

AMENDMENT TO BUSINESS COMBINATION AGREEMENT

THIS AMENDMENT is made as of the 15th day of November, 2011,

BETWEEN:

NEW GOLD INC., a company existing under the laws of the Province of British Columbia

("New Gold")

AND

GEO MINERALS LTD., a corporation existing under the laws of the Province of British Columbia

("Geo")

AND

GEONOVUS MINERALS CORP., a corporation existing under the laws of the Province of British Columbia

("Spinco")

WHEREAS:

(A) the parties to this Amendment are parties to that certain Business Combination Agreement, dated as of October 14, 2011 (the "**Business Combination Agreement**");

(B) pursuant to section 7.01 of the Business Combination Agreement and Article 6 of the Plan of Arrangement attached as Schedule A of the Business Combination Agreement, the parties wish to amend the Business Combination Agreement and Plan of Arrangement as provided in this Amendment;

(C) capitalized terms used herein and not otherwise defined will have the meanings given to them in Business Combination Agreement.

THIS AMENDMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby mutually acknowledged), the parties hereto do hereby covenant and agree as follows:

ARTICLE 1 AMENDMENT

Plan of Arrangement

1.1 The Plan of Arrangement attached as Schedule A to the Business Combination Agreement is hereby deleted in its entirety and replaced with the revised form of Plan of Arrangement attached hereto as Schedule A.

1.2 Schedule E to the Business Combination entitled "Other Mineral Interests" is hereby amended to add the information included in the attached Schedule B.

ARTICLE 2 GENERAL

Governing Law

2.1 This Amendment will be governed by, and be construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each Person hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of British Columbia in respect of all matters arising under or in relation to this Amendment.

Execution in Counterparts

2.2 This Amendment may be executed in identical counterparts, each of which is and is hereby conclusively deemed to be an original and the counterparts collectively are to be conclusively deemed to be one instrument and receipt of a facsimile version of an executed signature page by a Person will constitute satisfactory evidence of execution of this Amendment by such Person.

References to Business Combination Agreement

2.3 After the date hereof, all references to the Business Combination Agreement will refer to the Business Combination Agreement as amended by this Amendment.

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Enurement and Assignment

2.4 This Amendment will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. This Amendment may not be assigned by any Person hereto without the prior written consent of the other Person hereto.

IN WITNESS WHEREOF the parties hereto have executed this Amendment as of the date first above written.

NEW GOLD INC.

“Brian Penny”

Per: _____
Name: Brian Penny
Title: Executive Vice President,
Chief Financial Officer

GEO MINERALS LTD.

“Mike England”

Per: _____
Name: Mike England
Title: President

GEONOVUS MINERALS CORP.

“Mike England”

Per: _____
Name: Mike England
Title: President

Schedule A

PLAN OF ARRANGEMENT UNDER SECTION 288 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE ONE DEFINITIONS AND INTERPRETATION

Section 1.01 *Definitions*

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) “**Arrangement**” means the arrangement under section 288 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 7.01 of the Business Combination Agreement or this Plan of Arrangement at the direction of the Court;
- (b) “**Arrangement Resolution**” means, collectively, the special resolution of the GEO Securityholders approving the Arrangement to be considered at the GEO Meeting and such resolution of the GEO Securityholders approving the Arrangement to be considered at the GEO Meeting as may be required by the TSX Venture Exchange;
- (c) “**BCBCA**” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time;
- (d) “**Business Combination Agreement**” means the business combination agreement dated as of October 14, 2011 among NEW GOLD, GEO, and Spinco, together with the GEO Disclosure Letter delivered in connection with the Business Combination Agreement, as the same may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;
- (e) “**Business Day**” means any day other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia;
- (f) “**Cash Consideration**” means \$0.16 per GEO Common Share;
- (g) “**Class A Shares**” means the class A common shares of GEO which are to be created in accordance with this Plan of Arrangement and which shall

have attached thereto the right to vote at all meetings of GEO Shareholders, the right to dividends as and when declared by the directors of GEO, subject to the preferential right of the holders of Class B Shares to dividends, and the right to participate in the remaining assets of GEO upon a winding up of GEO;

