Court File No. CV-16-11359-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

B E T W E E N :

BRIO FINANCE HOLDINGS B.V.

Applicant

and

CARPATHIAN GOLD INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

APPLICATION RECORD
(returnable April 22, 2016)
VOLUME 1

April 21, 2016

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Proposed Receiver

Court File No. CV-16-11359-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

B E T W E E N :

BRIO FINANCE HOLDINGS B.V.

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APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

APPLICATION RECORD
(RETURNABLE APRIL 22, 2016)

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Court File No. CV-16-00011259-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

BRIO FINANCE HOLDINGS B.V.

Applicant

and

CARPATHIAN GOLD INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

NOTICE OF APPLICATION

TO THE PARTIES HEREIN:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing before a judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario on April 22, 2016, at 9:30 am or as soon after that time as the matter can be heard.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the

Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 pm on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date April 21, 2016 Issued by Ray Williams
Local registrar

Address of court office
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Proposed Receiver

APPLICATION

1. The Applicant, Brio Finance Holdings B.V. ("**Brio**" or the "**Applicant**") makes this application for a Limited Receivership Order in the form attached to the Application Record appointing FTI Consulting Canada Inc. ("**FTI**" or the "**Proposed Receiver**") as receiver, without security over the right, title and interest of Carpathian Gold Inc. ("**CPN**") in the outstanding shares and membership interests of two of CPN's subsidiaries and certain intercompany debt owed to CPN.

2. The grounds for the application are:

(a) CPN, a public company headquartered in Toronto, together with its subsidiaries, is an exploration and development mining company;

(b) CPN's primary business interests are (i) the Riacho dos Machados gold exploration, development and production project located in Brazil and undertaken by Mineração Riacho dos Machados Ltda. (the "**RDM Mine**"), and (ii) the Rovina Valley gold and copper exploration project located in Romania (the "**Romanian Project**");

(c) The Romanian Project is not the subject of this Application.

(d) Mineração Riacho dos Machados Ltda. ("**MRDM**") is an indirect subsidiary of CPN;

(e) MRDM is indebted to the Applicant pursuant to a project loan facility and certain gold purchase agreements in an amount that currently exceeds US$273 million and this indebtedness is currently due and payable as a result of various events of default under the project loan facility;

(f) CPN has guaranteed the obligations of MRDM and granted security over, among other things, intercompany debts owing to CPN and the shares and membership interest in two of its subsidiaries, Ore-Leave Capital (Brazil) Limited ("**OLC**") and OLV Coöperatie U.A. ("**OLV**"), which indirectly own MRDM (collectively, the "**Limited Receivership Assets**");

(g) The security over the Limited Receivership Assets has now become enforceable as a result of, among other things, the various events of default under the project loan facility;

(h) It is clear from all available information that the Limited Receivership Assets do not have a value that approaches the current outstanding secured debt under the project loan facilities;

(i) This proceeding is being commenced to, among other things, allow Brio to acquire, through a credit-bid transaction, the Limited Receivership Assets;

(j) CPN consents to the appointment of the proposed receiver over the Limited Receivership Assets for the above purpose;

(k) The proposed receivership would not involve the balance of CPN's assets or operations, and in particular would not involve the Romanian Project or the CPN's subsidiaries with direct or interest interests in the Romanian subsidiaries;

(l) CPN is an insolvent person, as defined in the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**")

(m) It is clear in the circumstances that Brio is a secured creditor entitled to make this application under Section 243 of the BIA;

(n) The powers that Brio requests this Court provide to the proposed receiver are within the scope of those listed in Section 243 of the BIA and are consistent with the limited purpose of this matter;

(o) Brio has sent the notices required under section 244 of the BIA and CPN has consented to an earlier enforcement under subsection 244(2) of the BIA for the purposes of completing the transactions contemplated in this Application;

(p) FTI Consulting Canada Inc., a trustee within the meaning of Section 2 of the BIA, has consented to its appointment as Receiver in this matter;

(q) The appointment of the proposed receiver is just and convenient in the circumstances;

General

(r) The provisions of the BIA; and

(s) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

(a) The affidavit of Joseph M. Longpre sworn on April 21, 2016, and the Exhibits attached thereto;

(b) The Consent of FTI Consulting Canada Inc. to act as Receiver; and

(c) Such further and other material as counsel may advise and this Honourable Court will permit.

April 21, 2016

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BRIO FINANCE HOLDINGS B.V. AND CARPATHIAN GOLD INC. Court File No: CV-16-00011359-00CL

APPLICANT RESPONDENT

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

NOTICE OF APPLICATION

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Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

BRIO FINANCE HOLDINGS B.V.

Applicant

and

CARPATHIAN GOLD INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AFFIDAVIT OF JOSEPH M. LONGPRE
(Sworn April 21, 2016)

I, Joseph M. Longpre of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Chief Financial Officer of Brio Gold Inc., the parent company of Brio Finance Holdings B.V. ("**Brio**"), the administrative agent and collateral agent (in such capacity, the "**Agent**") with respect to a Project Facility (defined below) initially provided by Macquarie Bank Limited ("**MBL**") and subsequently assigned to Brio, as lender, (in such capacity, the "**Lender**") to Mineração Riacho dos Machados Ltda. ("**MRDM**"), as borrower.

2. MRDM is an indirect subsidiary of the Respondent Carpathian Gold Inc. ("**CPN**") and CPN has provided a secured guarantee in respect of the Project Facility.

3. Accordingly, I have knowledge of the matters deposed to in this affidavit. Where this affidavit is not based on my direct personal knowledge, I have stated the source of that information and believe such information to be true.

4. This affidavit is sworn in support of an application to appoint FTI Consulting Canada Inc. ("**FTI**") as receiver (in such capacity, the "**Receiver**"), without security, over certain limited assets, rights and interests of CPN, pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") (this "**Application**").

5. As will be described in greater detail below, Brio seeks to appoint FTI as receiver of CPN's right, title and interest only in the outstanding shares and membership interests of two of CPN's subsidiaries and certain intercompany debt owed to CPN (the "**Limited Receivership Assets**"). The remaining assets of CPN, other than the Limited Receivership Assets, would remain unaffected by the Receiver's appointment.

6. Unless otherwise indicated, all references to dollars or "$" in this Affidavit shall be a reference to United States dollars.

A. OVERVIEW

7. CPN, a public company headquartered in Toronto, together with its subsidiaries, is an exploration and development mining company.

8. CPN's primary business interests are (i) the Riacho dos Machados gold exploration, development and production project located in Brazil and undertaken by MRDM (the "**RDM Mine**"), and (ii) the Rovina Valley gold and copper exploration project located in Romania (the "**Romanian Project**"). The Romanian Project is not the subject of this Application.

9. MRDM is indebted to the Lender pursuant to the Project Facility and certain gold purchase agreements (together with the Project Facility, the "**Facilities**"), as described further below. As described above, CPN has guaranteed the obligations of MRDM and granted security to the Agent, on behalf of the Lender, in respect of that indebtedness.

10. As of March 31, 2016, the Lender was owed not less than $273 million by MRDM under the Facilities.

11. MRDM was (and is) in default of its obligations to the Lender and, following many months of contractual amendments, default waivers and forbearance periods, continues to be unable to repay the amounts due and owing.

12. I understand from Michael Kozub, General Counsel and Corporate Secretary of CPN, that, from September 2013 to October 2015, CPN pursued a robust sales process (the "**Sales Process**") in order to identify a going concern, out-of-court solution for its business.

13. Despite the fact that the Project Facility was in default during the period of the Sales Process, funding continued to MRDM under the Project Facility during and after the Sales Process.

14. The Sales Process will be discussed in greater detail in evidence to be provided to the Court in connection with the motion for approval of the MRDM Acquisition (as defined below).

15. Late in the Sales Process, Brio Gold Inc. ("**BGI**", an affiliate of Yamana Gold Inc.) engaged in discussions with MBL regarding the acquisition of MBL's position under the Facilities with the ultimate goal of acquiring MRDM through a security enforcement process on consent of CPN. BGI also had prior involvement in the Sales Process, indirectly, as it engaged in discussions with a potential bidder in the Sales Process about possible follow-on transactions after an acquisition of the RDM Mine by such potential bidder.

16. As described in more detail below, on March 31, 2016, all of MBL's rights and obligations under the Facilities and the security associated therewith were transferred to Brio at a price of $41,861,868.69 million, equivalent to approximately 15% of face value.

17. Brio is currently the owner of multiple gold exploration and production properties. It is not a traditional lender. Brio acquired the Facilities with the intention of moving forward

on an expedited basis to indirectly acquire MRDM through a credit bid transaction for the shares of two CPN subsidiaries that are the indirect parent companies of MRDM (the "**MRDM Acquisition**").

18. Completion of the MRDM Acquisition is the purpose of this Application.

19. Brio is of the view that the granting of the relief sought in this Application will facilitate a going concern solution for MRDM in a stable, court-supervised process, and enable CPN to be fully released from its obligations to the Lender and the Agent and to move on with its plans in respect of the Romanian Project with a new equity infusion from BGI. All procedural formalities required of the Agent to commence this enforcement proceeding have been completed, and CPN consents to the appointment of the Receiver pursuant to the Order sought for the purposes set out above.

20. As described further below, Brio would not move forward with the MRDM Acquisition outside of a court process for the following reasons: (i) applicable Canadian personal property security legislation may not allow for the transfer of all of the Limited Receivership Assets; (ii) Brio requires the transparency and certainty of a court order in connection with this transaction; and (iii) absent a court order approving the transaction, the transaction may require approval of the shareholders of CPN and Brio would not move forward with the transaction if a shareholder vote (including the time and delay associated therewith, particularly given CPN's public company status) was a prerequisite.

B. CPN BACKGROUND

21. CPN, together with its subsidiaries, is an exploration and development mining company.

22. A corporate chart illustrating the corporate structure of CPN and its subsidiaries is attached hereto as **Exhibit "A"**.

23. CPN is a public company, previously listed on the Toronto Stock Exchange but now listed on the Canadian Securities Exchange, incorporated pursuant to the laws of

Canada, having its registered and head office located at 36 Toronto Street, Suite 1000, Toronto, Ontario.

24. I am advised by Mr. Kozub that CPN has no independent operations and exists solely as the parent holding company for a number of subsidiaries. Through these subsidiaries, CPN owns and operates: (i) the RDM Mine, and (ii) the Romanian Project.

C. FINANCIAL POSITION

25. CPN has been experiencing significant financial difficulties for some time.

26. The financial position of CPN is evidenced by its Interim Financial Statements for the quarter ended September 30, 2015 (the "**Interim Financial Statements**"), attached hereto and marked as **Exhibit "B"**. As set out in the Interim Financial Statements, CPN, on a consolidated basis for the reporting period, incurred a net loss of approximately $56 million, and as at September 30, 2015 reported an accumulated deficit of approximately $219 million. CPN's cash reserves are also depleted: as of September 30, 2015, CPN held, on a consolidated basis, unrestricted cash and cash equivalents of only approximately $726,000.

27. The obligations under the Facilities of not less than $273 million are currently due and payable as a result of the Existing Defaults (as described below). Based upon the outcome of the Sales Process, it is clear that the aggregate of CPN's property, at a fair valuation, is not sufficient, or, if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of its obligations under the Facilities. Further, CPN is not, at this time able to repay its obligations under the Project Facility.

28. I am advised by Mr. Kozub that CPN does not have any unionized employees and is not the sponsor of a registered pension plan.

29. Brio believes that it is clear from all available information that the assets that are the subject of the MRDM Acquisition do not have a value that approaches the current outstanding secured debt under the Facilities. As will be described in greater detail in an affidavit of a representative of Origin Merchant Partners, CPN's financial advisor, the

Sales Process has been undertaken with respect to CPN and its subsidiaries and no viable transactions that would have repaid the debt owing under the Facilities were available through the Sales Process. Further, Brio has very recently acquired the Facilities, and the security associated therewith, at a very significant discount from a sophisticated lender, which provides an additional persuasive indication of the market value of the assets that secure the Facilities and that are the subject of the MRDM Acquisition.

D. CPN ASSETS

30. CPN's primary assets consist of the equity interests in its subsidiaries and intercompany receivables, in particular, I am advised by Mr. Kozub that the following intercompany receivables are owing to CPN:

(a) intercompany loans owed by MRDM to CPN in the approximate aggregate amount of $9,088,242.18;

(b) intercompany loans owed by CPN's Barbados subsidiary, OLC Brazil (as defined below) to CPN in the approximate aggregate amount of $49,310.49; and

(c) intercompany loans owed by CPN's Dutch subsidiaries, OLV and OLC Holdings (each as defined below) to CPN in the approximate aggregate amount of $398,855.18.

The indebtedness referred to in subparagraphs (a) through (c), above, and all payments due or to become due thereunder or in connection therewith, and all claims, causes of action, and any other rights of CPN, as a lender, or the proposed receiver against any person, whether known or unknown, arising thereunder or in any way based on or relating thereto, including contract and tort claims, statutory claims, and all other claims related to the rights and obligations sold and assigned, is collectively referred to herein as the "**Carpathian Intercompany Debt**".

(i) Romanian Subsidiaries and the Romanian Project

31. As set out in the corporate chart attached hereto and marked as **Exhibit "A"**, through a series of direct and indirect subsidiaries (the "**Romanian Subsidiaries**") CPN is the ultimate parent of the Romanian operating entity, SC SAMAX Romania SRL ("**SAMAX Romania**").

32. SAMAX Romania operates the Romanian Project.

33. The Facilities are not secured on the shares of the Romanian Subsidiaries or the Romanian Project. The Romanian Subsidiaries and the Romanian Project are not the subject of this Application.

(ii) Brazilian Subsidiaries

34. As set out in the corporate chart attached hereto and marked as **Exhibit "A"**, CPN owns 100% of (i) the issued and outstanding shares of Ore-Leave Capital (Brazil) Limited (a company incorporated in Barbados) ("**OLC Brazil**"), and (ii) 99.9998% of the issued and outstanding membership interests in OLV Coöperatie U.A. (Netherlands) (a co-operative established in the Netherlands) ("**OLV**"). OLC Brazil owns the remaining 0.0002% of the issued and outstanding membership interests in OLV.

35. OLV owns 100% of the issued and outstanding interests in OLC Holdings B.V. (a company incorporated in the Netherlands) ("**OLC Holdings**"). Together, OLV and OLC Holdings own 100% of the issued and outstanding quotas of MRDM, which owns and operates the RDM Mine.

36. Collectively, OLC Brazil, OLV, OLC Holdings and MRDM are referred to herein as the "**RDM Subsidiaries**".

(iii) The RDM Mine

37. The RDM Mine is an open pit gold mine, located approximately 145 kilometers from the city of Montes Claros in south-eastern Brazil. I am advised by Mr. Kozub that MRDM currently employs approximately 579 people on a full time basis at the RDM Mine.

38. I am advised by Mr. Kozub that, in November 2011, MRDM was granted a licence, known as the *Licenca Instalacao* (the "**Installation License**"), required to commence the installation and construction of the plant and facilities at the RDM Mine. At that time, CPN anticipated that gold production at the RDM Mine would commence around mid-2013.

39. I am advised by Mr. Kozub that construction at the mine continued throughout 2012 and 2013. However, later in 2013, it became apparent that there were delays in the progress of construction and the anticipated commencement of gold production at the RDM Mine.

40. I am advised by Mr. Kozub that in early January 2014, CPN announced its first smelting and pouring of gold at the RDM Mine.

41. The RDM Mine is currently a producing mine.

E. CARPATHIAN'S LIABILITIES AND EMPLOYEE MATTERS

42. A review of the Interim Financial Statements shows that, with the exception of the obligations under the Facilities, the liabilities of CPN and its subsidiaries on a consolidated basis were less than $13 million as at September 30, 2015.

43. I am advised by Mr. Kozub that the liabilities of CPN on a non-consolidated basis, other than the obligations under the Facilities, are unsecured and are currently less than $100,000. In addition, I am advised by Mr. Kozub that there are currently outstanding potential contingent unsecured claims against CPN in the amount of approximately US$1,128,601 and CDN$560,000 relating to wrongful dismissal allegations.

44. None of the current employees or creditors (other than Brio) of CPN or its subsidiaries will have their rights affected by the proposed receivership or the MRDM Acquisition.

F. RDM Financing Arrangements

Gold Purchase Arrangements

45. In addition to the Project Facility, described below, MBL entered into two gold purchase arrangements with MRDM and CPN. Those gold purchase arrangements provided that, in return for certain upfront payments totaling up to $45 million, MBL would have the right to acquire 12.5% of RDM's gold production at a price of $400 per ounce, subject to an inflation escalator. These arrangements were included in two gold purchase agreements, copies of which are attached hereto and marked as **Exhibits "C" and "D"** (as amended from time to time, the "**Gold Purchase Agreements**").

