submissions of information requested by a Governmental Authority required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any Party before any Governmental Authority;
- (c) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby;
- (d) fulfil all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by Minerals; and
- (e) co-operate with Reservoir Capital in connection with the performance by each of them of their obligations hereunder.

7.7 Co-operation

Minerals shall make, or co-operate as necessary in the making of, all other necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

7.8 Closing Documents

Minerals shall execute and deliver, deliver or cause to be delivered at the closing of the transactions contemplated hereby such customary certificates, resolutions and other closing documents as may be required by the other Parties, acting reasonably.

7.9 Reimbursement of Mining Asset Expenses

From March 24, 2011 to the Effective Date, on the condition of closing of the Arrangement, any expenses incurred by Reservoir Capital with respect to the Mining Assets (as agreed to between the Parties in writing in advance of Reservoir Capital incurring any such expenses and as evidenced by invoices) will be reimbursed by Minerals or the applicable Mining Subsidiary to Reservoir Capital on the Effective Date.

ARTICLE 8 **CONDITIONS**

8.1 Mutual Conditions

The respective obligations of Minerals and Reservoir Capital to complete the transactions contemplated hereby are subject to the fulfilment of the following conditions at the Effective Time or such other time as is specified below:

- (a) on or prior to September 13, 2011, the Interim Order has been granted in form and substance satisfactory to the Parties, acting reasonably, and has not been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved at the Meeting by the holders of Reservoir Capital Securities on or prior to October 11, 2011 in accordance with the Interim Order and in form and substance satisfactory to each of Minerals and Reservoir Capital, acting reasonably, in accordance with the provisions of the BCBCA, the Interim Order and the requirements of any applicable Securities Authorities;
- (c) the Final Order has been granted in form and substance satisfactory to the Parties, acting reasonably, and has not been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;
- (d) there is not in force any Law, ruling, order or decree, and there has not been any action taken under any Law or by any Governmental Authority or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement in accordance with the terms hereof or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Arrangement which is materially adverse to Minerals or Reservoir Capital;
- (e) the Required Approvals shall have been obtained on terms and conditions satisfactory to each of Minerals and Reservoir Capital, acting reasonably including the conditional approval by the TSXV of the listing thereon of the Minerals Shares to be issued pursuant to the Arrangement as of the Effective Date, or as soon as possible thereafter, subject to compliance with the usual requirements of the TSXV;

- (f) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Authority and the expiry of any waiting periods, in connection with, or required to permit, the completion of the Arrangement, the failure of which to obtain or the non-expiry of which would be materially adverse to Minerals or Reservoir Capital or materially impede the completion of the Arrangement, have been obtained or received on terms that are reasonably satisfactory to each Party;
- (g) no act, action, suit or proceeding shall have been commenced before or by any domestic or foreign court, tribunal or Governmental Authority, Securities Authority or other regulatory authority or administrative agency or commission by any elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or entity) in Canada, the United States or elsewhere, whether or not having the force of law, which act, action, suit or proceeding has the aim of preventing the Arrangement; or the conversion of the Minerals Subscription Receipts into Minerals Shares and Minerals Warrants;
- (h) all necessary third party and approvals which are required to complete the Arrangement have been received in writing;
- (i) the conversion of the 14,776,150 Minerals Subscription Receipts into Minerals Shares and Minerals Warrants has occurred; and
- (j) the Conveyance Agreement(s) shall be executed and delivered by the Parties.

The foregoing conditions are for the mutual benefit of the Parties and may be waived, in whole or in part, by a Party in writing at any time. If any of such conditions shall not be complied with or waived as aforesaid on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 8.4 hereof, a Party may rescind and terminate this Agreement by written notice to the other of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by such rescinding Party.