- (h) **“Class B Shares”** means the GEO Common Shares following their re-designation as Class B Shares in accordance with this Plan of Arrangement, such Class B Shares to bear the same rights and privileges as the GEO Common Shares provided that such Class B Shares shall be entitled to dividends as and when declared by the directors of GEO in preference to dividends to be paid on the Class A Shares;
- (i) **“Court”** means the Supreme Court of British Columbia;
- (j) **“CRA”** means the Canada Revenue Agency;
- (k) **“Depository”** means any trust company, bank or financial institution agreed to in writing between NEW GOLD and GEO for the purpose of, among other things, exchanging certificates representing GEO Common Shares for Cash Consideration and Spinco Shares in connection with the Arrangement;
- (l) **“Dissent Rights”** shall have the meaning ascribed to such term in Article 4.01 hereof;
- (m) **“Dissenting Shareholder”** means a registered holder of GEO Common Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their GEO Common Shares;
- (n) **“Dissenting Warrantholder”** means a registered holder of GEO Warrants who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their GEO Warrants;
- (o) **“Effective Date”** means the date agreed to by NEW GOLD and GEO in writing as the effective date of the Arrangement, after all of the conditions precedent to the completion of the Arrangement as set out in the Business Combination Agreement and the Final Order have been satisfied or waived;
- (p) **“Effective Time”** means 12:01 a.m. (Vancouver time) on the Effective Date;
- (q) **“Final Order”** means the final order of the Court pursuant to Section 291 of the BCBCA, after a hearing on the fairness of the terms and conditions of the Arrangement, approving the Arrangement as such order may be

amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

- (r) **“Former GEO Securityholders”** means the holders of GEO Common Shares, GEO Warrants and GEO Options immediately prior to the Effective Time;
- (s) **“Former GEO Shareholders”** means the holders of GEO Common Shares immediately prior to the Effective Time;
- (t) **“GEO”** means GEO Minerals Ltd., a company existing under the BCBCA;
- (u) **“GEO Common Shares”** means the issued and outstanding common shares of GEO and following the re-designation of such common shares to Class B Shares in accordance with this Plan of Arrangement, means the Class B Shares which GEO will be authorized to issue and, following the exchange of the Class B Shares for Class A Shares in accordance with this Plan of Arrangement, means the Class A Shares which GEO will be authorized to issue;
- (v) **“GEO Meeting”** means the special meeting of the GEO Securityholders, including any adjournment or postponement thereof, to be held in accordance with the Interim Order to consider the Arrangement Resolution;
- (w) **“GEO Optionholders”** means holders of outstanding GEO Options;
- (x) **“GEO Options”** means options to purchase GEO Common Shares issued pursuant to the GEO Option Plan;
- (y) **“GEO Option Plan”** means the stock option plan dated June 11, 2007 as amended March 9, 2010, as amended and approved by the GEO Shareholders on June 3, 2011;
- (z) **“GEO Securityholders”** means collectively the GEO optionholders and the GEO Warrantholders;
- (aa) **“GEO Shareholders”** means the holders of GEO Common Shares;
- (bb) **“GEO Warrantholders”** means the holders of GEO Warrants;
- (cc) **“GEO Warrants”** means warrants and broker warrants to purchase GEO Common Shares as described in the GEO Disclosure Letter delivered in connection with the Business Combination Agreement;