46. The obligations, liabilities and indebtedness of MRDM under the Gold Purchase Agreements were guaranteed by CPN.

Project Facility

47. On January 11, 2013, MRDM, as borrower, CPN and each of the other Brazilian Subsidiaries, as guarantors, and MBL entered into, among other things, a $90 million non-revolving credit facility (the "**Project Facility**") pursuant to a project facility agreement (as subsequently amended and supplemented from time to time, the "**Project Facility Agreement**"), attached hereto and marked as **Exhibit "E"**.

48. The purpose of the Project Facility was to enable MRDM to finance costs of the construction, development and operation of the RDM Mine and was to be made available to MRDM by MBL initially in two tranches, the first being $65 million ("**Tranche 1**") and the second being $25 million ("**Tranche 2**").

49. MBL advanced to MRDM the aggregate amount of $90 million available under Tranche 1 and Tranche 2 of the Project Facility in 2013.

50. The obligations, liabilities and indebtedness of MRDM with respect to the Project Facility Agreement are guaranteed by CPN and each of the RDM Subsidiaries. Attached hereto and marked as **Exhibit "F"** is a copy of the guarantee provided by CPN to the Agent, dated January 11, 2013 (the "**Facility Guarantee**").

51. In connection with the execution of the Project Facility Agreement and the Facility Guarantee, CPN granted security over certain of its assets in favour of the Agent, pursuant to various security documents, including, but not limited to:

(a) a Disclosed Pledge of Claims and Memberships, dated as of January 11, 2013, among CPN, OLC Brazil, OLV and the Agent, in respect of CPN's and OLC Brazil's interest in and right and title to the memberships and claims in OLV, a copy of which is attached hereto and marked as **Exhibit "G"**;

(b) a Deed of Charge Over Shares, dated as of January 11, 2013, between CPN, OLC Brazil and the Agent, in respect of CPN's interest in and right and title to all issued and outstanding shares in OLC Brazil, a copy of which is attached hereto and marked as **Exhibit "H"**;

(c) a General Security Agreement, dated as of October 8, 2013, granted by CPN in favour of MBL (the "**GSA**"), a copy of which is attached hereto and marked as **Exhibit "I"**;[1]

(collectively, the "**Security**").

52. The Agent does not have security over CPN's right, title and interest in any of the shares of the Romanian Subsidiaries or any assets used in the Romanian Project.

53. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP, counsel to Brio, that searches performed of Ontario's Personal Property Security Registry current to April 5, 2016 show that Brio is the only secured party with a registration against CPN. Copies of these searches of the Ontario Personal Property Security Registry are attached hereto and marked as **Exhibit "J"**.

[1] The GSA was entered into in connection with an Amendment Letter to the Project Facility Agreement dated August 28, 2013, a copy of which is attached hereto and marked as **Exhibit "K"**.

G. DEFAULTS AND FORBEARANCES

54. CPN and the RDM Subsidiaries defaulted on certain covenants and obligations under the Project Facility Agreement starting in October 2013. The defaults are detailed in fifty-three amending and forbearance agreements entered into between MBL, CPN, and the RDM Subsidiaries. The outstanding defaults (the "**Existing Defaults**") include:

(a) Failures to maintain required balances in the Proceeds Account and Operating Account (each as defined in the Project Facility Agreement), as required under Section 12.04 of the Project Facility Agreement;

(b) Failures to maintain required ratios under Section 10.04 of the Project Facility Agreement;

(c) Failures to deliver an updated Life of Mine Plan in breach of Section 10.01(7)(b) of the Project Facility Agreement;

(d) Payment defaults on March 31, 2014, June 30, 2014, December 31, 2014, March 31, 2015 and June 30, 2015; and

(e) Failures to maintain a TSX listing for CPN's common shares in breach of Section 13.01(29) of the Project Facility Agreement.

H. ADDITIONAL FUNDING AND SALES PROCESS

55. In order to assist and permit CPN and the RDM Subsidiaries an opportunity to identify a going concern solution to the financial difficulties facing the RDM Mine and ultimately, conduct the Sales Process, CPN and the RDM Subsidiaries and MBL executed the first Forbearance and Amendment Agreement, dated as of October 18, 2013 (the "**First Amending Agreement**"). Attached hereto and marked as **Exhibit "L"** is a copy of the First Amending Agreement.

56. Pursuant to the First Amending Agreement, MBL, agreed to, among other things, increase the amount of credit available under the Project Facility, by providing an

additional loan in the amount of US $5 million under a new tranche 3 of the Project Facility ("**Tranche 3**").

57. As the Sales Process was being undertaken, the Agent agreed, through the execution of a series of amendment agreements, beginning on October 30, 2013, to, among other things: (i) further forbear from enforcing the Security and other rights and remedies resulting from the disclosed defaults, (ii) further increase the amount of credit available under Tranche 3 of the Project Facility, which, by February 2016 had reached an aggregate additional sum of $184 million, and (iii) extend the repayment date under Tranche 3 of the Project Facility Agreement.

58. As will be described in greater detail in the affidavit to be filed by a representative of Origin Merchant Partners, the Sales Process was undertaken in two phases from September 2013 to October 2015, during which time not less than 50 potentially interested parties were engaged by Origin Merchant Partners and CPN's other financial advisors regarding a potential transaction. No viable transaction acceptable to the Agent and the Lender was identified.

59. The last amending agreement to the Project Facility Agreement was executed by the Agent, CPN and the RDM Subsidiaries on February 17, 2016 (the "**Final Amending Agreement**") providing for, among other things, the termination of the forbearance period on the earlier of April 1, 2016 or the completion of the assignment of the Facilities and the security associated therewith to Brio.

60. As of March 31, 2016, CPN was directly and indirectly indebted to Brio under the Project Facility in the principal amount of $273,112,133.80 plus interest and fees. Attached hereto and marked as **Exhibit "M"** is a promissory note (the "**Promissory Note**") issued by MRDM to Brio, which confirms the outstanding obligations under the Project Facility as of that date, which was issued in connection with the Loan Acquisition Transaction (as defined below).

I. THE LOAN ASSIGNMENT AND RESTRUCTURING TRANSACTION

61. Discussions between MBL, BGI and CPN regarding a transaction having the structure of the Loan Acquisition Transaction (as defined below) and the MRDM Acquisition began in October 2015, though Yamana Gold Inc. and BGI did engage earlier in the Sales Process with respect to other potential transaction structures as well.

62. The proposed transaction was first negotiated during the month of November in the form of an Option Agreement (the "**Option Agreement**") between BGI and MBL and a Restructuring Agreement ("**Original Restructuring Agreement**") between BGI, MBL, CPN and the RDM Subsidiaries, both dated November 20, 2015. Copies of the Option Agreement and the Original Restructuring Agreement are attached hereto and marked as **Exhibit "N"** and **Exhibit "O"**.

63. Under the Option Agreement, MBL granted BGI the option to acquire MBL's right, title, benefits and interests in respect of the Facilities and the security and guarantees associated therewith, including the Project Facility, the Facility Guarantee and the Security (the "**Loan Acquisition Transaction**").

64. Under the Original Restructuring Agreement:

(a) CPN and the RDM Subsidiaries would consent to the Loan Acquisition Transaction;

(b) CPN and the RDM Subsidiaries would use reasonable efforts and take reasonable steps necessary to complete the Loan Acquisition Transaction;

(c) CPN and the RDM Subsidiaries provided certain confirmations regarding the enforceability of the Project Facility, the Facility Guarantee and the Security and the obligations thereunder;

(d) CPN and the RDM Subsidiaries agreed to certain covenants regarding the operation of the RDM Mine until such time as the Loan Acquisition Transaction was completed;

(e) CPN, MBL, BGI and the RDM Subsidiaries agreed to work cooperatively and in good faith to complete the RDM Acquisition (as defined below);

(f) BGI agreed to enter into a subscription agreement for the Equity Subscription (as defined below) for shares of CPN; and

(g) BGI agreed to provide certain releases to CPN and to the directors of each of CPN and the RDM Subsidiaries.

65. On February 17, 2016, an Assignment and Assumption Agreement was entered into between MBL and BGI (the "**Assignment Agreement**") which, subject to the terms and conditions contained therein would give effect to the Loan Acquisition Transaction. The purchase price to be received by MBL from Brio (as assignee of BGI) under the Loan Acquisition Transaction was $45 million, subject to certain adjustments. A copy of the Assignment Agreement is attached hereto and marked as **Exhibit "P".**

66. In connection with the Assignment Agreement, an Amended and Restated Restructuring Agreement was entered into also on February 17, 2016 between BGI, MBL, CPN and the RDM Subsidiaries (the "**A&R Restructuring Agreement**"). The A&R Restructuring Agreement amended the Original Restructuring Agreement to accommodate certain structural changes associated with the Assignment Agreement. A copy of the A&R Restructuring Agreement is attached hereto and marked as **Exhibit "Q"**.

67. The Loan Acquisition Transaction was completed on March 31, 2016.

J. THE RDM ACQUISITION

68. The acquisition of the shares and memberships of OLV and OLC Brazil and the Carpathian Intercompany Debt is the final step in the series of transactions for the acquisition by Brio of MRDM that began in November 2015 with the Option Agreement and continued through the entry into the Assignment Agreement on February 17, 2016 and the completion of the Loan Acquisition Transaction on March 31, 2016.

69. Through the acquisition of the shares and memberships of OLV and OLC Brazil, Brio would acquire a 100% indirect interest in MRDM and the RDM Mine (the "**RDM Acquisition**").

70. The Court's approval of the RDM Acquisition is not being sought at this time. The motion for approval of the RDM Acquisition, if Brio's receivership application is granted, is intended to be scheduled for April 29, 2016 at 9:30 a.m.

71. The transaction has been publicly disclosed through a number of press releases of CPN, beginning in November of 2015, and then again in February 2016 and March 2016. These press releases are attached hereto as **Exhibits "R"** through **"T"**.

72. The transaction allows Brio to acquire an asset that is strategically beneficial to Brio and, at the same time, allows CPN to move forward and focus on the Romanian Project with an injection of $1 million of liquidity through the Equity Subscription (described below).

73. The terms of the RDM Acquisition are set out in a Share and Asset Purchase Agreement, a form of which is attached hereto and marked as **Exhibit "U"** (the "**Share Purchase Agreement**"). The material terms of the Share Purchase Agreement are set out below:

    (a) Shares to be acquired: All of CPN's right, title and interest in the shares of OLC Brazil and the membership of OLV will be acquired by Brio.

    (b) Carpathian Intercompany Debt to be acquired: Brio will acquire all Carpathian Intercompany Debt.

    (c) Purchase price: A cash purchase price of $1 and a full and final release by Brio of the Facility Guarantee and all other obligations of CPN to Brio under the agreements pertaining to the Facilities and the security that secures the obligations thereunder.

    (d) Conditions: The transaction is subject to limited conditions, including (i) the granting of an approval and vesting order substantially in the form attached to

the form of Share Purchase Agreement; (ii) payment by BGI of the receiver's and its counsel's fees in connection with the receiver's mandate; and (iii) the entry of BGI (or Brio) and Carpathian into the Subscription Agreement (as defined below).

(e) As is, where is: The RDM Acquisition is to occur on an "as is, where is" basis.

74. In connection with the RDM Acquisition, and as contemplated by the Original Restructuring Agreement and the A&R Restructuring Agreement, CPN and BGI have negotiated in good faith and entered into a subscription agreement (the "**Subscription Agreement**") for a $1,000,000 subscription by BGI (or Brio) of common shares in the capital of CPN (the "**Equity Subscription**"). The Equity Subscription will be completed immediately following completion of the RDM Acquisition.

75. Brio is only willing to complete the proposed transaction if the transaction is implemented pursuant to an approval and vesting order substantially in the form attached to the draft Share Purchase Agreement. The approval and vesting order is an essential part of the proposed transaction as it provides Brio with the comfort it requires to move forward with this purchase transaction given the current circumstances facing CPN. Court approval of this transaction is essential in a circumstance where: (i) the shares and membership interests of OLC Brazil and OLV are interests in foreign corporations and, at least in the case of the OLV membership interests, I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP, legal counsel to Brio, that the mechanisms available under the *Personal Property Security Act* (Ontario) may not be available to transfer these assets; (ii) an approval and vesting order provides the highest degree of transparency to interested parties and the highest degree of comfort available in the circumstances that the assets being acquired will be acquired free and clear of any competing encumbrances; and (iii) I am advised by Mr. Cobb that under the *Canada Business Corporations Act*, a sale transaction of this type without a court order approving the transaction may require approval of the shareholders of CPN, and Brio would not move forward with such a transaction if shareholder approval (and the cost and delay potentially associated therewith, particularly as CPN is a public company) was a prerequisite to the transaction.

76. After completion of all of the above steps:

(a) The RDM Subsidiaries, and indirectly the RDM Mine, will be owned by Brio; and

(b) CPN will (i) continue as a going concern, (ii) continue to own the Romanian Subsidiaries and the Romanian Project, which will not have been the subject of the receivership proceedings, (iii) be relieved of any and all obligations in respect of the amounts due and owing under the Facilities, and (iv) obtain $1,000,000 of liquidity through the Equity Subscription.

77. Because this Application and the RDM Acquisition relate only to the collateral held by Brio under the Project Facility and because all indications suggest that such collateral is worth significantly less at fair value than the face value of the Project Facility at this time, unsecured creditors of CPN have no economic interest in this collateral and neither this Application nor the proposed RDM Acquisition will prejudice any other creditors of CPN.

K. DEMAND AND NOTICE

78. Pursuant to paragraph 5.1 of the Facility Guarantee, the Agent, on behalf of the Lender, is entitled to make demand upon CPN at any time during the continuance of default in the performance or payment of any of the obligations under the Project Facility Agreement.

79. Pursuant to the Promissory Note, MRDM confirmed the amounts outstanding under the Project Facility as at March 31, 2016.

80. Pursuant to the Amended and Restated Restructuring Agreement, CPN and each of the RDM Subsidiaries confirmed that the Security continues to be valid, binding and is an enforceable first-priority interest and pursuant to the Final Amending Agreement, CPN and the RDM Subsidiaries confirmed that the Project Facility Agreement continues to be in default.

81. On April 21, 2016, Brio delivered to CPN a notice of intention to enforce security pursuant to Section 244 of the BIA (the "**244 Notice**"). Attached hereto and marked as **Exhibit "V"** is a copy of the 244 Notice.

82. CPN consented to the immediate enforcement of the Security. Attached hereto and marked as **Exhibit "W"** is a copy of the consent executed by CPN, dated April 21, 2016.

L. PRIOR ENGAGEMENTS OF FTI WITH CPN

83. I am advised by Nigel Meakin, Senior Managing Director at FTI, that since 2013, FTI, in conjunction with certain of its international affiliates, has provided a variety of financial advisory, restructuring and consulting services initially to MBL and then to CPN, which are described in greater detail below.

84. In October 2013, FTI was retained by MBL to provide analytical support and strategic assistance to MBL regarding CPN's financial and operating projections for the RDM Mine (the "**Macquarie Engagement**"). I am further advised by Mr. Meakin that only a small amount of work was performed by FTI under the Macquarie Engagement, consisting of a review of (i) actual against forecasted cash flow, and (ii) supporting documentation for a sample of payments. The last time billed under the Macquarie Engagement was charged on October 31, 2013.

85. I am further advised by Mr. Meakin that in January 2013, FTI was retained by CPN to provide certain financial advisory and consulting services, including the services of Mr. Andrew Bantock, a Senior Managing Director of FTI's Australian affiliate, to serve as Chief Restructuring Officer (the "**CRO**") of CPN (the "**CRO Engagement**").

86. Pursuant to the CRO Engagement, the scope of the CRO's duties included, among other things, the following:

(a) providing financial, strategic and restructuring advice to CPN;

(b) assisting management and the board of directors of CPN with such analysis as may be required;

(c) monitoring the preparation and maintenance of short and medium term cash flow and financial forecasts, and the monitoring of actual performance against forecast cash flow for CPN and its subsidiaries;

(d) assessing the operational and financial position of the RDM Mine, including schedules, costs to complete and commissioning issues/programs;

(e) advising and assisting CPN in negotiations and discussions with the CPN's customers, lenders and other stakeholders;

(f) advising and assisting CPN and its investment bankers in the planning and execution of the continuation of their sales process;

(g) developing and evaluating restructuring, sale or recapitalization alternatives that may be available to CPN; and

(h) taking such action as authorized by CPN's Board of Directors to assist CPN in implementing the agreed restructuring strategies and initiatives.

87. I am advised by Mr. Kozub that Mr. Bantock was not an authorized signing officer of CPN and was never listed as an officer of CPN in any public filings of CPN.