8.2 Minerals Conditions

The obligation of Minerals to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) (i) the representations and warranties made by Reservoir Capital in this Agreement and the Conveyance Agreement(s) that are not subject to any materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date), (ii) the other representations and warranties made by Reservoir Capital in this Agreement and the Conveyance Agreement(s) (disregarding all materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein) shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date) with, solely in the case of this clause (ii), only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the

Mining Subsidiaries and the Mining Assets; and (iii) Reservoir Capital has provided to Minerals a certificate of a senior officer of Reservoir Capital certifying to the foregoing effect;

- (b) Reservoir Capital has complied in all material respects with its covenants herein, and Reservoir Capital has provided to Minerals an officer's certificate certifying that Reservoir Capital has so complied with its covenants herein;
- (c) the Reservoir Capital Board has adopted all necessary resolutions and all other necessary corporate action has been taken by Reservoir Capital to permit the consummation of the Arrangement;
- (d) Reservoir Capital BVI has transferred the BVI Mining Subsidiaries and the Mining Subsidiary Loans to Reservoir Capital;
- (e) there is no Material Adverse Change in respect of the Mining Subsidiaries and the Mining Assets between the date of this Agreement and the Effective Date;
- (f) Minerals has received all necessary securityholder approvals, if any;
- (g) all of the Required Approvals to assign the Eurasian Royalty Agreement, the Euromax Royalty Agreement, the Freeport Earn-In Agreement, the Orogen Earn-In Agreement and the SEE Share Purchase Agreement to Minerals or a Mining Subsidiary, as applicable, have been received; and
- (h) all of the employees of Serbian mining employees will be moved from SEE d.o.o. to BEM d.o.o. and issued contracts substantially on the terms such employees had with SEE d.o.o. and to the reasonable satisfaction of Minerals.

The foregoing conditions are for the benefit of Minerals and may be waived, in whole or in part, by Minerals in writing at any time. If any of such conditions have not been complied with or waived by Minerals on or before the Outside Date or the date required for the performance thereof, if earlier, then subject to Section 8.4 hereof, Minerals may rescind and terminate this Agreement by written notice to Reservoir Capital in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by Minerals.

8.3 Reservoir Capital Conditions

The obligation of Reservoir Capital to complete the transactions contemplated herein is subject to the fulfilment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) (i) the representations and warranties made by Minerals in this Agreement and the Conveyance Agreement(s) that are not subject to any materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date), (ii) the other representations and warranties made by Minerals in this Agreement and the Conveyance Agreement(s) (disregarding all materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein) shall be true and correct as of the Effective Date as if made on and as of such

date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date) with, solely in the case of this clause (ii), only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Minerals, and (iii) Minerals has provided to Reservoir Capital a certificate of a senior officer of Minerals certifying to the foregoing effect;

- (b) Minerals has complied in all material respects with its covenants herein and Minerals has provided to Reservoir Capital an officer's certificate certifying that it has so complied with its covenants herein;
- (c) the Minerals Board has adopted all necessary resolutions and all other necessary corporate action shall have been taken by Minerals to permit the consummation of the Arrangement;
- (d) holders of not more than 5% of the currently outstanding Reservoir Capital Shares have exercised rights of dissent in connection with the Arrangement that have not been withdrawn as at the Effective Date; and
- (e) there is no Material Adverse Change in respect of Minerals between the date of this Agreement and the Effective Date.

The foregoing conditions are for the benefit of Reservoir Capital and may be waived, in whole or in part, by Reservoir Capital in writing at any time. If any of such conditions have not been complied with or waived by Reservoir Capital on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 8.4 hereof, Reservoir Capital may rescind and terminate this Agreement by written notice to Minerals in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by Reservoir Capital.

8.4 Notice and Cure Provisions

Each Party shall give prompt notice to the other hereto of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be likely to:

- (a) cause any of the representations or warranties of any other Party contained herein to be untrue or inaccurate in any material respect on the date hereof or on the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by any other Party prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in its favour contained in Sections 8.1, 8.2 or 8.3 hereof, as the case may be.

Subject as herein provided, a Party may elect not to complete the transactions contemplated hereby pursuant to the provisions contained in Sections 8.1, 8.2 or 8.3 hereof or exercise any termination right arising therefrom; provided, however, that: (i) promptly and in any event prior to the Effective Time, the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail the breaches of covenants, representations or warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfilment of the applicable condition or termination right, as the case may be; and (ii) if any

such notice is delivered, and a Party is proceeding diligently, at its own expense, to cure such matter, if such matter is susceptible to being cured, the Party which has delivered such notice may not terminate this Agreement until the later of October 17, 2011 and the expiration of a period of five Business Days from date of delivery of such notice. If such notice has been delivered prior to the date of the Meeting, such meeting is to be postponed until the expiry of such period.