- (dd) “**Interim Order**” means the interim order of the Court, providing for, among other things, the calling and holding of the GEO Meeting, as the same may be amended by the Court;
- (ee) “**NEW GOLD**” means New Gold Inc., a corporation incorporated under the BCBCA;
- (ff) “**Option Consideration**” means, in respect of a GEO Option, the number of GEO Common Shares obtained by dividing: (i) the amount, if any, by which: (A) the product obtained by multiplying the number of GEO Common Shares underlying such GEO Option by the Cash Consideration per GEO Common Share; exceeds: (B) the exercise price payable under such GEO Option to acquire GEO Common Shares; by (ii) the Cash Consideration per GEO Common Share;
- (gg) “**Plan of Arrangement**” means this plan of arrangement and any amendments or variations hereto made in accordance with Section 7.01 of the Business Combination Agreement or this plan of arrangement or made at the direction of the Court;
- (hh) “**Spinco**” means Geonovus Minerals Corp., a wholly-owned subsidiary of GEO;
- (ii) “**Spinco Shares**” means common shares in the capital of Spinco;
- (jj) “**Spin-Out Assets and Liabilities**” means all assets, debts and liabilities of whatever kind and nature of GEO, other than the following assets: (i) the interest of GEO in the West Blackwater Property (as defined in the Business Combination Agreement) and all technical data, studies, permits, licenses, tax pools and rights associated with the West Blackwater Property, and (ii) cash;
- (kk) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;
- (ll) “**U.S. Tax Code**” means the United States *Internal Revenue Code of 1986*, as amended;
- (mm) “**U.S. Tax Code Withholding**” means the withholding pursuant to Section 1445 of the U.S. Tax Code in respect of the transfer of the Spin-out Assets and Liabilities pursuant to section 3.01 hereof; and
- (nn) “**Warrant Consideration**” means, in respect of a GEO Warrant, the number of GEO Common Shares obtained by dividing: (i) the amount, if any, by which: (A) the product obtained by multiplying the number of GEO Common Shares underlying such GEO Warrant by the Cash Consideration per GEO Share; exceeds: (B) the exercise price payable

under such GEO Warrant to acquire GEO Common Shares; by (ii) the Cash Consideration per GEO Common Share.

In addition, words and phrases used herein and defined in the Business Combination Agreement and not otherwise defined herein shall have the same meaning herein as in the Business Combination Agreement unless the context otherwise requires.

Section 1.02 *Interpretation Not Affected by Headings*

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

Section 1.03 *Number, Gender and Persons*

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter and the word person and words importing 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 or group of persons of any kind or nature whatsoever.

Section 1.04 *Date for any Action*

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

Section 1.05 *Statutory References*

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

Section 1.06 *Currency*

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

Section 1.07 *Governing Law*

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada applicable therein.

ARTICLE TWO BINDING EFFECT

Section 2.01 *Binding Effect*

As of and from the Effective Time, this Plan of Arrangement shall be binding upon:

- (a) NEW GOLD;
- (b) GEO;
- (c) Spinco;
- (d) the Dissenting Shareholders;
- (e) the Dissenting Warrantholders;
- (f) the GEO Shareholders;
- (g) the GEO Optionholders; and
- (h) the GEO Warrantholders.

ARTICLE THREE ARRANGEMENT

Section 3.01 *Arrangement*

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further act or formality:

- (a) notwithstanding any vesting or exercise provisions to which a GEO Option might otherwise be subject (whether by contract, the conditions of a grant, applicable law or the terms of the GEO Option Plan):
 - (i) each GEO Option issued and outstanding at the time referred to in this subsection 3.01(a) will, without any further action by or on behalf of any holder of such GEO Option, be deemed to be fully vested and transferred by the holder thereof to GEO (free and clear of all liens, claims and encumbrances of whatsoever nature) and cancelled in exchange for the Option Consideration, less any amounts withheld pursuant to Section 5.03;