88. Mr. Bantock resigned the position of CRO by mutual agreement on December 8, 2015.

89. In addition to the foregoing, In March 2014 FTI was retained by Bennett Jones LLP, in its capacity as legal counsel to CPN, to investigate and report on activities relating to the solicitation, approval and implementation of a sample of contracts and potential irregularities related thereto (the "**BJ Engagement**"). The BJ Engagement was completed in June 2014.

90. The activities of FTI under the BJ Engagement included, among other things, (i) reviewing available paper and electronic documentation to determine the scope of the contract irregularities and the impact on CPN, (ii) seeking to identify the individuals (internal or external to CPN) implicated in the contract irregularities, (iii) determining whether CPN's documented internal control procedures were appropriately followed,

(iv) identifying potential recourse for recovery in the event of non-performance or malfeasance.

91. All of FTI's engagements for CPN are complete. The fee arrangements of each of the FTI engagements was based on hourly rates and none of the engagements had any element of success fee or contingent compensation.

92. On March 31. 2016, FTI's Brazilian affiliate was engaged by MRDM to provide the services of Mr. Luis Moreno as restructuring advisor.

K. APPOINTMENT OF FTI AS RECEIVER

93. In Brio's view, the appointment of FTI as the Receiver is appropriate in the circumstances. FTI is a well-respected firm with significant experience in court appointed officer roles, it is familiar with the operational and financial circumstances of CPN and MRDM, it is familiar with the terms of the Assignment Agreement, the A&R Restructuring Agreement and the Share Purchase Agreement. The Receivership and the transaction contemplated by the Share Purchase Agreement are proceeding on a consensual basis and with the support of CPN, all of which will result in efficiencies.

94. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP, Brio's legal counsel, that section 13.3 of the BIA provides certain restrictions in respect of who may be appointed receiver unless otherwise permitted by the Court. In Brio's view, the prior engagements of FTI and its foreign affiliates described above should not impact FTI's ability to properly discharge its role as Receiver in this matter. The prior engagements have assisted in providing FTI with valuable information about CPN and MRDM and the proposed transaction. Further, Brio is unaware of any aspects of the prior engagements of FTI and its foreign affiliates that would provide any basis to conclude that FTI is not able to independently assess the terms of the proposed transaction. Aside from Brio's agreements with respect to FTI's fees on the Receivership mandate, as described below, Brio has no other agreements or arrangements with FTI in connection with CPN or the RDM Subsidiaries.

95. I am advised by Mr. Meakin that FTI is a trustee within the meaning of Section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

96. FTI has consented to act as Receiver and CPN has consented to the appointment of FTI as the Receiver.

97. As the sole purpose of the receivership is to complete the transaction contemplated by the Share Purchase Agreement, it is expected that the Receiver's mandate will be substantially complete upon completion of that transaction. As a result, the Receiver's appointment is not expected to last more than a few weeks. This is beneficial to both Brio and CPN from a cost and efficiency perspective and also because it limits the amount of time CPN remains subject to receivership proceedings.

98. Due to the limited purpose of the Receivership and the fact that (as described below) the Receivership will not be funded from the assets of CPN, Brio does not believe that there is any practical benefit in the circumstances of requiring that the fees of the Receiver must be subject to Court approval unless requested to do so by the Applicant, the Court or any other interested party.

N. FINANCING OF THE RECEIVERSHIP AND RECEIVER'S CHARGE

99. The fees and expenses of the Receiver and its legal counsel in completing the proposed transaction will be paid by BGI pursuant to an agreement between BGI and FTI.

100. Notwithstanding that, and without limiting BGI's commitments to make the above payments, it is proposed that the fees and expenses of the Receiver and its legal counsel in carrying out the Receiver's duties, once appointed, will be secured by a "Receiver's Charge" over the Limited Receivership Assets which will rank ahead of the Security.

O. CONCLUSION

101. This affidavit is made in support of Brio's application for the appointment of FTI as the Receiver of certain assets of CPN, together with the proposed ancillary and related

relief, as set out in the draft Receivership Order filed, and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, In the Province of Ontario, this 21st day of April, 2016.

A Commissioner for taking affidavits

JOSEPH M. LONGPRE

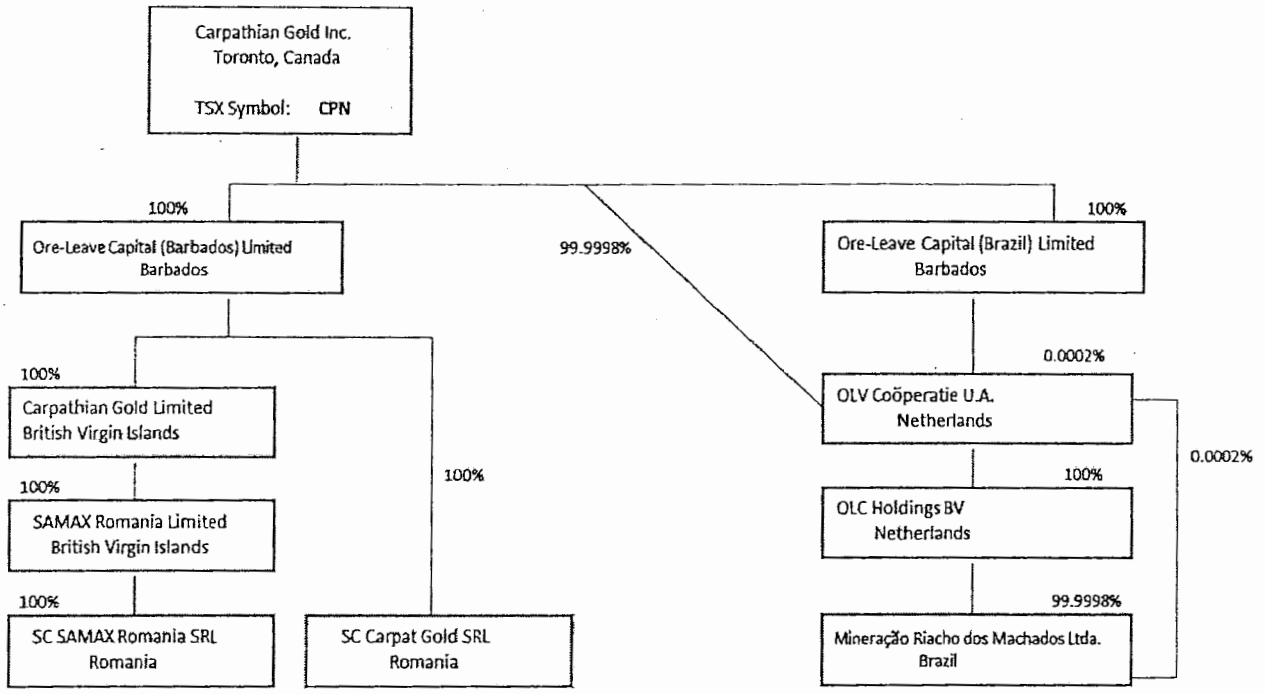
This is **Exhibit "A"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits


Carpathian Gold Inc.
Toronto, Canada
TSX Symbol: CPN
100%
Ore-Leave Capital (Barbados) Limited
Barbados
99.9998%
100%
Ore-Leave Capital (Brazil) Limited
Barbados
0.0002%
OLV Coöperatie U.A.
Netherlands
0.0002%
100%
OLC Holdings BV
Netherlands
99.9998%
Mineração Riacho dos Machados Ltda.
Brazil
100%
Carpathian Gold Limited
British Virgin Islands
100%
SAMAX Romania Limited
British Virgin Islands
100%
SC SAMAX Romania SRL
Romania
100%
SC Carpat Gold SRL
Romania

This is **Exhibit "B"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

Carpathian Gold Inc.

Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2015 and 2014

(Unaudited)

Notice of no auditor review of Condensed Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statement have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

Carpathian Gold Inc.
Consolidated Statements of Financial Position
(In United States Dollars)
(Unaudited)

As at

Assets	Note	September 30, 2015 $	December 31, 2014 $
Current assets			
Cash and cash equivalents		**726,046**	310,736
Restricted deposits	5	**1,251,000**	1,248,017
Derivative contracts	20	**-**	5,221,708
Trade receivables		**2,965,803**	1,913,427
Prepaid expenses and sundry receivables		**895,310**	2,909,929
Inventory	6	**38,090,940**	25,271,591
		43,929,099	36,875,408
Non-current assets			
Deposits and receivables		**2,941,027**	3,483,837
Property, plant and equipment	4 and 7	**20,293,693**	27,853,937
Software license costs	4 and 8	**565,573**	662,442
Derivative contracts	20	**-**	5,557,391
Exploration and evaluation assets	4 and 9	**-**	-
Mine development assets	4 and 9	**10,662,933**	11,990,493
Total Assets		**78,392,325**	86,423,508
Liabilities			
Current liabilities			
Trade and other payables	14	**6,600,221**	16,241,500
Project loan facility–short-term	15	**256,858,687**	194,017,772
Payables from Gold Stream transaction	16	**27,549,600**	27,549,600
Deferred income		**-**	785,039
		291,008,508	238,593,911
Non-current liabilities			
Rehabilitation provisions	19	**5,985,384**	5,787,969
Derivative contracts	20	**-**	4,759,237
Total Liabilities		**296,993,892**	249,141,117
(Deficiency) Equity attributable to Shareholders			
Share capital	10	**196,773,069**	196,773,069
Warrants	10	**3,256,109**	3,256,109
Contributed surplus		**10,930,922**	10,925,856
Accumulated deficit		**(410,871,098)**	(365,067,022)
Accumulated other comprehensive loss		**(18,690,569)**	(8,605,621)
Total (Deficiency) Equity		**(218,601,567)**	(162,717,609)
Total Liabilities and (Deficiency) Equity		**78,392,325**	86,423,508

Going concern (Note 1)

Approved by the Board of Directors

Director (signed) Guy Charette Director (signed) David Danziger

The accompanying notes are an integral part of these consolidated financial statements.

Carpathian Gold Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended September 30, 2015 and 2014
(In United States Dollars)
(Unaudited)

	Note	Three-month period ended September 30, 2015 $	2014, $	Nine-month period ended September 30, 2015 $	2014 $
Revenues		**2,918,926**	-	**40,043,118**	-
Expenses					
Costs and expenses of mining operations					
Operating costs and mine site administrative expenses		**2,309,024**	-	**24,990,949**	-
Mine site depreciation and amortization		**2,043,051**	-	**12,597,227**	-
Development stage operating costs and mine site administrative expenses		**-**	(11,310,133)	**-**	20,855,789
General and administrative expenses	11(a)	**4,845,871**	3,453,614	**11,617,836**	9,752,273
Depreciation and amortization		**23,208**	27,955	**72,673**	70,951
Employee compensation expense	11(b)	**722,678**	1,542,509	**2,569,492**	2,800,770
Impairment	4	**305,062**	10,812,720	**733,850**	37,908,220
Net (gain) loss on derivative contracts	20	**11,589,616**	(11,087,209)	**18,609,398**	2,802,518
Finance costs					
Interest and facility fees		**9,913,728**	-	**27,046,106**	-
Accretion		**65,805**	-	**197,415**	-
Other (income) expense	11(c)	**(6,993,722)**	(4,407,170)	**(12,587,752)**	(3,226,464)
(Loss) income for the period before income tax provision		**(21,905,395)**	10,967,714	**(45,804,076)**	(70,964,057)
Income tax provision		**-**	612,014	**-**	563,831
Income (loss) for the period		**(21,905,395)**	10,355,700	**(45,804,076)**	(71,527,888)
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss:					
Cumulative translation adjustments		**(5,463,494)**	(3,435,788)	**(10,084,948)**	(3,079,864)
Other comprehensive loss for the period		**(5,463,494)**	(3,435,788)	**(10,084,948)**	(3,079,864)
Total comprehensive income (loss) for the period		**(27,368,889)**	6,919,912	**(55,889,024)**	(74,607,752)
Basic and diluted income (loss) per share	12	**(0.03)**	0.02	**(0.07)**	(0.12)

The accompanying notes are an integral part of these consolidated financial statements.

Carpathian Gold Inc.
Consolidated Statements of Changes in Shareholders' (Deficiency) Equity
For the three and nine months ended September 30, 2015 and 2014
(In United States Dollars)
(Unaudited)

	Share capital (Note 10) $	Warrants (Note 10) $	Contributed surplus $	Accumulated deficit $	Total Accumulated other comprehensive income (loss) $	Total $
Balance, January 1, 2014	196,773,069	3,256,109	10,894,939	(150,598,613)	(1,852,750)	58,472,754
Comprehensive loss				(81,883,590)	355,923	(81,527,667)
Amortization of options			6,900			6,900
Balance, June 30, 2014	196,773,069	3,256,109	10,901,839	(232,482,203)	(1,496,827)	(23,048,013)
Comprehensive income				10,355,700	(3,435,788)	6,919,912
Amortization of options			20,420			20,420
Balance, September 30, 2014	196,773,069	3,256,109	10,922,259	(222,126,503)	(4,932,615)	(16,107,681)
Comprehensive loss				(142,940,519)	(3,673,006)	(146,613,525)
Amortization of options			3,597			3,597
Balance, December 31, 2014	196,773,069	3,256,109	10,925,856	(365,067,022)	(8,605,621)	(162,717,609)
Comprehensive loss				(23,898,681)	(4,621,454)	(28,520,135)
Amortization of options			4,423			4,423
Balance, June 30, 2015	196,773,069	3,256,109	10,930,279	(388,965,703)	(13,227,075)	(191,233,321)
Comprehensive loss				(21,905,395)	(5,463,494)	(27,368,889)
Amortization of options			643			643
Balance, September 30, 2015	196,773,069	3,256,109	10,930,922	(410,871,098)	(18,690,569)	(218,601,567)

The accompanying notes are an integral part of these consolidated financial statements.

Carpathian Gold Inc.
Consolidated Statements of Cash Flows
For the three and nine months ended September 30, 2015 and 2014
(In United States Dollars)
(Unaudited)

	2015 $	2014 $
Cash flows from operating activities		
Loss for the period	(45,804,077)	(71,527,888)
Depreciation and amortization	12,669,900	70,951
Accretion	197,415	-
Unrealized foreign exchange gain	(12,600,882)	(3,262,229)
Share-based payments	5,066	24,582
Impairment	733,850	37,908,220
Deferred income tax	-	563,831
(Gain) loss on sale of property, plant and equipment	(17,431)	21,089
Interest income	(6,893)	(17,813)
Deferred share unit costs	(753)	151,292
Unrealized loss on derivative contracts	6,019,862	5,361,587
Changes in non-cash working capital balances		
Trade receivables	(1,052,376)	-
Prepaid expenses and sundry receivables	2,014,620	(1,173,210)
Inventories	(12,819,349)	(10,527,887)
Trade, other payables and payables from Gold Stream transaction [1]	(10,657,479)	35,249,917
Deferred revenues	(785,039)	-
	(62,103,566)	(7,157,558)
Cash flows from investing activities		
Restricted deposits	(2,983)	915,027
Interest income	6,893	17,813
Proceeds on sale of property, plant and equipment	22,163	-
Acquisition of property, plant and equipment	(4,741,988)	(26,291,992)
Acquisition of software licensing	(12,085)	(23,710)
Exploration and evaluation assets	(737,699)	(1,658,829)
Mine development assets	(1,704,848)	(18,807,454)
	(7,170,547)	(45,849,145)
Cash flows from financing activities		
Proceeds from Project Loan Facility (net of costs)	67,173,490	47,458,062
	67,173,490	47,458,062
Effect of exchange rates on cash and cash equivalents	2,515,933	3,682,523
Decrease in cash and cash equivalents	415,310	(1,866,118)
Cash and cash equivalents – Beginning of period	310,736	3,011,774
Cash and cash equivalents – End of period	726,046	1,145,656
Supplemental information:		
Interest paid	29,352,550	7,624,778
Income taxes paid	-	-

[1] Included in trade and other payables are net of items related capital expenditure for Property, plant and equipment, Exploration and evaluation assets and Mine development assets totaling $3,315,621 (September 30, 2014 – $7,520,991).

The accompanying notes are an integral part of these consolidated financial statements.

1. Going Concern

Carpathian Gold Inc., together with its subsidiaries (collectively the "Corporation"), is a producing as well as exploration, development company focused primarily on gold production of the Riacho dos Machados (the "RDM Project") gold project in Brazil as well as gold and copper exploration on its property in Romania.

Carpathian Gold Inc. was incorporated under the laws of Canada on January 17, 2003, is domiciled in Canada and its common shares are listed on the Toronto Stock Exchange ("TSX") trading under the symbol "CPN". The common shares were de-listed from the TSX at the close of business on July 21, 2015. On July 22, 2015, the common shares were posted for trading and listed on the Canadian Securities Exchange. The address of its registered office is 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of business for the foreseeable future. For period ended September 30, 2015, the Corporation incurred a net loss $45,804,077 and as at September 30, 2015 reported an accumulated deficit of $410,871,098, and negative working capital of $247,079,708.