8.5 Survival

The foregoing, the representations, warranties and provisions of the Parties contained in this Agreement and any agreement, instrument, certificate or other document or undertaking executed or delivered pursuant hereto (other than those set forth at Sections 3.36 and 4.20) shall survive the closing of the transactions contemplated hereby until the second anniversary of the Effective Date and, notwithstanding such closing or any investigation made by or on behalf of a Party, shall continue in full force and effect for the benefit of such Party during such period. The representations, warranties and provisions of the Parties contained in Sections 3.36 and 4.20 shall survive the closing of the transactions contemplated hereby until the third anniversary of the Effective Date and, notwithstanding such closing or any investigation made by or on behalf of a Party, shall continue in full force and effect for the benefit of such Party during such period.

ARTICLE 9 AMENDMENT AND TERMINATION

9.1 Amendment

This Agreement may, at any time and from time to time before or after the holding of the Meeting, be amended by mutual written agreement of the Parties without, subject to applicable Law, further notice to or authorization on the part of any Reservoir Capital Securityholders, and any such amendment may, without limitation:

- (a) change the time for the performance of any of the obligations or acts of any of the Parties;
- (b) waive any inaccuracies in or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of any of the Parties; and
- (d) waive compliance with or modify any condition herein contained,

provided that no such amendment shall materially reduce the consideration to be received by the Reservoir Capital Shareholders without the approval of the Reservoir Capital Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

9.2 Alternative Transaction

The Parties acknowledge and agree that, based upon tax, corporate, securities or other legal and other considerations, it may be more advantageous or appropriate to carry out the transaction contemplated herein by way of another form of plan of arrangement, amalgamation or take-over bid or other form of transaction (“**Other Transaction**”). In the event of such determination by both Parties, the Parties agree to negotiate all such agreements, documents and arrangements that may be necessary or

desirable to carry out the Other Transaction, provided that provisions hereof shall apply *mutatis mutandis*, to such Other Transaction.

9.3 Termination

Subject to Section 9.4, this Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written consent of the Parties;
- (b) as provided in Sections 8.1, 8.2 or 8.3 hereof, subject to Section 8.4 hereof; and
- (c) by either Minerals or Reservoir Capital in the event that the Arrangement does not become effective on or before Outside Date, subject to Section 8.4 hereof,

provided that any termination by a Party in accordance with this Section 9.3 shall be made by such Party delivering written notice to the other Party prior to the Effective Date specifying in reasonable detail the matter or matters giving rise to such termination right.

9.4 Effect of Termination

In the event of the termination of this Agreement as provided in Section 9.3, this Agreement forthwith has no further force or effect, other than Sections 2.6 and 10.1 (as provided therein) and Sections 11.2, 11.6, 11.8 and 11.9 which shall survive termination, and there shall be no obligation on the part of Reservoir Capital or Minerals hereunder except those obligations that have accrued to such date. Nothing herein shall relieve any Party from liability for any breach of this Agreement accruing prior to termination.

ARTICLE 10 **CONFIDENTIALITY**

10.1 Confidentiality

Each of the Parties (on their own behalf and on behalf of their respective representatives (“**Representatives**”)):

- (a) agree that no disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by any Party without the prior agreement of the other Party as to timing, content and method, provided that the obligations herein will not prevent any Party from making, after consultation with the other Party, such disclosure as its counsel advises is required by applicable Law or the rules and policies of the applicable Securities Authorities other regulatory authority.
- (b) will ensure that all information (“**Confidential Information**”) received from the disclosing Party (the “**Disclosing Party**”) shall be kept and maintained as strictly confidential, except for documents available to the public or, subject to the provisions herein, are required to be disclosed by applicable Law;
- (c) will safeguard and strictly control the dissemination of Confidential Information and will ensure that Confidential Information is not disclosed or released to any person other than to Representatives of the recipient Party (the “**Recipient**”) of the Confidential Information who have a need to know the same in connection with an evaluation of the Arrangement. The recipient of such Confidential Information acknowledges and agrees that it is responsible for any breach of this Agreement by any of its Representatives. If

Confidential Information is disclosed to any Representatives, the Recipient will inform such Representatives at the time of such disclosure about the confidential nature of the Confidential Information and the terms of this Agreement and those Representatives are to have acknowledged being bound by the terms of this Agreement;