- (ii) with respect to each GEO Option, the holder thereof will cease to be the holder of such GEO Option, will cease to have any rights as a holder in respect of such GEO Option or under the GEO Option Plan, such holder's name will be removed from the register of GEO Options, and all option agreements, grants and similar instruments relating thereto will be cancelled; and
 - (iii) the GEO Option Plan will be terminated;
- (b) contemporaneously with the steps contemplated in subsection 3.01(a), notwithstanding any exercise provisions to which a GEO Warrant might otherwise be subject (whether by contract, the conditions of a grant, or applicable law):
 - (i) each GEO Warrant issued and outstanding at the time referred to in this subsection 3.01(b) (other than any GEO Warrants held by a Dissenting Warrantholder) will, without any further action by or on behalf of any holder of such GEO Warrant, be transferred by the holder thereof to GEO (free and clear of all liens, claims and encumbrances of whatsoever nature) and cancelled in exchange for the Warrant Consideration, less any amounts withheld pursuant to Section 5.03; and
 - (ii) with respect to each GEO Warrant, the holder thereof will cease to be the holder of such GEO Warrant, will cease to have any rights as a holder in respect of such GEO Warrant, such holder's name will be removed from the register of GEO Warrants, and all agreements, grants and similar instruments relating thereto will be cancelled.
- (c) all of Spin-out Assets and Liabilities shall be transferred to Spinco by GEO in exchange for the issuance of a particular number of fully-paid and non-assessable Spinco Shares to GEO such that immediately after the foregoing issuance GEO shall hold in aggregate (together with the Spinco Shares held immediately prior to the foregoing issuance) that number of Spinco Shares that is equal to one fifteenth (1/15th) of the number of GEO Common Shares that are issued and outstanding immediately prior to the Effective Time (adjusted as provided in Section 3.03 below) less the number of GEO Shares held by Dissenting Shareholders;
- (d) NEW GOLD shall loan to GEO an amount equal to the U.S. Tax Code Withholding, to be evidenced by a promissory note repayable on demand;
- (e) GEO shall make a capital contribution to Spinco in an amount equal to the U.S. Tax Code Withholding, which Spinco shall use to satisfy the U.S. Tax Code Withholding;

- (f) NEW GOLD shall subscribe for that number of Spinco Shares that will result in NEW GOLD holding 13% of the issued and outstanding Spinco Shares for a total of \$250,000 in cash;
- (g) GEO shall undertake a reorganization of capital within the meaning of section 86 of the Tax Act as follows, and in the following order:
 - i. The authorized capital of GEO shall be amended by:
 - A. re-designating the GEO Common Shares as Class B Shares and each certificate representing such an outstanding GEO Common Share shall, as and from the time such re-designation is effective, represent a Class B Share; and
 - B. the creation of an unlimited number of Class A Shares;and the articles of GEO shall be deemed to be amended accordingly;
 - ii. Each issued Class B Share, other than those held by Dissenting GEO Shareholders, shall be exchanged with GEO for one Class A Share and one fifteenth (1/15th) of a Spinco Share;
 - iii. The capital of GEO for the outstanding Class A Shares shall be an amount equal to the paid up capital (within the meaning of the Tax Act) of the GEO Class B Shares, less the paid up capital (within the meaning of the Tax Act) of the GEO Class B Shares that is attributable to each issued Class B Share held by Dissenting GEO Shareholders and described in paragraph 3(h) hereof, and less the fair market value of the Spinco Shares distributed to GEO Shareholders.
- (h) the following steps shall be effected contemporaneously:
 - (i) each issued Class A Share held by a Former GEO Securityholder shall be transferred to NEW GOLD (free and clear of all liens, claims, charges and encumbrances of whatsoever nature) and NEW GOLD shall pay each Former GEO Securityholder, in exchange therefor, the Cash Consideration (subject to Section 3.03 and Article Five hereof). Following completion of this step, NEW GOLD shall be the holder of all of the issued and outstanding Class A Shares and the central securities register of GEO shall be revised accordingly;
 - (ii) each Class B Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part (free and clear of all liens, claims and encumbrances of whatsoever nature), to NEW GOLD and NEW