As a result of delays in the completion of the construction at the RDM Project in 2013, Mineração Riacho dos Machados Ltda. ("MRDM"), as borrower, and the Corporation (as guarantor) in 2013 defaulted on certain covenants under the Project Loan Facility (the "Project Facility") arrangement with Macquarie Bank Limited ("Macquarie Bank"). These covenant defaults related to financial and operational difficulties experienced by the Corporation, including delays in commencement of production and unplanned cost overruns. As a result, on October 18, 2013, MRDM and the Corporation entered into a Forbearance and Amendment Agreement, as amended, (the "Forbearance Agreement") with Macquarie Bank, under which the lenders agreed to continue forbearing from exercising their rights under the Project Facility through February 15, 2016. Under the terms of the Forbearance Agreement, Macquarie Bank agreed, at its discretion, to provide an additional Tranche 3 under the Project Facility (Note 15), the availability of which shall be in the absolute discretion of the Macquarie Bank. The events of defaults have resulted in the Corporation reclassifying all borrowings under the Project Facility as current liabilities as at September 30, 2015 and recording an impairment charge in 2013 and 2014. In addition, Macquarie Bank is not obligated to deliver or make payments in respect of the derivative contracts per the agreements. This has resulted in the Corporation not being able to settle its derivative contracts. On September 28, 2015, Macquarie Bank settled all of the Corporation's derivative contracts (Note 20).

The RDM Project is situated in a semi-arid region of Brazil and is heavily dependent on the annual rainy season for its supply of water. However, the amount of rain during the most recent season has, like in many other parts of Brazil, fallen considerably short of annual averages. Consequently, the restriction on the availability of water, which is required for the operations at RDM, has caused a temporary reduction in the levels of mining and processing activities at RDM for the next few months. During this time, the RDM Mine will move toward minimal production levels, depending on the availability of water. While it is difficult to predict for how long operations will be reduced, normal production will not resume until the start of the next wet season which typically begins in October of each year.

The Corporation has $726,046 in cash and cash equivalents. These available funds are not sufficient to fund the operations of Riacho dos Machados, the exploration in Romania, working capital

requirements or corporate administration costs. The Corporation will need to secure significant additional financing in the immediate term in order to meet the Corporation's requirements for funding of operations and Project Facility repayments on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful or sufficient. These circumstances lead to significant doubt as to the ability of the Corporation to meet its obligations as they become due and, accordingly, the ultimate appropriateness of use of the accounting principles applicable to a going concern.

These unaudited condensed interim consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

2. Basis of Preparation

The Corporation prepares its unaudited condensed interim consolidated financial statements in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These statements are condensed and do not include all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2014.

These condensed interim consolidated financial statements were approved by the Board of Directors on November 24, 2015.

3. Significant accounting policies

These unaudited condensed interim consolidated financial statements have been prepared on the basis of and using the accounting policies consistent with those applied and disclosed in Note 3 to the Corporation's annual financial statements for the year ended December 31, 2014.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value, including derivative instruments.

Principles of consolidation

The financial statements of the Corporation consolidate the accounts of Carpathian Gold Inc. and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which Carpathian Gold Inc. controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether Carpathian Gold Inc. controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by Carpathian Gold Inc. and are de-consolidated from the date that control ceases.

(In United States Dollars unless otherwise indicated)

The Corporation's financial statements consolidate its subsidiaries which comprise the following:

Name of entity	Country of incorporation	Ownership
OLV Cooperatie U.A.	The Netherlands	100%
OLC Holdings B.V.	The Netherlands	100%
Mineração Riacho dos Machados Ltda. ("MRDM")	Brazil	100%
Ore-Leave Capital (Brazil) Limited	Barbados	100%
Ore-Leave Capital (Barbados) Limited	Barbados	100%
Carpat Gold S.R.L	Romania	100%
Carpathian Gold Limited	British Virgin Islands	100%
HUMEX Magyar-Angol Kutatasies Banyaszati Kft ("HUMEX Kft")	Hungary	100%
SAMAX Romania Limited	British Virgin Islands	100%
SAMAX Romania S.R.L.	Romania	100%

Critical accounting estimates and judgments

In preparing the condensed interim consolidated financial statements in accordance with the IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period end. Critical accounting estimates represent estimated that are uncertain and for which changes to those estimates could materially impact the Corporation's condensed interim consolidated financial statement. Actual future outcomes may differ from present estimates. Management reviews its estimated and assumptions on an ongoing basis using the most current information available.

The judgements, estimates, assumptions and risks during the three and nine months ended September 30, 2015 are the same as those disclosed in Note 3 to the Corporations' annual consolidated financial statements for the year ended December 31, 2014.

Future Accounting Standards issued but not yet effective

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 - Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. The mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is currently assessing the impact of adopting this standard on the consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount and timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2017, with earlier application permitted. The Corporation is currently assessing the impact of adopting this standard on the consolidated financial statements.

The following amendments form the IASB's Annual Improvements to IFRSs 2012-14 Cycle are effective January 1, 2016. The Company is assessing the impact of these amendments:

- Changes in methods of disposal with respect to non-current assets held for sale and discontinued operations (amendment to *IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations*); and
- Disclosure of information elsewhere in the interim financial report (amendments to *IAS 34 Interim Financial Reporting*).

4. Impairment

As at September 30, 2015, a number of impairment indicators were noted by the Corporation in accordance with IAS 36 for its property, plant and equipment and mine assets and in accordance with IFRS 6 for its exploration and evaluation assets. Consequently, the Corporation undertook an impairment test on each of its identified CGUs, focused on MRDM and Romania ("Rovina Valley Project"). A CGU is generally an individual operating mine or development project.

Romania

During 2015, the key impairment indicators noted for this CGU were a reduction in the scope of the Rovina Valley Project to a less capital intensive build and smaller scale operations due to decline in commodity prices since the first Preliminary Economic Assessment completed on the project in March 2010 and increasing uncertainty as to whether the draft amended mining law in Romania will be passed enabling construction of mine in Romania.

The FVLCD method was used to determine the recoverable amount as this was determined to be a higher valuation than a value in use calculation. The recoverable amount as determined by the Corporation for the CGU was $Nil.

The key assumptions and estimates used in determining the FVLCD were the probability of the mining law being passed in Romania and estimate of value a market participant would be willing to pay for the CGU based on recent marketing efforts by the Corporation.

Based on the test described above, exploration and evaluation assets were impaired by $305,062 and $733,850 for the three and nine months ended September 30, 2015. These impairment charges were included within the loss for the period in the statement of comprehensive loss. The fair value of the CGU was measured using market approach and Level 3 inputs.

MRDM

During 2015, the key impairment indicators noted for this CGU were the delays of the Company to achieve production levels in accordance with its initial life of mine plan, market capitalization below the carrying value of the net assets of the Corporation as a whole, negative cash flows from operating activities, and a significant debt facility with Macquarie repayable on demand due to the Corporation defaulting on covenants. Further indicators of impairment were identified a forecast significant reduction in planned production capacity due to shortfall in availability of water required for the production process.

FVLCD was used to determine the recoverable amount as this was determined to be a higher valuation

than a value in use model. The recoverable amount as determined by the Corporation for the CGU was $57,510,816.

For MRDM CGU, for the nine months ended September 30, 2015, impairment charges totaled $Nil, of which property, plant and equipment were written down by $Nil (December 31, 2014: $81,940,336) exploration and evaluation assets were written down by $Nil (December 31, 2014: $3,921,466) and mine development assets were written down by $Nil (December 31, 2014: $34,740,628). These impairment charges were included within the loss for the year in the statement of comprehensive loss.

The fair value of the CGU was measured using a weighted probability method based on market approach and Level 3 inputs. At September 30, 2015, the fair value of the CGU was measured using discounted after-tax cash flows based on cash flow projections in the Corporation's current life of mine plans. There has been a change in the valuation technique as the Corporation expects to realize the value of the CGU from a sale rather than through continued operations of the CGU. Accordingly in 2014, Corporation has used a market approach to value the CGU.

The key assumptions and estimates used in determining the FVLCD were indicative offers received by the Corporation to purchase MRDM and forecast cash flows associated with the plan of operating the mine at a lower planned production capacity due to the identified forecasted water shortfall. The projected cash flows cover a 12 month period based on the latest expectation of future metal prices, future capital expenditures, production cost estimates and exchange rates. Based on observable market or publicly available data, including spot and forward metal prices, we make an assumption on future gold prices to estimate future revenues. The key assumptions used by the Corporation in the projected cash flows for their impairment testing are: a future gold price of $1,200 per ounce; a Brazilian Reais to US$ exchange rate of 3.2:1; and on ore grade of 1.8 g Au/t.

The key assumptions that impact the forecasted cash flows are commodity price, exchange rate and ore grade. A 10% decrease in the gold price holding all other assumptions constant would result in a decrease in the fair value of MRDM from $57,510,816 to $56,694,955 as at September 30, 2015. A 10% decrease in the exchange rate, holding all other assumptions constant, would result in a decrease in the fair value of MRDM from $57,510,816 to $56,056,783 as at June 30, 2015. A negative 30% change in the ore grade, holding other variables constant, reduces the fair value of MRDM to $55,766,927. Should there be a significant decline in commodity price, exchange rate or ore grade, the Corporation would take actions to assess the implications on carrying value of the assets, production plan and cost structure for MRDM.

5. Restricted Deposits

As at September 30, 2015 the Corporation's restricted deposits totaled $1,251,000 (December 31, 2014 - $1,248,017), representing an employee trust fund of $1,248,000 (December 31, 2014 - $1,248,000) and currency held in US$ which will be available to fund the operations of MRDM once it is converted to Brazilian Reais through execution of an exchange contract.

(In United States Dollars unless otherwise indicated)

6. Inventory

	September 30, 2015	December 31, 2014
Finished products	402,755	1,242,867
Work-in-process	33,152,343	19,557,191
Stockpiles	601,530	773,948
Mine supplies	3,934,312	3,697,585
	38,090,940	25,271,591

7. Property, Plant and Equipment

Cost	Land	Plant and Other Constructions	Buildings	Leasehold Improvements	Office Equipment	Computer Equipment	Vehicles	Machinery & Equipment	Total
	$	$	$	$	$	$	$	$	$
Balance, December 31, 2013	398,226	75,330,248	449,824	378,740	793,820	539,940	601,129	18,845,005	97,336,932
Additions	-	25,136,343	1,190,210	316	61,035	26,163	-	177,614	26,591,681
Impairment (Note 4)	(9,825)	(81,940,336)	(395,697)	-	(6,365)	(15,958)	(54,439)	(8,596)	(82,431,216)
Disposals	-	-	-	-	(30,239)	-	(44,624)	-	(74,863)
Balance, December 31, 2014	388,401	18,526,255	1,244,337	360,549	812,578	547,092	502,066	19,012,382	41,393,660
Additions	-	4,356,959	639,686	-	10,653	38,191	-	307,215	5,352,704
Disposals	-	-	-	-	-	-	(158,568)	-	(158,568)
Effect of changes in foreign exchange rates	-	-	-	(28,067)	(8,604)	(4,629)	-	(2,489)	(43,789)
Balance, September 30, 2015	388,401	22,883,214	1,884,023	332,482	814,627	580,654	343,498	19,317,108	46,544,007

Accumulated depreciation	Land	Plant and Other Constructions	Buildings	Leasehold Improvements	Office Equipment	Computer Equipment	Vehicles	Machinery & Equipment	Total
	$	$	$	$	$	$	$	$	$
Balance, December 31, 2013	-	-	37,879	132,279	177,150	266,770	342,986	4,120,257	5,077,321
Depreciation	-	3,956,478	102,133	65,700	82,247	74,052	91,867	4,257,264	8,629,741
Impairment (Note 4)	-	-	(37,515)	-	(1,146)	(10,941)	(44,830)	(4,119)	(98,551)
Disposals	-	-	-	-	(9,150)	-	(44,624)	-	(53,774)
Effect of changes in foreign exchange rates	-	-	-	(9,178)	(2,157)	(2,599)	-	(1,080)	(15,014)
Balance, December 31, 2014	-	3,956,478	102,497	188,801	246,944	327,282	345,399	8,372,322	13,539,723
Depreciation	-	9,729,256	199,199	42,131	63,903	56,450	61,663	2,738,296	12,890,898
Disposals	-	-	-	-	-	-	(153,835)	-	(153,835)
Effect of changes in foreign exchange rates	-	-	-	(16,811)	(3,844)	(3,826)	-	(1,991)	(26,472)
Balance, September 30, 2015	-	13,685,734	301,696	214,121	307,003	379,906	253,226	11,108,627	26,250,314

(In United States Dollars unless otherwise indicated)

Net book value	Land	Plant and Other Constructions	Buildings	Leasehold Improvements	Office Equipment	Computer Equipment	Vehicles	Machinery & Equipment	Total
	$	$	$	$	$	$	$	$	$
Balance, December 31, 2014	388,401	14,569,777	1,141,840	171,748	565,634	219,810	156,667	10,640,060	27,853,937
Balance, September 30, 2015	**388,401**	**9,197,480**	**1,582,327**	**118,361**	**507,624**	**200,748**	**90,271**	**8,208,481**	**20,293,693**

As at September 30, 2015 the carrying value of property, plant and equipment is comprised of $97,178 in corporate and other (December 31, 2014 - $144,641) and $20,196,515 in Brazil (December 31, 2014 - $27,709,296).

8. Software License Costs

	Cost $	Accumulated Amortization $	Net Book Value $
Balance, December 31, 2013	1,065,297	362,296	703,001
Additions	98,245	115,706	(17,461)
Impairment (Note 4)	(24,500)	(11,244)	(13,256)
Effect of changes in foreign exchange rates	(30,454)	(20,612)	(9,842)
Balance, December 31, 2014	**1,108,588**	**446,146**	**662,442**
Additions	**21,503**	**108,954**	**(87,451)**
Effect of changes in foreign exchange rates	**(46,185)**	**(36,767)**	**(9,418)**
Balance, September 30, 2015	**1,083,906**	**518,333**	**565,573**

As at September 30, 2015 the carrying value of software licensing fees is comprised of $38,638 in corporate and other (December 31, 2014 - $90,585), $526,935 in Brazil (December 31, 2014 - $571,857).

9. Exploration and Evaluation and Mine Development Assets

Exploration and evaluation assets	Romania $	Brazil $	Total $
Balance at December 31, 2013	50,483,191	3,312,035	53,795,226
Additions	1,240,169	609,431	1,849,600
Impairment (Note 4)	(51,723,360)	(3,921,466)	(55,644,826)
Balance at December 31, 2014	-	-	-
Additions	**733,850**	-	**733,850**
Impairment (Note 4)	**(733,850)**	-	**(733,850)**
Balance at September 30, 2015	-	-	-

(In United States Dollars unless otherwise indicated)

Mine development assets	Brazil
	$
Balance at December 31, 2013	34,433,849
Additions [1]	13,706,977
Amortization	(1,409,705)
Impairment	(34,740,628)
Balance at December 31, 2014	11,254,809
Additions	2,440,382
Amortization	(3,032,258)
Balance at September 30, 2015	10,662,933

[1] 18,226,963 in borrowing costs were capitalized in Development assets during the year ended December 31, 2014, of which $15,728,136 related to interest on the Project Facility and $2,498,827 facility fees related to the Project Facility (Note 15). Pre-production revenues and associated costs have been capitalized in Development assets.

Romania

The Corporation owns 100% of the Rovina Valley Project, which is held through its subsidiary SAMAX Romania S.R.L.

Brazil

The Corporation owns 100% of the Riacho dos Machados gold project located in Minas Gerais State, Brazil, which is held through its subsidiary Mineração Riacho dos Machados, and is comprised of seventeen exploration licenses and a mining concession.

10. Share Capital

(a) Authorized

Unlimited number of Common Shares, without par value.

Unlimited number of Preference Shares, without par value.

(b) Issued Common Shares

		Number of shares	$
Balance at December 31, 2013		555,419,911	179,623,924
Common Shares issued on private placement (net of costs of $1,317,329)	10(c)	138,750,000	17,149,145
Balance at September 30, 2015 and December 31, 2014		694,169,911	196,773,069

(c) On August 29, 2013, pursuant to an agreement with Cormark Securities Inc. and Macquarie Capital Markets Canada Ltd. (collectively the "Co-Lead Underwriters"), the Corporation completed a bought deal private placement of shares of the Corporation at an issue price of Cdn$0.14 per share. On August 29, 2013, the Corporation issued a total of 57,871,429 common

(In United States Dollars unless otherwise indicated)

shares for gross proceeds of $7,699,076 (Cdn$8,102,000). On September 5, 2013, the Corporation issued a total of 80,878,571 common shares for gross proceeds of $10,767,397 (Cdn$11,323,000). In total, the Corporation issued an aggregate of 138,750,000 common shares under both tranches of the private placement for aggregate gross proceeds of $18,466,473 (Cdn$19,425,000). Costs of the issue were $1,317,329.