- (d) will not disclose any Confidential Information to any person other than in accordance with the terms of this Agreement except where the Recipient is required by law or requested pursuant to legal process or regulatory policy to otherwise disclose any Confidential Information. Prior to any such disclosure, however, such Recipient will immediately provide to the Disclosing Party written notice so that the Disclosing Party may seek a protective order or other appropriate remedy, or waive compliance by the Recipient with this subparagraph. If, in the absence of a protective order, appropriate remedy or waiver by the Disclosing Party, the Recipient, in the reasonable opinion of legal counsel, is required by law or securities regulatory policy to disclose any Confidential Information or stands liable for contempt or to suffer other censure or penalty on any failure to disclose, the Recipient may, without liability hereunder, disclose that portion (and only that portion) of Confidential Information required to be disclosed, and, further, will exercise commercially reasonable efforts to obtain reasonable assurance that confidential treatment will be accorded to such disclosed Confidential Information; and
- (e) at the request of the Disclosing Party, the Recipient will and will cause its Representatives to: (i) return all Documents provided hereunder and all copies or other reproductions thereof, except for documents prepared by the Recipient or its Representatives relating to the Confidential Information (in all cases whether printed, electronic, magnetic or otherwise), or (ii) with the Disclosing Party's prior written consent, destroy all such documents, except for such portions thereof that, in the reasonable opinion of the Recipient or the Recipient's Representatives, are to be retained as supporting the Recipient's corporate decisions or the Representatives' advice with respect to an evaluation of the Arrangement, and provide the Disclosing Party with written certification thereof. If a Transaction is not consummated before the Outside Date, or a business combination or similar transaction is consummated with a person other than the Recipient (or an affiliate or associate thereof), whichever occurs first, the Disclosing Party is deemed, upon such occurrence, to have made such a request pursuant to this subparagraph, and the Recipient is deemed to have received such request.

ARTICLE 11

GENERAL

11.1 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party is to be in writing and delivered by hand to each other Party to which the notice is to be given at the following addresses or sent by fax to the following numbers or to such other address or fax number as specified by a Party by like notice. Any notice, consent, waiver, direction or other communication aforesaid is, if delivered, deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by fax be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 4:00 p.m. (Calgary time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day. The address for service of each of the Parties is as follows:

(a) if to Minerals:

c/o 1200 Waterfront Centre
200 Burrard Street, P.O. Box 48600
Vancouver, British Columbia V7X 1T2

Attention: Simon Ingram, President and Chief Executive Officer
Fax No.: (604) 688-1157

with a copy to:

Borden Ladner Gervais LLP
1900, 520 - 3rd Avenue S.W.
Calgary, AB T2P 0R3

Attention: Melinda Park and Steven G. Pearson
Fax No.: (403) 266-1395

(b) if to Reservoir Capital:

Suite 501, 543 Granville Street
Vancouver, British Columbia V6C X81

Attention: Miles Thompson, Executive Chairman
Fax No.: (604) 688-1157

with a copy to:

Borden Ladner Gervais LLP
1900, 520 - 3rd Avenue S.W.
Calgary, AB T2P 0R3

Attention: Melinda Park and Steven G. Pearson
Fax No.: (403) 266-1395

11.2 Expenses

Except as expressly contemplated herein, each Party agrees to bear its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, the Meeting and the preparation and mailing of the Information Circular, including legal fees, accounting fees, printing costs, financial advisor fees and all disbursements by advisors.

11.3 Time of the Essence

Time is of the essence in this Agreement.

11.4 Entire Agreement

This Agreement, together with the agreements and other documents herein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof, including the Letter Agreement. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

11.5 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Plan of Arrangement.

11.6 Governing Law

This Agreement is governed by, and construed in accordance with, the Laws of the Province of British Columbia and the laws of Canada applicable therein but the reference to such Laws does not, by conflict of laws rules or otherwise, require the application of the Law of any jurisdiction other than the Province of British Columbia. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement.

11.7 Execution in Counterparts

This Agreement may be executed in one or more counterparts and by fax or other electronic transmissions, each of which is conclusively be deemed to be an original and all such counterparts collectively are conclusively deemed to be one and the same.