GOLD shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article Four hereof, and the name of such holder shall be removed from the central securities register of GEO as a holder of Class B Shares and NEW GOLD shall be recorded as the registered holder of the Class B Shares so transferred and shall be deemed to be the legal owner of such Class B Shares;

- (iii) each Class B Share (other than Class B Shares held by Dissenting Shareholders and acquired by NEW GOLD) shall be cancelled;
- (iv) each GEO Warrant held by a Dissenting Warranthead shall be deemed to be transferred by the holder thereof, without any further act or formality on its part (free and clear of all liens, claims and encumbrances of whatsoever nature), to NEW GOLD and NEW GOLD shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 hereof, and the name of such holder shall be removed from the register of holders of GEO Warrants as a holder of GEO Warrants and NEW GOLD shall be recorded as the registered holder of the GEO Warrants so transferred and shall be deemed to be the legal owner of such GEO Warrants;
- (i) GEO will file an election with CRA to cease to be a public corporation for the purposes of the *Tax Act*; and
- (j) the exchanges, cancellations and steps provided for in this Section 3.01 shall be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

Section 3.02 *Effective Time Procedures*

- (a) Following the receipt of the Final Order and prior to the Effective Date, NEW GOLD shall deliver or arrange to be delivered to the Depositary cash in an aggregate amount sufficient to pay the aggregate Cash Consideration payable and GEO shall deliver or arrange to be delivered to the Depositary certificates representing the Spinco Shares required to be delivered to Former GEO Securityholders in accordance with the provisions of Section 3.01 hereof, which cash and certificates shall be held by the Depositary as agent and nominee for such Former GEO Securityholders for distribution to such Former GEO Securityholders in accordance with the provisions of Article 5 hereof.
- (b) Subject to the provisions of Article 5 hereof, and upon return of a properly completed letter of transmittal by a registered Former GEO Securityholder, together with certificates representing GEO Common Shares and such other documents as the Depositary may require, such Former GEO

Securityholder shall be entitled to receive delivery of the Cash Consideration and certificates representing the Spinco Shares to which he entitled pursuant to Section 3.01 hereof.

Section 3.03 *No Fractional Shares*

- (a) No fractional Spinco Shares or GEO Common Shares forming part of the Option Consideration and Warrant Consideration shall be distributed to Former GEO Securityholders.
- (b) The number of Spinco Shares to be distributed to Former GEO Securityholder shall be rounded up to the nearest whole Spinco Share in the event that a GEO Securityholder is entitled to a fractional share representing 0.5 or more of a Spinco Share and shall be rounded down to the nearest whole Spinco Share in the event that a Former GEO Securityholder is entitled to a fractional share representing less than 0.5 of a Spinco Share.
- (c) The number of GEO Common Shares to be issued to Former GEO Securityholders who were GEO Optionholders or GEO Warranholders as part of the Option Consideration or the Warrant Consideration, as the case may be, shall be rounded down to the nearest whole GEO Common Share.
- (d) Any Cash Consideration payable to a Former GEO Securityholder shall be rounded up to the next whole cent.

Section 3.04 *Tax Election*

In respect of the transfer of the Spin-Out Assets and Liabilities in accordance with section 3.01(c) hereof, Spinco shall make a joint election pursuant to subsection 85(1) of the Tax Act at an elected amount determined by GEO, and the amount added to the capital of the Spinco Shares shall be equal to such elected amount.