(d) The following table shows the continuity of stock options for the periods noted below:

	Number of Options	Weighted Average Exercise Price Cdn$
Balance at December 31, 2013	29,437,000	0.43
Expired during the period	(4,870,000)	0.26
Forfeited during the period	(15,306,000)	0.43
Granted during the period	1,400,000	0.03
Balance at December 31, 2014	10,661,000	0.43
Forfeited During the period	(200,000)	0.03
Balance at September 30, 2015	10,461,000	0.45

As at September 30, 2015, stock options held by directors, officers, employees and consultants are as follows:

	Options Outstanding	Fair Value at Grant Date	Exercise Price Cdn$	Remaining Contractual Life	Options Exercisable
Directors	200,000	71,579	0.56	30 days	200,000
Directors, officers and employees	5,241,000	1,810,603	0.58	321 days	5,241,000
Directors, officers and employees	3,520,000	327,527	0.40	1 years 318 days	3,520,000
Employee	300,000	41,849	0.40	2 years 10 days	300,000
Employees	1,200,000	23,241	0.03	3 years 263 days	800,000
Balance at September 30, 2015	10,461,000	2,274,799		1 years 203 days	10,061,000

As at September 30, 2015 the number of stock options available for exercise was 10,061,000 at a weighted average exercise price of Cdn$0.49 and the aggregate remaining unamortized value of unvested stock options granted was $2,767.

Using the fair value method, total share-based compensation for stock options issued and outstanding for the three and nine months ended September 30, 2015 were $643 (September 30, 2014 - $20,420) and $5,067 (September 30, 2014 - $28,234), respectively.

(In United States Dollars unless otherwise indicated)

(e) Common Share Purchase Warrants

The following table shows the continuity of warrants for the periods noted below:

	Number of Warrants	Weighted Average Exercise Price Cdn$
Issued on Finalization of Project Facility	20,000,000	0.40
Balance at September 30, 2015 and December 31, 2014	20,000,000	0.40

The fair value of the Common share purchase warrants granted to Macquarie Bank (Note 15) was estimated at $3,256,109 using the Black Scholes valuation model using the exercise price of Cdn$0.40, expiry of January 11, 2016 and volatility of 65.0%.

11. Expense Breakdown

(a) General and administrative expenses

	Three-month period ended September 30		Nine-month period ended September 30	
	2015	2014	2015	2014
	$	$	$	$
Professional fees	2,386,893	1,374,489	5,567,193	5,837,774
Investor relations and advertising	38,961	42,045	110,772	100,557
Business and development	80,339	163,673	280,180	289,071
Office and general	2,339,678	1,873,407	5,659,690	3,524,872
	4,845,871	3,453,614	11,617,835	9,752,274

(b) Employee compensation expense

	Three-month period ended September 30		Nine-month period ended September 30	
	2015	2014	2014	2014
	$	$	$	$
Salaries and benefits	729,707	1,544,479	2,565,178	2,927,480
Share based payments	643	18,221	5,067	24,582
Deferred share unit costs	(7,672)	(20,191)	(753)	(151,292)
	722,678	1,542,509	2,569,492	2,800,770

(In United States Dollars unless otherwise indicated)

(c) Other (income) expense

	Three-month period ended September 30		Nine-month period ended September 30	
	2015	2014	**2015**	2014
	$	$	$	$
Foreign exchange loss (gain)	**(6,993,413)**	(4,417,652)	**(12,600,885)**	(3,262,229)
Interest income	**(3,461)**	(176)	**(6,893)**	(17,813)
Other expense	**3,152**	10,657	**20,026**	52,962
Interest expense	**-**	1	**-**	616
	(6,993,722)	(4,407,170)	**(12,587,752)**	(3,226,464)

12. Loss per Share

Basic loss per share is calculated based on the weighted average number of Common Shares issued and outstanding during the period. Basic and diluted weighted average shares for the three and nine months ended September 30, 2015 were 694,169,911 (2014 - 694,169,911) and 694,169,911 (2014 - 694,169,911), respectively. Stock options and warrants are considered anti-dilutive and therefore are excluded from the calculation of diluted earnings per share.

13. Deferred Share Units

Effective January 21, 2010, the Corporation established a Deferred Share Unit ("DSU") Plan for directors or officers of the Corporation or any affiliate thereof ("Eligible Person"). Under the DSU Plan, no less than one-third of bonuses awarded to management will be paid in DSUs and any future increases in directors' remuneration will be paid in DSUs. A DSU is a unit equivalent in value to one common share of the Corporation based on the five-day average trading price of the Corporation's common shares on the TSX immediately prior to the date on which the value of the DSU is determined (the "Market Value"). Upon termination, an eligible person receives a cash payment equivalent to the Market Value of a common share on the termination date multiplied by the number of DSUs held by them. The following transactions occurred during the periods noted below:

	September 30, 2015	December 31, 2014
Number of DSUs outstanding, beginning of period	**948,669**	2,395,434
Redeemed (at weighted average market price of Cdn$0.04)	**-**	(1,446,765)
Number of DSUs outstanding, end of period	**948,669**	948,669
Liability, end of period	**$7,080**	$8,975

(In United States Dollars unless otherwise indicated)

	Three-month period ended September 30		Nine-month period ended September 30	
	2015	2014	**2015**	2014
Compensation expense (recovery) for the period	**(7,672)**	(20,191)	**(753)**	(151,292)

14. Trade and other payables

	September 30, 2015	December 31, 2014
Trade payables	**4,288,569**	10,627,988
Accrued liabilities	**2,311,652**	5,613,512
	6,600,221	16,241,500

15. Project Loan Facility

On January 11, 2013, the Corporation, through its wholly owned subsidiary, MRDM and Macquarie Bank signed a definitive agreement for a Project Facility loan with Macquarie Bank. The Project Facility agreement is a five year agreement with standard commercial terms as is customary in agreements of this nature. Subject only to interest breakage costs, the Corporation may repay the Project Facility at any time, with no adverse penalties. The Corporation has granted Macquarie Bank 20 million common share purchase warrants at an exercise price of Cdn$0.40 per warrant for a period of three years. The fair value of these warrants was estimated at $3,256,109 using a Black-Scholes model. In addition, the Corporation granted Macquarie Bank a call option on 10,000 ounces of gold exercisable at $2,000 per ounce for a three year period from the date of commencement of operations (the "Gold Option A"). The Gold Option A had a fair value of $1,400,000 liability on the date of grant (Note 21). Total cost of debt issuance amounted to $7,097,513, which includes $1,800,000 fee to Macquarie and $641,404 of other costs and have been netted against the Project Facility balance.

On August 28, 2013, the Corporation entered into an agreement with Macquarie Bank to amend the Facility as follows:

a) The Corporation granted Macquarie Bank Gold Option B to acquire 10,000 ounces of gold at $1,600 per ounce for a three year period from the date of commencement of operations; and

b) Amended the strike price of the previous Gold Option A to acquire 10,000 ounces of gold at $2,000 per ounce for a three year period to $1,600 per ounce.

The additional Gold Option B had a fair value of $1,525,000 liability on the date of the amendment and the previously issued Gold Option A had an additional fair value of $805,000 on the day of amendment (Note 21). Total cost of amended debt terms amounted to $2,378,200, which includes the increase in fair value of original 10,000 ounces of gold and the fair value of the options for the additional 10,000 ounces of gold, and $48,200 other costs and have been netted against the Project Facility balance. The cost of the amendment offset against the balance of the Project Facility as the extension was determined to be a modification of the existing agreement rather than an

(In United States Dollars unless otherwise indicated)

extinguishment for accounting purposes. As a result of delays in the completion of the construction at the Corporation's project MRDM, as borrower, and the Corporation (as guarantor) defaulted on certain covenants under the Project Facility arrangement with Macquarie Bank, as detailed in Note 1. Due to the Forbearance Agreement all deferred debt issuance costs were written off to Mine Development assets, resulting in financing costs of $9,475,713 for year ended December 31, 2013.

As at September 30, 2015, the principal balance outstanding on the Project Facility was $255,565,320. Interest accrued during the three and nine months ended September 30, 2015 were $9,359,876 (September 30, 2014 - $6,180,618) and $24,981,918 (September 30, 2014 - $15,528,135), respectively. Facility fees paid for the three and nine months ended September 30, 2015 were $1,671,788 (September 30, 2014 - $549,424) and $3,182,124 (September 30, 2014 - $3,079,319), respectively. Interest paid for the three and nine months ended September 30, 2015 was $11,126,364 (September 30, 2014 - $3,457,272) and $29,352,550 (September 30, 2014 - $11,084,051).

The Corporation entered into a Forbearance Agreement on October 18, 2013, whereby Macquarie Bank agreed to forebear exercising their rights and remedies under this facility agreement with respect to the defaults during the forbearance period from October 18, 2013 to October 31, 2013 (Note 1). This period was amended from time to time, with the last amendment providing for a forbearance period to February 15, 2016. Pursuant to the Forbearance Agreement, funds drawn under Tranche 3 of the Project Facility must be repaid by February 16, 2016.

This Project Facility bore interest at LIBOR plus a margin of 5.5% for Tranche 2 and 5.0% for Tranche 1 prior to entering into the Forbearance Agreement on October 18, 2013. These were to be reduced to LIBOR plus 5.0% and 4.5%, respectively on commencement of production.

Under the terms of the Forbearance Agreement, as amended from time to time, Macquarie Bank has agreed to provide up to $184.00 million, at its discretion, of additional financing under a "Tranche 3" of the Project Facility. Tranche 3 of the Project Facility is repayable on February 16, 2016 and bears interest at 20% per annum. In addition, facility fees of 5% are payable on each drawdown against Tranche 3. As a result of the defaults under the terms of the Project Facility (Note 1), the interest rate payable for the $90 million drawn under Tranche 1 and 2 has been increased to LIBOR plus margins of 9.0% and 9.5%, respectively until such defaults are remedied.

As at September 30, 2015, the Corporation had drawn an aggregate of $255,565,320 against the Project Facility as follows:

Draw down date	Tranche 1	Tranche 2	Tranche 3	Total
February 2, 2013	-	25,000,000	-	25,000,000
March 20, 2013	10,000,000	-	-	10,000,000
April 22, 2013	10,000,000	-	-	10,000,000
May18, 2013	10,000,000	-	-	10,000,000
May 31, 2013	7,500,000	-	-	7,500,000
June 19, 2013	16,000,000	-	-	16,000,000
July 17, 2013	10,000,000	-	-	10,000,000
July 31, 2013	1,500,000	-	-	1,500,000
October 23, 2013	-	-	4,000,000	4,000,000
October 31, 2013	-	-	3,000,000	3,000,000
November 4, 2013	-	-	1,000,000	1,000,000
November 7, 2013	-	-	3,000,000	3,000,000
November 13, 2013	-	-	3,000,000	3,000,000
November 20, 2013	-	-	2,000,000	2,000,000

(In United States Dollars unless otherwise indicated)

Draw down date	Tranche 1	Tranche 2	Tranche 3	Total
November 27, 2013	-	-	1,000,000	1,000,000
November 29, 2013	-	-	2,000,000	2,000,000
December 4, 2013	-	-	3,000,000	3,000,000
December 11, 2013	-	-	3,250,000	3,250,000
December 20, 2013	-	-	2,250,000	2,250,000
December 31, 2013	-	-	2,500,000	2,500,000
January 27, 2014	-	-	2,800,000	2,800,000
January 31, 2014	-	-	387,822	387,822
February 6, 2014	-	-	1,310,400	1,310,400
February 7, 2014	-	-	3,860,853	3,860,853
February 18, 2014	-	-	7,475,308	7,475,308
February 25, 2014	-	-	486,473	486,473
February 28, 2014	-	-	614,249	614,249
March 4, 2014	-	-	1,970,578	1,970,578
March 11, 2014	-	-	2,344,186	2,344,186
March 18, 2014	-	-	2,011,889	2,011,889
March 25, 2014	-	-	1,918,397	1,918,397
March 28, 2014	-	-	1,138,982	1,138,982
April 2, 2014	-	-	2,272,465	2,272,465
April 8, 2014	-	-	1,471,886	1,471,886
April 15, 2014	-	-	2,440,928	2,440,928
April 22, 2014	-	-	283,720	283,720
April 23, 2014	-	-	1,564,565	1,564,565
April 30, 2014	-	-	535,392	535,392
May 15, 2014	-	-	3,114,359	3,114,359
May 22, 2014	-	-	1,625,146	1,625,146
May 28, 2014	-	-	747,500	747,500
June 3, 2014	-	-	933,076	933,076
June 11, 2014	-	-	95,327	95,327
June 19, 2014	-	-	1,547,770	1,547,770
June 26, 2014	-	-	1,554,493	1,554,493
July 7, 2014	-	-	3,641,339	3,641,339
July 18, 2014	-	-	613,473	613,473
July 31, 2014	-	-	60,298	60,298
August 8, 2014	-	-	210,072	210,072
August 13, 2014	-	-	458,122	458,122
August 21, 2014	-	-	241,310	241,310
August 28, 2014	-	-	269,623	269,623
October 2, 2014	-	-	1,473,684	1,473,684
October 22, 2014	-	-	9,010,170	9,010,170
October 31, 2014	-	-	735,068	735,068
November 7, 2014	-	-	358,006	358,006
November 28, 2014	-	-	3,000,000	3,000,000
December 3, 2014	-	-	1,106,303	1,106,303
December 12, 2014	-	-	1,417,515	1,417,515
December 19, 2014	-	-	851,083	851,083
December 24, 2014	-	-	440,000	440,000
January 9, 2015	-	-	1,067,686	1,067,686
January 30, 2015	-	-	803,979	803,979
February 20, 2015	-	-	619,128	619,128
February 27, 2015	-	-	717,378	717,378
March 6, 2015	-	-	12,812,869	12,812,869
March 31, 2015	-	-	800,000	800,000
April 9, 2015	-	-	2,526,018	2,526,018
April 10, 2015	-	-	205,000	205,000
April 22, 2015	-	-	241,053	241,053
April 28, 2015	-	-	952,632	952,632
May 5, 2015	-	-	1,700,000	1,700,000
May 12, 2015	-	-	1,132,647	1,132,647
May 26, 2015	-	-	1,051,883	1,051,883
June 1, 2015	-	-	7,183,261	7,183,261
June 9, 2015	-	-	494,637	494,637
June 15, 2015	-	-	529,865	529,865
June 22, 2015	-	-	899,695	899,695
July 6, 2015	-	-	4,014,124	4,014,124
July 28, 2015	-	-	551,525	551,525
August 4, 2015	-	-	640,654	640,654
August 10, 2015	-	-	4,999,694	4,999,694

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Draw down date	Tranche 1	Tranche 2	Tranche 3	Total
August 17, 2015	-	-	147,000	147,000
August 31, 2015	-	-	724,047	724,047
September 8, 2015	-	-	3,219,204	3,219,204
September 14, 2015	-	-	1,737,502	1,737,502
September 21, 2015	-	-	876,783	876,783
September 21, 2015	-	-	777,838	777,838
September 28, 2015	-	-	14,815,952	14,815,952
September 28, 2015	-	-	931,436	931,436
	65,000,000	25,000,000	165,565,320	255,565,320

16. Payables form Gold Stream Transaction

Gold Stream Transaction

On May 20, 2010, the Corporation closed the gold stream transaction for $30 million with Macquarie Bank for its Riacho dos Machados gold project (the "Project") in Brazil. Under the terms of the purchase and sale agreement (the "Agreement"), Macquarie made upfront cash payments (the "Upfront Payments") totaling $30 million in return for which it will have the right to purchase 12.5% of the gold produced from the Project at a price of $400 per ounce of payable gold delivered ("Delivered Gold Ounce"). The price per Delivered Gold Ounce to Carpathian will be subject to an inflation escalator. Macquarie also has the right to extend its participation to purchase 12.5% of the additional gold produced from any underground operation within the mining concession and five contiguous exploration licenses, as well as any open pit and/or underground operation on the balance of the property outside of the existing mining concession and five contiguous exploration licenses referred to above (the "Expanded Production"), by contributing 12.5% of the capital required to develop the Expanded Production and paying $450 per Delivered Gold Ounce. This price per ounce will also be subject to adjustment by the price escalation and inflation factors described above. The transaction has been recorded as a sale of a partial mineral property interest and the Upfront Payments are being accounted for as a recovery of exploration and development costs. Accordingly, no immediate gain or loss has been recognized on the transaction. As of September 30, 2015, the full $30 million had been received as Upfront Payment.