11.8 Waiver

No waiver or release by any Party is effective unless in writing and executed by the Party granting such waiver or release and any waiver or release affects only the matter, and the occurrence thereof, specifically identified and does not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 9.1 hereof.

11.9 Enurement and Assignment

This Agreement enures to the benefit of the Parties and their respective successors and permitted assigns and is binding upon the Parties and their respective successors. This Agreement may not be assigned by any Party without the prior written consent of each of the other Parties.

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

RESERVOIR CAPITAL CORP.

Per: (signed) "Miles Thompson"
Miles Thompson
Executive Chairman

RESERVOIR MINERALS INC.

Per: (signed) "Simon Ingram"
Simon Ingram
President

SCHEDULE A

PLAN OF ARRANGEMENT

made pursuant to

Section 288 of the *Business Corporations Act* (British Columbia)

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Plan, unless the context otherwise requires:

- (a) “**Arrangement**” means the arrangement contemplated by this Plan pursuant to Section 288 of the BCBCA;
- (b) “**Arrangement Agreement**” means the arrangement agreement made as of the 12th day of September, 2011 between Minerals and Reservoir Capital to which this Plan is attached as Schedule A;
- (c) “**BCBCA**” means the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57, as from time to time amended or re-enacted;
- (d) “**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday observed in Vancouver, British Columbia;
- (e) “**BVI Mining Subsidiaries**” means Reservoir Exploration (BVI) Ltd., Reservoir Consulting (BVI) Ltd. and Rakita (BVI) Ltd.;
- (f) “**Conveyance Agreements**” means the agreements between Reservoir Capital and Minerals dated as of the Effective Date transferring each of the BVI Mining Subsidiaries and the Mining Subsidiary Loans to Minerals in exchange for the issuance by Minerals of the Mineral Share Consideration to Reservoir Capital;
- (g) “**Court**” means the Supreme Court of British Columbia;
- (h) “**Dissent Rights**” means the right of a Registered Shareholder, in accordance with the Interim Order and this Plan, to dissent to the resolution approving the Arrangement and to be paid the fair value of the Reservoir Capital Shares in respect of which such Registered Shareholder dissents;
- (i) “**Dissenting Shareholder**” means a Registered Shareholder who has duly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Reservoir Capital Shares in respect of which Dissent Rights are validly exercised by such Registered Shareholder;
- (j) “**Effective Date**” means the date upon which Minerals and Reservoir Capital agree in writing that all conditions to the completion of the Arrangement have been satisfied or waived and that the Arrangement takes effect in accordance with its terms;
- (k) “**Effective Time**” means 12:01 a.m. (Calgary time) on the Effective Date;

- (l) “**Final Order**” means the order made after application to the Court pursuant to section 291 of the Business Corporations Act (British Columbia) approving the Plan of Arrangement as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Time;
- (m) “**Governmental Authority**” means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) any subdivision, agency, commission, board or authority of any of the foregoing; or (iii) any quasigovernmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (n) “**Interim Order**” means the order made after application to the Court pursuant to section 291 of the BCBCA, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably);
- (o) “**Meeting**” means the special meeting, including any adjournments or postponements thereof, of the Reservoir Capital Shareholders to be held, among other things, to consider, and if thought fit; authorize, approve and adopt the Arrangement in accordance with the Interim Order;
- (p) “**Minerals**” means Reservoir Minerals Inc., a corporation existing under the BCBCA;
- (q) “**Minerals BVI**” means Global Reservoir Minerals (BVI) Inc., a corporation duly incorporated and existing under the laws of the British Virgin Islands and a wholly-owned subsidiary of Minerals;
- (r) “**Minerals Share Consideration**” means 9,000,000 Minerals Shares at a price of \$0.65 per share;
- (s) “**Minerals Shares**” means the common shares without par value in the capital of Minerals, as constituted on the date of this Agreement;
- (t) “**Mining Subsidiary Loans**” means the outstanding loans made by Reservoir Capital to the Mining Subsidiaries;
- (u) “**Mining Subsidiaries**” means the BVI Mining Subsidiaries and the Serbian Subsidiaries;
- (v) “**Parties**” means Reservoir Capital and Minerals and their respective successors and permitted assigns and “**Party**” means any one of them;
- (w) “**Plan**” means this plan of arrangement, as amended or supplemented from time to time, and “**hereby**”, “**hereof**”, “**herein**”, “**hereunder**”, “**herewith**” and similar terms refer to this Plan and not to any particular provision of this Plan;
- (x) “**Registered Shareholder**” means a registered holder of Reservoir Capital Shares as recorded in the shareholder register of the Corporation;
- (y) “**Reservoir Capital**” means Reservoir Capital Corp., a corporation existing under the BCBCA;
- (z) “**Reservoir Capital Shareholders**” means the holders of Reservoir Capital Shares;
- (aa) “**Reservoir Capital Shares**” means the common shares without par value in the capital of Reservoir Capital, as constituted on the date of this Agreement;