ARTICLE FOUR DISSENT RIGHTS

Section 4.01 *Dissent Rights*

Pursuant to the Interim Order, holders of GEO Common Shares and GEO Warrants may exercise rights of dissent ("**Dissent Rights**") under Division 2 of Part 8 of the BCBCA, as modified by this Article 4, the Interim Order and the Final Order, with respect to GEO Common Shares and GEO Warrants in connection with the Arrangement, provided that the written notice of dissent to the Arrangement Resolution contemplated by Section 242 of the BCBCA must be sent to GEO by holders who wish to dissent at least two days before the GEO Meeting or any date to which the GEO Meeting may be postponed or adjourned and provided further that holders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their GEO Common Shares or GEO Warrants which fair value shall be the fair value of such shares or warrants immediately before the passing by the GEO Securityholder of the Arrangement Resolution, shall be paid an amount in cash equal to such fair value by NEW GOLD; and
- (b) are ultimately not entitled, for any reason, to be paid fair value for their GEO Common Shares or GEO Warrants shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of GEO Common Shares or GEO Warrants and shall be entitled to receive only the consideration contemplated in subsection Section 3.01 hereof that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights,

but in no case shall NEW GOLD, GEO or any other person be required to recognize holders of GEO Common Shares or GEO Warrants who exercise Dissent Rights as holders of GEO Common Shares or GEO Warrants after the time that is immediately prior to the Effective Time, and the names of such holders of GEO Common Shares who exercise Dissent Rights shall be deleted from the central securities register of GEO Common Shares and registers of holders of GEO Warrants, respectively, as holders of GEO Common Shares or GEO Warrants, as the case may be, at the Effective Time and NEW GOLD shall be recorded as the registered holder of the GEO Common Shares or GEO Warrants so transferred and shall be deemed to be the legal owner of such GEO Common Shares or GEO Warrants.

ARTICLE FIVE DELIVERY OF CASH CONSIDERATION AND SPINCO SHARES

Section 5.01 Delivery of Cash Consideration and Shares

- (a) Each holder of GEO Common Shares on the Effective Date shall, following completion of the transactions described in Section 3.01, be entitled to receive, and the Depositary shall deliver to such holder following the Effective Time, cash representing the Cash Consideration and certificates representing the Spinco Shares that such holder is entitled to receive in accordance with Section 3.01 hereof.
- (b) Upon surrender to the Depositary for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding GEO Common Shares that were exchanged for Spinco Shares and GEO Class A Shares that were exchanged for Cash Consideration in accordance with Section 3.01 hereof, together with such other documents and instruments as would have been required to effect the transfer of the GEO Common Shares formerly represented by such certificate under the terms of such certificate, the BCBCA or the articles of GEO and such additional documents and instruments as the Depositary

may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, cash representing the Cash Consideration and certificates representing the Spinco Shares that such holder is entitled to receive in accordance with Section 3.01 hereof.

- (c) After the Effective Time and until surrendered for cancellation as contemplated by subsection 5.01(b) hereof, each certificate that immediately prior to the Effective Time represented one or more GEO Common Shares following completion of the transactions described in Section 3.01, shall be deemed at all times to represent only the right to receive in exchange therefor Cash Consideration and certificates representing the Spinco Shares that the holder of such certificate is entitled to receive in each case in accordance with Section 3.01 hereof.

Section 5.02 *Lost Certificates*

In the event any certificate, that immediately prior to the Effective Time represented one or more outstanding GEO Common Shares that were exchanged for Spinco Shares and GEO Common Shares and that were subsequently exchanged for Cash Consideration in accordance with Section 3.01 hereof, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, Cash Consideration and certificates representing Spinco Shares that such holder is entitled to receive in accordance with Section 3.01 hereof. When authorizing such delivery of a certificate representing Spinco Shares, that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom certificates representing such Spinco Shares is to be delivered shall, as a condition precedent to the delivery of cash and certificates representing such Spinco Shares, give a bond satisfactory to NEW GOLD and the Depositary in such amount as NEW GOLD and the Depositary may direct, or otherwise indemnify NEW GOLD and the Depositary in a manner satisfactory to NEW GOLD and the Depositary, against any claim that may be made against NEW GOLD or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of GEO.