In addition, the Agreement provides that, if during the period from July 1, 2013 to June 30, 2014, MRDM has not produced a minimum of 80,000 ounces of refined gold (of which 10,000 ounces would be deliverable to Macquarie Bank), then Macquarie Bank, shall have the right to require MRDM and the Corporation, jointly and severally, to refund to Macquarie Bank an amount (the "Production Shortfall Payment") equal to that percentage of the Upfront Payments which is equal to the percentage of underproduction of refined gold over such 12-month period compared with that which was projected for such 12-month period as set out in the life of mine plan agreed at the time of closing of these transactions. MRDM and the Corporation have received notice from Macquarie Bank for payment of the Production Shortfall Payment. During said 12-month period, MRDM produced a total of 8,168 ounces of refined gold, compared to the 100,000 ounces of refined gold that was projected to be produced under the life of mine plan that was agreed to at the time of closing of the gold stream transactions. Given the forgoing, the underproduction of refined gold during the 12-month period ending June 30, 2014 is equal to 91.8% and, therefore, a Production Shortfall Payment of US$27,549,600 is owed to Macquarie under the gold stream transactions.

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Notwithstanding the foregoing, if any Production Shortfall Payment becomes due to Macquarie Bank under the Agreement, and at such time both the Corporation and MRDM are in violation or default of any debt covenant under the credit, debt or loan facility for the Project debt, or the payment of such amounts by the Corporation and/or MRDM would each constitute a default under such credit, debt or loan facility, then MRDM and the Corporation shall have the right to defer payment of such Production Shortfall Payment to Macquarie Bank until the later of the date upon which such violation or default of such credit, debt or loan facility has been remedied and the date on which the amount owing to Macquarie Bank may be paid by the Corporation and/or MRDM without constituting a default under such credit, debt or loan facility. MRDM and the Corporation have elected to defer payment of the Production Shortfall Payment accordingly. Until paid in full to Macquarie Bank, the Production Shortfall Payment shall bear interest at the Default Rate (as defined in the Agreement). In respect of MRDM, Macquarie Bank has agreed to forebear its rights to charge or accrue interest on the refund amount or exercise any such rights with respect to interest until August 14, 2015.

The Corporation acts as a guarantor of MRDM's obligations under the Agreement. In light of the above, the Corporation has recorded a liability of $27,549,600 as the Production Shortfall Payment.

17. Segmented Information

The Corporation has two operating segments: the acquisition, exploration and development of mineral properties primarily situated in Romania and in Brazil.

Operating Segment	Corporate and Other	Brazil	Romania	Total
Consolidated Statement of Financial Position				
As at September 30, 2015				
Total Assets	**2,639,949**	**75,730,895**	**21,481**	**78,392,326**
Total Liabilities	**638,526**	**296,343,932**	**11,434**	**296,993,892**
As at December 31, 2014				
Total Assets	2,349,192	84,039,313	35,003	86,423,508
Total Liabilities	948,327	248,177,506	15,284	249,141,117

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Operating Segment	Corporate and Other	Brazil	Romania	Total
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)				
For the three months ended September 30, 2015				
Revenues	-	2,918,926	-	2,918,926
Expenses				
Cost and expenses of mining operations				
Operating costs and mine site administrative expenses	-	2,309,024	-	2,309,024
Mine site depreciation and amortization	-	2,043,051	-	2,043,051
General and administrative expenses (Including depreciation and amortization)	2,166,444	2,702,635	-	4,869,079
Employee compensation costs	205,825	516,853	-	722,678
Impairment	-	-	305,062	305,062
Net (gain) loss on derivative contracts	-	11,589,616	-	11,589,616
Foreign exchange loss (gain)	(6,431,861)	(501,513)	(60,039)	(6,993,413)
Interest income, net of expenses	(255)	(3,206)	-	(3,461)
Finance costs				
Interest and facility fees	-	9,913,728	-	9,913,728
Accretion	-	65,805	-	65,805
Other expense	-	3,152	-	3,152
Income (loss) for the period	4,059,847	(25,720,219)	(245,023)	(21,905,395)
Other Comprehensive income (loss) for the period	(5,463,494)	-	-	(5,463,494)
Total comprehensive loss for the period	(1,403,647)	(25,720,219)	(245,023)	(27,368,889)

Operating Segment	Corporate and Other	Brazil	Romania	Total
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)				
For the three months ended September 30, 2014				
Operating costs and mine site administrative expenses	-	(11,310,133)	-	(11,310,133)
General and administrative expenses (Including depreciation and amortization)	1,093,322	2,388,247	-	3,481,569
Employee compensation costs	268,403	1,274,106	-	1,542,509
Impairment	-	-	10,812,720	10,812,720
Net gain on derivative contracts	-	(11,087,209)	-	(11,087,209)
Foreign exchange loss (gain)	(3,432,277)	(984,444)	(931)	(4,417,652)
Interest income, net of expenses	(175)	-	-	(175)
Other expense	-	10,657	-	10,657
Income tax expense	-	-	612,014	(612,014)
Income (loss) for the period	2,070,727	19,708,776	(11,423,803)	10,355,700
Other Comprehensive income (loss) for the period	(3,435,788)	-	-	(3,435,788)
Total comprehensive income (loss) for the period	(1,365,061)	19,708,776	(11,423,803)	6,619,912

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Operating Segment	Corporate and Other	Brazil	Romania	Total
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)				
For the nine months ended September 30, 2015				
Revenues	-	40,043,118	-	40,043,118
Expenses				
Cost and expenses of mining operations				
Operating costs and mine site administrative expenses	-	24,990,949	-	24,990,949
Mine site depreciation and amortization	-	12,597,227	-	12,597,227
General and administrative expenses (Including depreciation and amortization)	5,113,026	6,577,483	-	11,690,509
Employee compensation costs	689,422	1,880,070	-	2,569,492
Impairment	-	-	733,850	733,850
Net (gain) loss on derivative contracts	-	18,609,398	-	18,609,398
Foreign exchange loss (gain)	(11,028,655)	(1,527,740)	(44,490)	(12,600,885)
Interest income, net of expenses	(921)	(5,972)	-	(6,893)
Finance costs				
Interest and facility fees	-	27,046,106	-	27,046,106
Accretion	-	197,415	-	197,415
Other expense	-	20,026	-	20,026
Income (loss) for the period	5,227,128	(50,341,844)	(689,360)	(45,804,076)
Other Comprehensive income (loss) for the period	(10,084,948)	-	-	(10,084,948)
Total comprehensive loss for the period	(4,857,820)	(50,341,844)	(689,360)	(55,889,024)

Operating Segment	Corporate and Other	Brazil	Romania	Total
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)				
For the nine months ended September 30, 2014				
Operating costs and mine site administrative expenses	-	20,855,789	-	20,855,789
General and administrative expenses (Including depreciation and amortization)	5,371,038	4,452,186	-	9,823,224
Employee compensation costs	666,326	2,134,444	-	2,800,770
Impairment	-	-	37,908,220	37,908,220
Net loss on derivative contracts	-	2,802,518	-	2,802,518
Foreign exchange loss (gain)	(3,023,310)	(224,304)	(14,615)	(3,262,229
Interest income, net of expenses	(498)	(16,699)	-	(17,197)
Other expense	-	52,962	-	52,962
Income tax recovery	-	-	563,831	563,831
Loss (income) for the period	(3,013,556)	(30,056,896)	(38,457,436)	(71,527,888)
Other Comprehensive loss for the period	(3,079,864)	-	-	(3,079,864)
Total comprehensive loss for the period	(6,093,420)	(30,056,896)	(38,457,436)	(74,607,752)

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18. Related Parties

As at September 30, 2015 there were no amounts due to or from related parties (December 31, 2014 - $Nil).

19. Rehabilitation Provisions

The Corporation's rehabilitation provisions arise from its obligations to undertake site reclamation and remediation in connection with its mining activities. The following table summarizes the movements in the provisions:

	September 30, 2015	December 31, 2014
Balance at beginning of period	**5,787,969**	5,125,296
Provision	**-**	320,195
Accretion	**197,415**	65,804
Change in estimate	**-**	276,674
	5,985,384	5,787,969

As at September 30, 2015, the Corporation estimated the total undiscounted amount of the estimated cash flows required to settle the decommissioning and other rehabilitation obligations of the Corporation's Brazilian subsidiary to be approximately $8,200,000 with the most significant expected outflows commencing in approximately 7.25 years. As at September 30, 2015 the rehabilitation provision has been discounted using a discount rate of 4.60%. A 1% increase in the discount rate would result in a decrease of rehabilitation provision by $419,398 and a 1% decrease in the discount rate would result in an increase in the rehabilitation provision by $457,086, while holding the other assumptions constant.

20. Derivative Contracts

Currency and Commodity gold contracts

In conjunction with the Project Facility (Note 15), the Corporation through Macquarie Bank, also entered into price protection programs in the form of currency swaps for the Project's capital expenditures ("CAPEX") (R$1.9 to US$1.00) and estimated operating expenditures ("OPEX") (R$1.983 to US$1.00) as well as a gold price protection program ("Gold Contracts") comprised of 216,600 ounces of gold at varying prices of from $1,177 to $1,600 per ounce. The fair value of the Gold Contracts was a liability of $92,727,754 prior to settlement on September 28, 2015.

The CAPEX currency swap was arranged to mitigate the risk associated with fluctuations in the Brazilian Reais (R$) during the mine construction period relative to the US$. The OPEX currency swaps were arranged to cover R$/US$ currency fluctuations during the initial years of the mine operations for a notional amount of R$317,202,176. The fair value of the OPEX currency swaps was an asset of $78,815,543 prior to settlement on September 28, 2015.

Derivatives arising from the currency swaps and gold contracts are intended to manage the Corporation's risk management objectives associated with changing market values, but they do not

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meet the strict hedge effectiveness criteria designated in a hedge accounting relationship. Accordingly, these derivatives have been classified as "non-hedge derivatives".

Gold options

The fair value of the Gold Option A granted to Macquarie Bank in 2013 and the Gold Option B (Note 15) was estimated was a liability of $162,934 prior to settlement on September 28, 2015.

Summary of Derivatives at December 31, 2014

	Notional Amount by Term to Maturity ($)				Fair Value ($)
	Within 1 year	2 to 3 years	4 to 5 years	Total	
Currency contracts:					
OPEX contract	31,992,151	85,312,402	63,984,302	181,288,855	(66,104,760)
Commodity contracts:					
Gold contract	68,525,970	145,920,000	109,440,000	323,885,970	72,584,622
Gold Options	-	32,000,000	-	32,000,000	(460,000)

Fair Values of Derivative Instruments

	Balance Sheet Classification	**Fair Value as at September 30, 2015**	Fair Value as at December 31, 2014	Balance Sheet Classification	**Fair Value as at September 30, 2015**	Fair Value as at December 31, 2014
Currency contracts:						
OPEX contract		-	-	Current liabilities	-	9,212,007
OPEX contract		-	-	Non-current liabilities	-	52,892,753
Commodity contracts:						
Gold contract	Current assets	-	14,433,715	Current liabilities	-	-
Gold contract	Non-current assets	-	58,150,907	Non-current liabilities	-	-
Gold Options		-	-	Non-current liabilities	-	460,000

Changes in the fair value of the Gold Options derivative in the Agreement and the Currency and Gold Contract derivatives are recognized in the consolidated statement of loss as net gains or losses on non-hedge derivatives.

Unrealized gains or losses arising from the changes in fair value of the Gold Options derivatives and currency and commodity contracts derivatives for the three and nine months ended September 30, 2015 amounted to a gain of $2,485,529 (September 30, 2014 – gain of $8,528,141) and a loss of $6,019,889 (September 30, 2014 – loss of $5,361,586), respectively. Realized gains arising from settlement of all currency, commodity and gold option contract derivatives for the three and nine months ended September 30, 2015 amounted to a loss of $14,075,145 (September 30, 2014 – gain of $2,559,068) and a loss of $12,489,509 (September 30, 2014 – gain of $2,559,068), respectively. These realized and unrealized gains and losses are recognized in the consolidated statement of loss as net gains or losses on derivative contracts.

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Net realized and unrealized (gains) losses on Derivatives

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2015	2014	**2015**	2014
Currency contracts:				
OPEX contract	**(13,026,693)**	26,071,781	**(15,698,051)**	2,095,908
Commodity contracts:				
Gold contract	**24,290,177**	(36,832,990)	**34,173,317**	1,660,610
Gold Options	**326,132**	(326,000)	**134,132**	(954,000)

21. Financial Instruments and fair values

Measurement categories

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of loss or comprehensive loss. The following table shows the carrying amounts and fair values of assets and liabilities for each of these categories at September 30, 2015 and December 31, 2014.

		September 30, 2015		December 31, 2014	
	Level	**Carrying amount**	**Estimated fair value**	Carrying amount	Estimated fair value
Financial Assets					
Loans and receivables					
Cash and cash equivalents[1]	**1**	**726,046**	**726,046**	310,736	310,736
Restricted deposits[1]	**1**	**1,251,000**	**1,251,000**	1,248,017	1,248,017
Trade receivables[1]	**2**	**2,965,804**	**2,965,804**	1,913,427	1,913,427
Sundry Receivables[1]	**2**	**46,716**	**46,716**	52,207	52,207
Financial Liabilities					
Amortized cost					
Trade and other payables[1]	**2**	**6,593,141**	**6,593,141**	16,232,525	16,232,525
Project Loan Facility[3]	**2**	**256,858,687**	**256,858,687**	194,017,772	194,017,772
Production shortfall payable[1]	**2**	**27,549,600**	**27,549,600**	27,549,600	27,549,600
Deferred revenues[1]	**2**	**-**	**-**	785,039	785,039
Fair value through profit and loss					
Derivative contracts	**2**	**-**	**-**	6,019,862	6,019,862
Deferred Share Units[2]	**1**	**7,080**	**7,080**	8,975	8,975

[1] Fair value approximates the carrying amount due to the short-term nature.
[2] Based on market price of the Corporation's common shares at period end.
[3] Fair value represents the aggregate of face value of the loan facility and accrued interest.

Fair value hierarchy

The fair value hierarchy establishes three levels to classify inputs to valuation techniques used to measure fair value. Level 1 inputs are valued at quoted prices in active markets for identical assets or liabilities. Level 2 inputs are valued at quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability or inputs that are derived principally from or corroborated by observable market

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data or other means. The fair value of Property, plant and equipment, Exploration and evaluation and Mine development assets are determined primarily using a market approach based on unobservable cash flows and a market multiples approach where applicable and as a result is classified within Level 3 of the fair value hierarchy.

Valuation techniques

The fair value of derivative instruments is determined using either present value techniques or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. Currency contracts and commodity forward contracts were in a net asset position and therefore, the Corporation used credit default swap (the "CDS") spread of Macquarie Bank. The fair value of currency swap contracts is determined by discounting contracted cash flows using a discount rate derived from observed LIBOR and swap rate curves and CDS rates. In the case of currency contracts, the Corporation converts non-U.S. dollar cash flows into U.S. dollars using an exchange rate derived from currency swap curves and CDS rates. The fair value of commodity forward contracts is determined by discounting contractual cash flows using a discount rate derived from observed LIBOR and swap rate curves and CDS rates. Contractual cash flows are calculated using a forward pricing curve derived from observed forward prices for each commodity. Gold options are valued based on valuations taken from the CME Group Inc. gold options quote site using American options for strike range of $1,600 and expiry date of December 2016. Derivative instruments are classified within Level 2 of the fair value hierarchy.

22. Commitments

Lease Commitment

As of December 1, 2010, the Corporation entered into a sub-lease agreement for office space through March 31, 2018. The minimum annual rent thereunder is Cdn$35,640 plus applicable expenses for the entire term. In addition, the Corporation entered into a lease agreement in respect of additional office space for the period June 1, 2012 to March 31, 2018. The minimum annual rent thereunder was Cdn$39,618, which increased to Cdn$44,020 as of October 1, 2014 plus applicable expenses. As of September 1, 2015, all of the Corporation's premises covered by these agreements were sub-subleased or sub-leased, as the case may be, form the Corporation by a third party through to March 31, 2018 at full recovery.

As at September 30, 2015, the Corporation has finalized and signed contracts for the construction, development and operating activities in Brazil as follows:

	Within 1 year	2 to 3 years	Total
Construction and supply contracts	2,873,522	-	2,873,522
Office lease	73,237	18,309	91,546

In addition, the Corporation has signed agreements for services and supplies to be used during the operations of the Project, including for the supply of diesel fuel.