- (bb) “**Serbian Subsidiaries**” means Deli Jovan Exploration d.o.o., Balkan Exploration and Mining d.o.o. and Rakita Exploration d.o.o.; and
- (cc) “**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), including the regulations promulgated thereunder, as amended.

1.2 Interpretation Not Affected by Headings

The headings contained in this Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of this Plan.

1.3 Article References

Unless the contrary intention appears, references in this Plan to an article, section, paragraph, subparagraph or schedule by number or letter or both refer to the article, section, paragraph, subparagraph or schedule bearing that designation in this Plan.

1.4 Number, Gender and Persons

In this Plan, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and words importing a person or persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture, unincorporated body of persons or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

1.5 Date for Any Action

In the event that the 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.

1.6 Statutory References

References in this Plan to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.7 Currency

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

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose of the Plan

The following is only intended to be a general statement of the purpose of the Plan and is qualified in its entirety by the specific provisions of the Plan.

The purpose of the Plan is to implement part of a reorganization of the business Reservoir Capital, that part resulting in: (i) certain mining assets and liabilities of Reservoir Capital being transferred to Minerals, in consideration of, amongst other things, the issue to Reservoir Capital of the Minerals Share

Consideration; and (ii) the distribution of the Minerals Share Consideration to Reservoir Capital Shareholders as a reduction of stated capital.

2.2 Plan Binding

The Plan will become effective on, and be binding on and after the Effective Time on: (i) Reservoir Capital; (ii) Minerals; and (iii) all securityholders of Reservoir Capital.

ARTICLE 3 ARRANGEMENT

3.1 The Arrangement

At the Effective Time, each of the events set out below shall occur and be deemed to occur in the sequence set out without further act or formality except as otherwise provided herein:

- (a) all of the issued and outstanding Reservoir Capital Shares held by Dissenting Shareholders shall be deemed to have been transferred to Reservoir Capital, free of any claims, and each Dissenting Shareholder shall cease to have any rights as a shareholder of Reservoir Capital other than the right to be paid by Reservoir Capital, in accordance with the Dissent Rights, the fair value of the Reservoir Capital Shares with respect to which the Reservoir Capital Shareholder has dissented and shall be removed from the register of Registered Shareholders;
- (b) all of the outstanding shares of the BVI Mining Subsidiaries and the Mining Subsidiary Loans shall be transferred by Reservoir Capital to Minerals and Minerals shall issue the Minerals Share Consideration therefor to Reservoir Capital in accordance with the terms and conditions of the Conveyance Agreements;
- (c) all of the outstanding shares of the BVI Mining Subsidiaries shall be transferred by Minerals to Minerals BVI and Minerals BVI shall issue 1,000 shares in the capital of Minerals BVI to Minerals; and
- (d) with respect to each Minerals Share acquired by Reservoir Capital as described in above in paragraph 3.1(b), Reservoir Capital shall deliver to each Registered Shareholder as at the Effective Time, such Registered Shareholder's pro rata share of the Minerals Share Consideration (assuming that there are no Dissenting Shareholders) as a reduction of stated capital and which pro rata share is based on the number of outstanding Reservoir Capital Shares outstanding at the Effective Time.

3.2 Security Register Entries

- (a) Minerals shall make the appropriate entries in its securities registers to reflect the matters referred to in Section 3.1; and
- (b) With respect to each Registered Shareholder, other than Dissenting Shareholders, at the Effective Time:
 - (i) Minerals shall allot and issue to such the number of Minerals Shares issuable to such Registered Shareholder on the basis set forth in Section 3.1(d), and the name of such Registered Shareholder shall be added to the register of holders of Minerals Shares.