Section 5.03 *Withholding Rights*

NEW GOLD, GEO and the Depositary shall be entitled to deduct and withhold from any amount otherwise payable to any Former GEO Securityholder such amounts as NEW GOLD, GEO or the Depositary is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the U.S. Tax Code or any provision of any applicable federal, provincial, territorial state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Former GEO Securityholder in respect of which such deduction and withholding was

made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

Section 5.04 *Limitation and Prescription*

To the extent that a Former GEO Securityholder shall not have complied with the provisions of Section 5.01 or Section 5.02 hereof on or before the date that is six years after the Effective Date (the “**final prescription date**”), then the Cash Consideration and the Spinco Shares that such Former GEO Securityholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the Cash Consideration shall be delivered to NEW GOLD by the Depository and the share certificates representing the Spinco Shares shall be delivered to Spinco and cancelled by Spinco and the interest of the Former GEO Securityholder in such Cash Consideration, and Spinco Shares to which it was entitled shall be terminated as of such final prescription date.

ARTICLE SIX AMENDMENTS

Section 6.01 *Amendments to Plan of Arrangement*

- (a) NEW GOLD and GEO reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by NEW GOLD and GEO, (iii) filed with the Court and, if made following the GEO Meeting, approved by the Court, and (iv) communicated to holders or former holders of GEO Common Shares, GEO Warrants or GEO Options, if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by GEO at any time prior to the GEO Meeting provided that NEW GOLD shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the GEO Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the GEO Meeting shall be effective only if: (i) it is consented to in writing by each of NEW GOLD and GEO; and (ii) if required by the Court, it is consented to by the GEO Securityholder voting in the manner directed by the Court.

Schedule B

Misc. Claims

The following mineral claims located in the Province of British Columbia:

| Tenure Number | Claim Name | Issue Date | Good To Date | Area (ha) |
|----------------------|----------------------|-------------------|---------------------|------------------|
| 684103 | AMARCEASTAAA | 2009/dec/12 | 2012/dec/12 | 479.26 |
| 684105 | AMARCEASTBBBB | 2009/dec/12 | 2012/dec/12 | 499.21 |
| 684123 | AMARCEASTCCCC | 2009/dec/12 | 2012/dec/12 | 499.35 |
| 684124 | AMARCEASTDDDD | 2009/dec/12 | 2012/dec/12 | 499.44 |
| 684126 | AMARCEASTEEEE | 2009/dec/12 | 2012/dec/12 | 479.46 |
| 684128 | AMARCEASTFFFFFF | 2009/dec/12 | 2012/dec/12 | 498.98 |
| 684129 | AMARCNORTHAAAA | 2009/dec/12 | 2012/dec/12 | 398.98 |
| 684130 | AMARCNORTHBBB | 2009/dec/12 | 2012/dec/12 | 478.78 |
| 684131 | AMARCNORTHCCCC | 2009/dec/12 | 2012/dec/12 | 398.98 |
| 685103 | AMARCNEAAAA | 2009/dec/14 | 2012/dec/14 | 478.72 |
| 685104 | AMARCNORTHVVVVV | 2009/dec/14 | 2012/dec/14 | 478.65 |
| 685105 | AMARCNWAAAAA | 2009/dec/14 | 2012/dec/14 | 498.77 |
| 685106 | AMARCNWCCCC | 2009/dec/14 | 2012/dec/14 | 478.76 |
| 685107 | AMARCNWBTTTTT | 2009/dec/14 | 2012/dec/14 | 498.67 |
| 685123 | AMARCNERRRRR | 2009/dec/14 | 2012/dec/14 | 498.60 |
| 685983 | AMARCSOUTHWESTAAAAA | 2009/dec/15 | 2012/dec/15 | 482.10 |
| 686003 | AMARCSOUTHWESTBBBBB | 2009/dec/15 | 2012/dec/15 | 502.36 |
| 686004 | AMARCSOUTHWESTCCCCCC | 2009/dec/15 | 2012/dec/15 | 502.22 |
| 686005 | AMARCSOUTHWESTDDDDDD | 2009/dec/15 | 2012/dec/15 | 502.54 |