(In United States Dollars unless otherwise indicated)

23. Capital Disclosures

The Corporation manages its capital structure, defined as shareholders' (deficiency) equity and cash and cash equivalents, to ensure sufficient funds are available to the Corporation to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. The Corporation has cash and cash equivalents held with large Canadian chartered banks and Brazilian banks.

The properties in which the Corporation currently has an interest are in the production, exploration or development stage and as such the Corporation is dependent on external financing to fund its activities. The Corporation will continue to assess new properties and continue to explore and develop existing properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Corporation's capital items are the following:

	September 30, 2015	December 31, 2014
Cash and cash equivalents	**726,046**	3,10,736
Restricted deposits	**1,251,000**	1,248,004
Project loan facility	**256,858,687**	188,391,830
Share capital	**196,773,069**	196,773,069
Warrants	**3,256,109**	3,256,109
	458,864,911	389,979,761

In accordance with the terms of the Project Facility (Note 15), the Corporation is required to maintain certain covenants, most of which will become effective on commencement of production. These covenants relate to financial and operational, including delays in commencement of production and unplanned cost overruns. Due to the delays in the completion of the construction at the RDM Project, the Corporation has defaulted on these covenants. As a result, on October 18, 2013, MRDM and the corporation entered into a Forbearance Agreement as outlined in Note 15.

24. Financial Risk Factors

The Corporation's financial instruments are comprised of financial liabilities and financial assets. Financial liabilities include accounts payable, Project Facility, payables form Gold Stream transaction and derivatives arising from its currency and price protection facilities. The Corporation's main financial assets are cash and cash equivalents, restricted deposits, derivative contracts and sundry receivables. The main risks that could adversely affect Carpathian's financial assets, liabilities or future cash flows are as follows:

(a) Credit Risk

The Corporation's credit risk is primarily attributable to cash and cash equivalents, restricted deposits and derivative assets on its various currency swap and gold contracts. Cash and cash

equivalents consist of deposit accounts held at various Canadian and Brazilian chartered banks, from which management believes the risk of loss to be remote. For derivatives with a positive fair value, the Corporation is exposed to credit risk equal to the carrying value. The Corporation mitigates credit risk on these derivatives by entering into derivatives with high credit-quality counterparties and monitoring the financial condition of the counterparties on a regular basis.

(b) Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities when due. As at September 30, 2015, the Corporation faces liquidity risk to the extent that it will be unable to settle current liabilities of $291,008,508 with cash and cash equivalents and restricted deposits totalling $1,977,046. Current liabilities consist of trade and other payables, payables from Gold Stream transaction, borrowings and fair value of derivative contracts that are predominantly due within three months to not later than a year. Commitments, consisting of construction contracts and supply contracts for fuel and other material are included in Note 23.

In order to manage this risk, management monitors rolling forecasts of the Corporation's liquidity reserve on the basis of expected cash flows and expenditures.

Due to the events of default and Forbearance Agreement, all borrowings under the Project Facility have been reclassified as current liabilities and borrowings under Tranche 3 of the Project Facility due on February 16, 2016 (Note 1).

The Corporation continues to pursue strategic alternatives, including a possible sale or financial restructuring. Negotiations are on-going and the Corporation is also considering potential new equity capital raising initiatives. However, no firm offers have been received, and there can be no assurance that any completed transaction will result (Note 1).

(c) Market Risk

Market risk is the risk that changes in market factors, such as interest rates, foreign exchange rates or commodity prices will affect the value of the Corporation's financial instruments. Management endeavours to mitigate market risk through the use of currency and gold derivatives.

(i) Interest rate risk

The Corporation's short term investments are interest bearing deposit accounts held at Canadian chartered banks. The Corporation also holds a portion of its funds in bank accounts that earn variable interest rates. The Corporation regularly monitors the investments it makes and is satisfied with the credit ratings of its banks. Interest rate fluctuations could also have a significant impact on the valuation of Carpathian's derivatives. The Corporation is also exposed to interest rate risk with regard to the Project Facility.

As of September 30, 2015, management estimates that if interest rates had changed by 5% the impact on investment income and net loss for the period would have been approximately $25,049. In addition, if interest rates had changed by 5% the impact of the Project Facility interest and net loss for the period would have been approximately $7,852,904.

(ii) Foreign currency risk

The Parent's functional currency is the Canadian dollar. The Corporation is affected by currency transaction and translation risk. The Corporation funds its Romanian exploration and development activities using U.S. dollar currency received from MRDM. The Corporation's liabilities incurred in Canada are primarily payable in Canadian dollars. Liabilities incurred in Romania are settled in Romanian Lei or Euros and liabilities incurred in Brazil are settled in Brazilian Reais. As at September 30, 2015, the Corporation held cash and cash equivalents of $97,781 in Brazilian Reais, $141,285 in Canadian dollars, $462,560 in U.S dollars and $24,421 in various European currencies. Consequently, fluctuations in the U.S. dollar currency against these currencies directly affect the cost of property, plant and equipment assets and operating expenditures for various subsidiaries. Management closely monitors variations in the exchange rates of the currencies in which it transacts business. To further mitigate these inherent risks the Corporation had entered into certain currency swap arrangements effective December 15, 2011, which were amended as of December 24, 2013, covering a substantial portion of its OPEX on the RDM Project in Brazil.

As of September 30, 2015, excluding the effect fluctuations in the R$/US$ exchange rate would have on the valuation of its currency derivatives, management estimates that if foreign exchange rates had changed by 10% against the U.S. dollar, the impact on net loss for the period would have been approximately $398,467.

(iii) Commodity price risk

The Corporation is exposed to price risk with respect to commodity pricing primarily for gold and copper. The Corporation has entered into a gold price protection program to mitigate a portion of the downside risk of changes in the market price of gold (Note 20).

25. Subsequent Event

(a) Subsequent to September 30, 2015, Macquarie Bank has agreed to increase additional financing under Tranche 3 of the Facility to $184.00 million, resulting in a total Project Facility of $274.00 million and to extend the repayment date for any funds drawn under Tranche 3 of the Facility to February 16, 2016.

(b) As at November 24, 2015, the Corporation drew $177.10 million against the Project Facility's Tranche 3, resulting in a total Project Facility of $267.10 million, as amended by the Forbearance Agreement.

(c) Subsequent to September 30, 2015, the Corporation announced that, as a result of an agreement (the "Option Agreement") entered into between Macquarie Bank and Brio Gold Inc. ("Brio"), Brio has been granted an option to (i) acquire all of Macquarie Bank's rights and interests in the Facility, the gold purchase agreement and the gold sale and purchase agreement and related guarantees previously entered into by Macquarie Bank and the Corporation, MRDM and certain other subsidiaries of Carpathian (collectively, the "Obligors"), and (ii) receive from Macquarie Bank an assignment of Macquarie Bank's security in respect of the foregoing agreements (all of the foregoing agreements and the security are collectively referred to as the "Financial Assets").

Pursuant to the Option Agreement, Macquarie Bank has agreed to forbear from exercising any

default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions against the Obligors under the Financial Assets until the earlier of (i) the exercise or early termination of the Option Agreement and (ii) February 15, 2016. Under the Option Agreement, to the extent that cash flows from the RDM project are insufficient to meet ongoing costs and expenses, Macquarie Bank has agreed with Brio to continue to provide funding to MRDM, subject to the terms and conditions set out in the Option Agreement. Any drawdowns requested by MRDM under the Facility remain subject to the discretion of Macquarie Bank.

Furthermore, the Corporation has entered into an agreement with Brio and Macquarie Bank (the "Restructuring Agreement") whereby the Corporation and Brio have agreed that, in the event Brio exercises its option to acquire the Financial Assets under the Option Agreement, the Corporation will work with Brio with respect to a restructuring procedure to be initiated by Brio with the objective of transferring 100% ownership of the RDM project to Brio (the "Restructuring"). Pursuant to the Restructuring Agreement, Brio will deliver to the Corporation and its directors a full release and discharge with respect to any liability under the Financial Assets, including the Corporation's guarantee thereof. Following the Restructuring, the Corporation shall continue to own its Romanian assets, but shall have no ownership or interest in, or liabilities in respect of, MRDM or the RDM project.

As well, upon closing of the Restructuring, Brio has agreed to a US$1 million subscription of common shares of the Corporation, the whole at a price to be mutually agreed and subject to the requirements of the Canadian Securities Exchange.

This is **Exhibit "C"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

SALE AND PURCHASE AGREEMENT dated as of the 25th day of October, 2012

AMONG:

CARPATHIAN GOLD INC., a corporation organized and subsisting under the laws of Canada

("**CPN**")

AND:

MINERAÇÃO RIACHO DOS MACHADOS LTDA., a corporation organized and subsisting under the laws of Brazil

("**MRDM**")

AND:

MACQUARIE BANK LIMITED (ABN 46 008 583 542), a corporation organized and subsisting under the laws of Australia

("**MBL**")

WHEREAS:

A. CPN is the indirect owner of 100% of the issued and outstanding quotas of MRDM, MRDM is owned 99.9999% by OLC Holdings BV ("**OLC Holdings**") and 0.0001% by OLV Coöperatie U.A. ("**OLV Co-Op**"). OLC Holdings is owned 100% by OLV Co-Op. OLV Co-Op is owned 99.9998% by CPN and 0.0002% by Ore-Leave Capital (Brazil) Limited (**OLC Brazil**). OLC Brazil is owned 100% by CPN;

B. MRDM is the owner of a 100% undivided interest in the Project, which includes the AOI;

C. In consideration for MBL paying the Purchase Price for the Acquisition Right to MRDM, MRDM has agreed to sell to MBL the right to purchase the Payable Au at the Gold Price, on the terms and conditions set out in this Agreement;

D. MRDM has agreed to secure its obligations under this Agreement by executing and delivering the Security Agreements and the Mortgages to MBL;

E. CPN executes and delivers this Agreement to signify its assent to the terms and conditions hereof and to provide a guarantee to and in favour of MBL of the covenants, obligations and indemnifications of MRDM set forth in this Agreement; and

F. the Parties are therefore desirous of executing and delivering this Agreement, all on and subject to the terms and conditions contained herein;

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, the Parties mutually agree as follows:

1. Definitions.

In this Agreement, including in the recitals and preamble hereto, unless the subject matter or context otherwise requires, the following terms shall have the following meanings:

"**Accounting Principles**" means, in relation to any Person at any time and as applicable:

(a) accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants as in effect on the date hereof, applied on a basis consistent with the most recent audited financial statements of such Person and its consolidated subsidiaries (except for changes approved by the auditors of such Person); or

(b) international financial reporting standards, approved by the International Accounting Standards Board ("**IASB**") or any successor, adopted by such Person, as at the date on which any calculation or determination is required to be made, in accordance with the international financial reporting standards and, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financial reporting standards;

"**Acquisition Right**" means the right to purchase the Payable Au at the Gold Price during the Term.

"**Act of God or Force Majeure**" has the meaning set forth in subsection 31(a);

"**Additional Purchase Price**" has the meaning set forth in subsection 8(g);

"**Additional Purchase Price Factor**" means, in respect of each Expansion Area Option that is exercised by MBL hereunder, a fraction, having (i) a numerator equal to the number of months (rounded down to the nearest whole number) from the anticipated date of Commencement of Commercial Operation of the applicable Expansion Area until the end of the Term, and (ii) a denominator equal to the number of months (rounded down to the nearest whole number) from the anticipated date of Commencement of Commercial Operation until the anticipated date of completion of commercial production from such Expansion Area, in each case, as set forth in the life of mine plan for such Expansion Area; provided that in no event will the Additional Purchase Price Factor be greater than 1.0;

"**affiliate**" means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person; and, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the power to direct or cause the direction of the

management and policies of any Person, whether through the ownership of shares or other economic interests, the holding of voting rights or contractual rights or otherwise;

"**Annual Report**" means a written report, in relation to any calendar year, detailing:

(a) the number of ounces of Au produced from the Project and delivered to an Off-taker in the applicable calendar year;

(b) the names and addresses of each Off-taker to which the Au referred to in subsection (a) was delivered;

(c) the number of ounces of Payable Au which have resulted or which are estimated to result from the Au referred to in subsection (a);

(d) the number of ounces of Payable Au which have been delivered to MBL with respect to the Au referred to in subsection (a), in accordance with the terms of sections 2 and 13;

(e) if necessary, a reconciliation between any provisional number of ounces of Payable Au specified in an Annual Report for a preceding calendar year and the final number of ounces of Payable Au for the applicable calendar year; and

(f) the Au prices used by MRDM and its affiliates for short term and long term planning purposes with respect to the Project;

"**Annual Report Dispute Notice**" has the meaning set forth in paragraph 12(e)(i);

"**AOI**" means:

(a) the open pit mining operations in the area within the Mining Concession and certain of the Exploration Licences, as indicated in Schedule A0 and, for the avoidance of doubt and subject to (b) below, does not include underground mining operations within the Mining Concession and such Exploration Licences; and

(b) the underground, open pit or other mining operations in any Expansion Area in respect of which MBL has exercised its Expansion Area Option under and in accordance with section 8;

"**Applicable Percentage**" means:

(a) in respect of the original AOI, 6.25%; and

(b) in respect of any Expansion Area in respect of which MBL has exercised its Expansion Area Option pursuant to section 8, 6.25%;

"**Applicable Securities Laws**" means the securities legislation in each of the provinces of Canada and the rules and regulations made thereunder, the orders and policy

statements of the securities commissions or other securities regulatory authorities in such jurisdictions, and the rules, regulations and policies of the TSX;

"**Arbitration Dispute Notice**" has the meaning set forth in paragraph 24(b);

"**Au**" means gold;

"**Auditor's Report**" has the meaning set forth in paragraph 12(e)(ii);

"**Available Funding**" means funds available to MRDM and/or CPN in the form of committed Project Debt that remains available for drawdown or other form of project financing and/or equity financing acceptable to MBL, payments to MRDM under the GPA and the Purchase Price for the Acquisition Right under this Agreement;

"**Bullion Account**" means the bullion account (loco London) of MBL established and maintained by HSBC Bank USA, London branch as account number 15875, or such other bullion account (loco London) as MBL shall direct in writing from time to time to which MRDM or Off-takers on behalf of MRDM, as the case may be, shall deliver Payable Au to MBL, all in accordance with the provisions of subsection 13(f);

"**Business Day**" means any day other than a Saturday or Sunday or a day that is a statutory holiday in any or all of Vancouver, British Columbia, Toronto, Ontario, New York, New York, Sydney, Australia or São Paulo, SP, Brazil, or any day that banks are not open for business in the United Kingdom;

"**Canadian Dollars**" and "**Cdn. $**" each mean lawful money of Canada in same day immediately available funds or, if such funds are not available, the form of money of Canada that is customarily used in the settlement of international banking transactions on the day payment is due hereunder;

"**Closing**" has the meaning set forth in section 5;

"**Closing Date**" has the meaning set forth in section 5;

"**Closing Time**" has the meaning set forth in section 5;

"**Commencement of Commercial Operation**" means, with respect to:

(a) the original AOI, the "Project Completion Date", as that term is defined in the Facility Agreement; and

(b) any Expansion Area, the point in time at which actual production from such Expansion Area achieves at least 80% of budgeted production for the first year of scheduled mining operations of such Expansion Area, as per the life of mine plan relating to such Expansion Area;

"**Concessions**" means, with respect to the Project:

(c) the Mining Concession;

(d) the Exploration Licences;

(e) all other mineral licences, tenures, tenements and other material interests in the Project, including all research permits, exploration permits, exploration concessions, exploitation concessions and any gaps or fractions between such permits or concessions relating to the Project, whether constituted or in the process of being constituted, and held by or for the benefit of MRDM or its affiliates, and any other permits or concessions or rights thereto (including any future right) located within the areas covered by the aforesaid permits or concessions and owned directly or indirectly by MRDM or its affiliates or otherwise for the benefit thereof; and

(f) all registered and non-registered concessions and other rights held by or contracted to MRDM or its affiliates to remove or divert from its natural source and to use water granted by any Persons to MRDM or its affiliates in respect of or in connection with the Project, and all rights and approvals related thereto, such as rights and approvals to access water and to locate equipment and other hydrological works necessary to access and transport water in respect of or in connection with the Project;

"**Conditions Precedent**" means the following conditions:

(a) MBL shall be satisfied (in its sole discretion) with the results of such due diligence as it shall conduct with respect to all or any of the Project, MRDM, CPN or the other Guarantors, including without limitation, satisfactory searches and replies to requisitions made by MBL and its counsel in respect of MRDM, the Guarantors and the Security;

(b) MBL shall have received:

   (i) the budget for the development of the Project (the "**Project Budget**");

   (ii) the project schedule for the development and construction of the Project (the "**Project Schedule**");

   (iii) a life of mine plan (the "**LOMP**") for the AOI, which includes a life of mine model; and

   each of which shall have been approved by the board of directors of CPN and the requisite quota holders of MRDM for the development of the Project and shall be, in form and substance, satisfactory to MBL;