3.3 Adjustment of Minerals Shares

The number of Minerals Shares issuable hereunder for each Reservoir Capital Share shall be proportionately and appropriately adjusted to reflect fully the effect of any split, reverse split, Minerals Share distribution (including any distribution of securities convertible into Minerals Shares) to all or substantially all holders of Minerals Shares, reorganization, recapitalization or other like change with respect to Minerals Shares occurring after September 12, 2011 and prior to the Effective Time.

3.4 Further Assurances

Notwithstanding that the transactions or events set out herein shall occur and shall be deemed to occur in the order set out in this Plan without further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein, including, without limitation, any resolution of directors authorizing the issue, transfer or purchase for cancellation of securities, any security transfer powers evidencing the transfer of securities and any receipt therefore, and any necessary additions to or deletions from security registers.

ARTICLE 4 OUTSTANDING CERTIFICATES AND PAYMENTS

4.1 Minerals Certificates

As soon as practicable following the Effective Date, Reservoir Capital will forward or cause to be forwarded by first class mail (postage paid) to Reservoir Capital Shareholders, other than Dissenting Shareholders, as of the Effective Time at the address specified in the register of holders of Reservoir Capital Shares, a certificate(s) representing the number of Minerals Shares issued to such Registered Shareholder under the Arrangement. In the event that the rounding down of such fractional interests results in a portion of the Minerals Share Consideration not being distributed to Reservoir Capital Shareholders, such undistributed Minerals Shares shall be registered in the name of Reservoir Capital.

4.2 Treatment of Fractional Shares

No fractional Minerals Shares shall be issued pursuant to the Plan. In the event that a Reservoir Capital Shareholder would otherwise be entitled to a fractional Minerals Share hereunder, the number of Minerals Shares issued to such Reservoir Capital Shareholder shall be rounded down to the next lesser whole number of Minerals Shares. In calculating such fractional interests, all Reservoir Capital Shares registered in the name of or beneficially held by such Reservoir Capital Shareholder or their nominee shall be aggregated.

4.3 Dividends

All dividends declared in respect of Minerals Shares to which a Reservoir Capital Shareholder is entitled in accordance with the terms of the Arrangement, but for which a certificate representing the Minerals Shares has not been delivered to such Reservoir Capital Shareholder in accordance with this Article 4, shall be paid or delivered to the Reservoir Capital to be held in trust for such Reservoir Capital Shareholder for delivery to such former Holder, net of all withholding and other taxes.

4.4 Withholdings

Minerals and Reservoir Capital shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to the Arrangement to any Reservoir Capital Shareholder who is not resident in Canada

for purposes of the Tax Act or is otherwise required to have deductions made from any consideration otherwise payable to any Reservoir Capital Shareholder in connection with the Arrangement, and remit to the applicable Governmental Authority, such amounts as the Minerals and Reservoir Capital are required to deduct, withhold and remit with respect to such payment under the Tax Act and other applicable laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Reservoir Capital Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE 5 DISSENT RIGHTS

5.1 Dissent Rights

- (a) Each Registered Shareholder may exercise Dissent Rights with respect to the Arrangement in accordance with the Interim Order and as may be modified by the Final Order. A Dissenting Shareholder shall, at the Effective Time, cease to have any rights as a Registered Shareholder and shall only be entitled to be paid the fair value of the Registered Shareholder. A Dissenting Shareholder shall be deemed to have transferred the Reservoir Capital Shares to Reservoir Capital for cancellation at the Effective Time. A Reservoir Capital Shareholder who exercises Dissent Rights and who, for any reason, is not entitled to be paid the fair value of the Registered Shareholder's Reservoir Capital Shares, shall be treated as if the Registered Shareholder had participated in the Arrangement on the same basis as a Registered Shareholder who did not exercise Dissent Rights. The fair value of the Reservoir Capital Shares shall be determined as of the close of business on the last Business Day before the day of the Meeting. In no event shall Reservoir Capital be required to recognize any Dissenting Shareholder as a shareholder of Reservoir Capital after the Effective Time and the names of such Registered Shareholders shall be removed from the applicable Reservoir Capital register of shareholders as at the Effective Time.
- (b) In respect of amounts paid to a Dissenting Shareholder in accordance with Section 5.1(a), there shall be deducted from the stated capital account maintained by Reservoir Capital for the Reservoir Capital Shares an amount in respect of each such Reservoir Capital Share equal to the lesser of: (i) the amount so paid; and (ii) the stated capital of such share.
- (c) All payments made to a Dissenting Shareholder pursuant to this Article shall be subject to, and paid net of, all applicable withholding taxes.
- (d) For greater certainty, in addition to any other restrictions in Section 238 of the BCBCA, no person who has voted (or instructs, or is deemed, by submission of an incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

ARTICLE 6 AMENDMENTS

6.1 Amendment Prior to the Effective Time

Reservoir Capital reserves the right to amend, modify and/or supplement this Plan from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is: (a) agreed to by Minerals; (b) filed with the Court and, if made following the Meeting, approved by the Court; and (c) communicated to Reservoir Capital Shareholders in the manner required by the Court (if so required).

6.2 Amendment at the Meeting

Any amendment, modification or supplement to this Plan may be proposed by Reservoir Capital at any time prior to or at the Meeting (provided that Minerals shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan for all purposes.

6.3 Consent of Minerals and Reservoir Capital

Any amendment, modification or supplement to this Plan which is approved by the Court following the Meeting shall be effective only: (a) if it is consented to by Reservoir Capital; (b) if it is consented to by Minerals; and (c) if required by the Court or applicable law, it is consented to by the Reservoir Capital Shareholders.

6.4 Amendment After the Effective Time

Subject to applicable law, any amendment, modification or supplement to this Plan may be made following the Effective Time unilaterally by Minerals; provided that it concerns a matter which, in the reasonable opinion of Minerals, is of an administrative nature required to better give effect to the implementation of this Plan and is not adverse to the financial or economic interests of any former Reservoir Capital Shareholders.

SCHEDULE B

EXPLORATION PERMITS

Serbian mineral exploration permits held indirectly by Reservoir Capital:

- i) Stara Planina Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on May 4, 2011, covering an area of approximately 63 sq. km;
- ii) Plavkovo Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on March 4, 2011, covering an area of approximately 19.8 sq. km;
- iii) Lece Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on March 4, 2011, covering an area of approximately 51 sq. km.;
- iv) Parlozi Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on May 4, 2011, covering an area of approximately 91 sq. km;
- v) Bobija Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on May 27, 2011, covering an area of approximately 33 sq. km;
- vi) Jasikovo-Durlan Potok Exploration Permit, granted to Rakita Exploration d.o.o. on February 22, 2011, originally issued in 2010 as a result of the combination of the Jasikovo Exploration Permit, covering an area of approximately 12.5 sq. km, and the Durlan Potok Exploration Permit, covering an area of approximately 56 sq. km. This combined Permit is subject to an earn-in agreement (the “**Freeport Agreement**”) with Freeport McMoRan Exploration Corp. as previously announced by REO on June 21, 2010, whereby Freeport may earn an initial 55% interest in by investing US\$3 million in exploration over a four-year period. Once Freeport has earned its initial 55% interest, Freeport may become the operator and may elect to earn an additional 20% interest (75% in total) by completing a scoping study within four years, a pre-feasibility study within eight years and a feasibility study within thirteen years. REO’s holdings in the Durlan Potok portion of the combined Permit is additionally subject to a 0.5% net smelter return royalty with Euromax Resources Ltd.;
- vii) Brestovac-Metovnica Exploration Permit, granted to Rakita Exploration d.o.o. on July 5, 2011, originally issued in 2010 as a result of the combination of the Brestovac Exploration Permit, covering an area of approximately 25.5 sq. km, and the Brestovac East Exploration Permit, covering an area of approximately 90 sq. km. This combined Permit is also subject to the Freeport Agreement with REO’s holdings in the Brestovac East portion of the combined Permit being additionally subject to a 0.5% net smelter return royalty with Euromax Resources Ltd.; and
- viii) Deli Jovan Exploration Permit, granted to Deli Jovan Exploration d.o.o. on October 5, 2010, covering an area of approximately 69 sq. km (subject to the earn-in agreement with Orogen Gold Ltd., as previously announced by REO on October 21, 2010, whereby Orogen may earn up to a 75% interest in the Deli Jovan gold project by completing \$3.5 million in exploration expenditures within 42 months).