(c) MBL shall have received evidence, in form and substance satisfactory to MBL, that:

(i) MRDM has legal and beneficial title to 100% of the Project, subject only to Permitted Encumbrances, and the right to receive and deal with 100% of the Au production therefrom, subject only to: (A) the Net Smelter Royalty of 1% payable to Mineração Brilhante Ltda.; and (B) the obligation to deliver Au under the terms of the GPA;

(ii) CPN has legal and beneficial title to 100% of the shares in the capital of OLC Brazil and 99.9998% of the shares in the capital of OLV Co-Op;

(iii) OLC Brazil has legal and beneficial title to 0.0002% of the shares in the capital of OLV Co-Op;

(iv) OLV Co-Op has legal and beneficial title to 100% of the shares in the capital of OLC Holdings;

(v) OLC Holdings has legal and beneficial title to 99.9999% of the quotas in the capital of MRDM and OLV Co-Op has legal and beneficial title to 0.0001% of the quotas in the capital of MRDM;

(d) MBL shall have received evidence, in form and substance satisfactory to MBL, that:

(i) all Project Tenements are in good standing, in all material respects, and no material breach of any terms or conditions of any of the same has occurred and is continuing; and

(ii) the LP with respect to the Project, to allow MRDM to carry out the necessary detailed planning and environmental studies relating thereto, has been issued unconditionally by the relevant Official Bodies;

(e) MBL shall have received certified copies of the constating documents of each of MRDM and CPN;

(f) MBL shall have received certified copies of resolutions of the respective quota holders or boards of directors, as applicable, of MRDM and CPN authorizing the execution, delivery and performance of the Transaction Documents to which it is a party;

(g) MBL shall have received a certificate of the secretary or an assistant secretary of MRDM and CPN certifying the names and the true signatures of the officers authorized to sign the Transaction Documents to which it is a party, accompanied by a list of authorized signatories of MRDM and CPN for purposes of this Agreement and the Transaction contemplated hereunder;

(h) MBL shall have received a certificate of good standing or like certificate in respect of MRDM and CPN issued by the appropriate Official Body of its jurisdiction of formation and each other jurisdiction where failure to register or

qualify as a foreign or extra provincial corporation in the opinion of MBL results in, or would reasonably be expected to result in, a Material Adverse Change;

(i) all Transaction Documents (other than the Guarantees, the Security Agreements and the Mortgages) on terms and conditions satisfactory to MBL and its counsel, shall have been executed and delivered and, where required, registered, by MRDM and CPN;

(j) MBL shall have received the Interim Guarantee Confirmation;

(k) MBL shall have received confirmation, in form and substance satisfactory to MBL, that MRDM has not granted or created any Encumbrances in or over any of its assets, and all such assets are free of Encumbrances, in each case, other than Permitted Encumbrances;

(l) MBL shall be satisfied that there are no material actions, suits or proceedings (whether or not purportedly on MRDM's or any Guarantor's behalf) pending or threatened against or affecting MRDM, any Guarantor or the Project before any court or other Official Body;

(m) MBL shall have received confirmation, in form and substance satisfactory to MBL, that any and all required consents, approvals or waivers, including from Official Bodies and third parties and all governmental or regulatory consents in any applicable jurisdiction, shall have been obtained and remain in full force and effect and any and all applicable waiting periods for the validity or effectiveness of any of the same under applicable Law or otherwise have expired;

(n) MBL shall have received confirmation, in form and substance satisfactory to MBL, that MRDM and the Guarantors have not incorporated or acquired any subsidiaries other than those previously disclosed in writing to MBL;

(o) the representations and warranties of MRDM and CPN contained in section 26 shall be true and correct at the time of the payment of the Purchase Price for the Acquisition Right;

(p) each of MRDM and CPN are in compliance with, and neither MRDM nor CPN shall be in breach of, this Agreement and the other Transaction Documents to which it is a party;

(q) the provision of evidence satisfactory to MBL that MRDM has received all requisite approvals then required from, and made all filings then required with, the Central Bank of Brazil (*Banco Central do Brasil*) with respect to the Transaction, if any;

(r) MBL shall have received (i) the most recent audited consolidated financial statements of CPN, and (ii) confirmation that no Material Adverse Change shall have occurred with respect to MRDM or the Guarantors since the date of such financial statements;

(s) MBL shall have received favourable opinions of counsel to MRDM and the Guarantors and of MBL's counsel, including legal opinions confirming: (i) the validity and enforceability of the Transaction Documents that are required to be executed and delivered to MBL pursuant to these Conditions Precedent in each relevant jurisdiction; (ii) that MRDM has good and marketable title to the Project (including the Secured Assets) and the Minerals extracted therefrom (subject only to Permitted Encumbrances) and that MRDM has full right, power and authority to deliver the Payable Au to or at the direction of MBL as contemplated under this Agreement; (iii) if MBL is entitled to receive any Production Shortfall Payment under and in accordance with section 9 (and has not exercised its right to demand payment of the NPV Payment under subsection 15(b)), MRDM's or CPN's obligation to pay such Production Shortfall Payment will constitute a valid, and in the case of MRDM, a secured claim, in any foreclosure, liquidation or judicial or out-of-court reorganization, arrangement or adjustment of, or in respect of, MRDM or CPN; and (iv) if MBL exercises its right to demand payment of the NPV Payment under and in accordance with subsection 15(b), MBL's claim for the NPV Payment will constitute a valid secured claim in any foreclosure, liquidation or judicial or out-of-court reorganization, arrangement or adjustment of, or in respect of, MRDM or CPN;

(t) MBL shall be satisfied with the steps that have been taken by MRDM to satisfy the requirements under Environmental Laws with respect to the legal forest area (*área de reserva legal*);

(u) MBL shall have received evidence, in form and substance satisfactory to MBL, that the LI and the building permit (*alvará de construção*) with respect to the Project to permit MRDM to commence the construction of the Project have been obtained on terms and conditions acceptable to MBL, and there shall not have been any material breach of any term or condition attaching to the same;

(v) CPN and/or MRDM shall have completed and delivered to MBL a National Instrument 43-101 compliant, revised resource estimation model incorporating all new drill hole data acquired in the 2009 drilling program for the Project and otherwise in form and substance satisfactory to MBL; and

(w) MBL shall have received evidence, in form and substance satisfactory to MBL, that (i) the Mining Concession, the LI and the building permit (*alvará de construção*) are in full force and effect, and (ii) all remaining applicable Permits required to allow MRDM to complete the development, construction, start-up, commissioning and/or re-commissioning of the Project have been obtained and are in full force and effect, except those Permits which are not then required to be obtained given the current state of the Project and are reasonably expected to be obtained as and when so required in the ordinary course, and in the case of both (i) and (ii), there shall not have been any material breach of any term or condition attaching to the same;

"**COPAM**" means the State Council of the Environment (*Conselho Estadual de Política Ambiental*) of Minas Gerais State, the deliberative body of the State Secretariat of Environment and Sustainable Development (*Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável*) of Minas Gerais State;

"**Costs to Complete**" means the aggregate of all capital expenditure, working capital costs and operating costs to complete the development, construction, start-up, commissioning and initial operation of the Project;

"**CPN**" means Carpathian Gold Inc., a corporation organized and subsisting under the laws of Canada;

"**Debt**" means, with respect to any Person, all obligations that, in accordance with applicable Accounting Principles, would then be classified as a liability of such Person, and, without limiting the generality of the foregoing but without duplication, includes, with respect to such Person:

(a) an obligation in respect of borrowed money or for the deferred purchase price of property or services or an obligation that is evidenced by a note, bond, debenture or any other similar instrument;

(b) delivery obligations with respect to, and to the extent of, mineral production (i.e. minerals that have been mined, recovered and removed) under any metals purchase agreement, royalty, or similar agreement or arrangement, whether the same are required or permitted to be settled in cash or in kind;

(c) all payments that would be required to be made in respect of any Hedging Agreement in the event of termination (including an early termination, if the conditions for early termination are then satisfied) of such Hedging Agreement on the date of determination;

(d) a transfer with recourse or with an obligation to repurchase, to the extent of the liability of such Person with respect thereto;

(e) an obligation under a capital lease;

(f) an obligation under a residual value guarantee made with respect to an operating lease in which such Person is the lessee;

(g) a reimbursement obligation or other obligation in connection with a bankers' acceptance or any similar instrument, or letter of credit or letter of guarantee issued by or for the account of such Person;

(h) a contingent obligation to the extent that the primary obligation so guaranteed would be classified as "Debt" (within the meaning of this definition) of such Person; or

(i) the aggregate amount at which any shares of such Person that are redeemable or retractable at the option of the holder of such shares (except where the holder is such Person) may be redeemed or retracted prior to the end of the Term for cash or obligations constituting Debt or any combination thereof,

provided, however, that there will not be included for the purpose of this definition any obligation that is on account of (i) reserves for deferred income taxes or general contingencies, (ii) minority interests in subsidiaries, or (iii) trade accounts payable and accrued liabilities (including contract loans and income taxes payable) incurred in the ordinary course of business;

"**Debt to EBITDA Ratio**" means, at any time, with respect to MRDM on a consolidated basis, the ratio of (a) Debt at such time, to (b) EBITDA for the four most recently completed fiscal quarters;

"**Deductions**" means any and all deductions, refining, reprocessing, processing, treatment and other charges (including location fees, swap fees, administration transfer fees, consulting fees and material return fees), penalties, adjustments, shipping expenses and/or expenses pertaining to and/or in respect of Au and charged by an Off-taker and/or charged in respect of delivery costs to the final customer of MRDM, CPN and/or MBL, as the case may be, or charged to MRDM or CPN as and by way of royalty payments, as the case may be;

"**Default**" means an event, condition or circumstance which, with the giving of notice or passage of time, or both, would constitute an MRDM Event of Default;

"**Default Interest**" means US Prime plus 4% per annum;

"**Default Payable Au**" has the meaning set forth in subsection 13(k);

"**Delivery Dispute Notice**" has the meaning set forth in subsection 13(h);

"**Demanding Party**" has the meaning set forth in subsection 24(b);

"**Deposit**" has the meaning set forth in subsection 8(j);

"**Depreciation Expense**" means, for any period with respect to any Person, depreciation, amortization, depletion and other like reductions to income of such Person for such period not involving any outlay of cash;

"**Development Notice**" has the meaning set forth in subsection 8(d);

"**DNPM**" means *Departamento Nacional de Produção Mineral* of the Federative Republic of Brazil;

"**Due Diligence Investigations**" means the due diligence investigations of the financial condition, results of operations, business operations, title, rights, liabilities and obligations of CPN and MRDM and their respective affiliates and subsidiaries that hold

an interest in the Expansion Area and all geological, metallurgical, environmental, permitting and regulatory due diligence with respect to the Expansion Area. In order to conduct such due diligence investigations, MBL shall be granted reasonable access to the facilities, books and records of CPN and MRDM and the applicable affiliates and subsidiaries, including, without limitation, one or more site visits to the Expansion Area. CPN and/or MRDM will instruct their key employees, technical consultants, retained engineering companies, accountants, counsel and financial advisors to co-operate fully with MBL and its representatives in connection with its Due Diligence Investigations;

"**EBITDA**" means, with respect to any Person for any period, the Net Income of such Person for such period plus, without duplication and to the extent reflected as a charge in the statement of net income included in the financial statements of such Person:

(a) all amounts deducted in the calculation thereof in respect of Depreciation Expense, and current and deferred taxes, net losses of subsidiaries and any other losses incurred in respect of investments that are accounted for on an equity basis;

(b) Interest Expense; and

(c) any extraordinary, non-recurring or unusual expenses or losses (including, whether or not otherwise includable as a separate item in such statement of net income, losses on sales outside of the ordinary course of business or on sale leaseback transactions);

less, without duplication and to the extent reflected as a credit in such statement of net income,

(d) any reduction of deferred taxes;

(e) amounts included in the calculation thereof in respect of net profits of subsidiaries and any other profits in respect of investments that are accounted for on an equity basis; and

(f) any extraordinary, non-recurring or unusual income or gains (including, whether or not otherwise includable as a separate item in such statement of net income, gains on sales outside of the ordinary course of business or on sale lease back transactions);

"**Encumbrances**" means any and all liens, charges, mortgages, encumbrances, pledges, fiduciary properties (*propriedades fiduciárias*), security interests, royalties (including Net Smelter Royalties), proxies and third party rights or any other encumbrances of any nature whatsoever, whether registered or unregistered;

"**Environmental Laws**" means all applicable Laws, Permits and guidelines or requirements of any Official Body (whether or not having the force of law, and including consent decrees to which MRDM or CPN is a party or otherwise subject, and administrative orders which may affect any such Person) relating to public health and safety, protection of the environment, the release of hazardous or other materials and

occupational health and safety; provided that, where such Permits, guidelines or requirements do not have the force of law, they shall comprise Environmental Laws only to the extent that a prudent owner of an asset or operator of a business similar to that owned or operated by the relevant Person would consider it necessary or advisable to comply with same;

"**Exercise Notice**" has the meaning set forth in subsection 8(d);

"**Expansion Agreement**" has the meaning set forth in subsection 8(f);

"**Expansion Area**" means (a) any underground mining operations referred to in paragraph (a) of the definition of AOI above, and (b) any open pit or underground mining operations in or under the area within 15 km of the boundaries of the original AOI as at the Closing Date;

"**Expansion Area Option**" has the meaning set forth in subsection 8(a);

"**Expansion Area Option Trigger**" has the meaning set forth in subsection 8(a);

"**Expansion Capital Expenditures**" has the meaning set forth in subsection 8(g);

"**Expansion Certificate**" means a certificate from a duly authorized officer of CPN and/or MRDM stating that the representations and warranties of CPN and MRDM contained in section 26 are true and correct in all material respects, and stating that CPN and MRDM have complied in all material respects with the terms of this Agreement;

"**Exploration Licences**" means (a) the exploration licences (*Autorização de Pesquisa*) within and comprising part of the Project from time to time, including, without limitation, those listed on Schedule A annexed hereto, and (b) any exploration licence which relates (in whole or in part) to Minerals within the Expansion Area, and, in each case, includes any application for an exploration licence and any filing, extension, renewal, amendment, modification, restatement, amendment and restatement and replacement of any of the same;

"**Facility Agreement**" means the Project Facility Agreement to be made between, inter alia, MBL, in various capacities, CPN and MRDM in or about October 2012, relating to the provision of Project Debt for the Project;

"**First Review Date**" means, as applicable, the third anniversary of (a) the date of Commencement of Commercial Operation with respect to the AOI, or (b) the date of Commencement of Commercial Operation with respect to any Expansion Area;

"**Fixed Price**" means:

(a) with respect to Payable Au from:

(i) the original AOI; or

(ii) an Expansion Area if, at the time MBL exercises its Expansion Area Option with respect thereto, MRDM has not delivered at least 80% of the Payable Au from the original AOI scheduled to be delivered to MBL under the LOMP agreed at the time of Closing, until such time as the aggregate volume of Payable Au delivered to MBL from the original AOI is equal to 100% of the Payable Au from the original AOI scheduled to be delivered to MBL under the LOMP agreed at the time of Closing,

US $400 per ounce of Au; or

(b) with respect to Payable Au from an Expansion Area:

(i) if, at the time MBL exercises its Expansion Area Option with respect thereto, MRDM has delivered at least 80% of the Payable Au from the original AOI scheduled to be delivered to MBL under the LOMP agreed at the time of Closing; or

(ii) in any other event, from and after such time as the aggregate volume of Payable Au delivered to MBL from the original AOI is equal to 100% of the Payable Au from the original AOI scheduled to be delivered to MBL under the LOMP agreed at the time of Closing,

US $450 per ounce of Au,

in each case, subject to increase by the Inflation Escalator on the First Review Date, and annually thereafter in accordance with section 3(c); provided that, for certainty, each Expansion Area may have a different First Review Date than that for the original AOI and any other Expansion Area;

"**Gold Price**" per ounce of Payable Au means the lesser of the Fixed Price and the Market Price, payable in cash or by wire transfer;

"**GPA**" means the Gold Stream Purchase Agreement made between CPN, MRDM and MBL dated 4 May 2010, as amended from time to time, including, without limitation, as amended and restated pursuant to a Second Amending Agreement dated on or about the date of this Sale and Purchase Agreement;

"**Guarantee**" means an unconditional, irrevocable guarantee of the payment and performance by MRDM and CPN of each of their respective obligations under the terms of this Agreement to be granted initially by each of the Guarantors;

"**Guarantors**" means, collectively:

(a) with respect to the obligations of MRDM hereunder, CPN;

(b) with respect to the obligations of MRDM and CPN hereunder, OLC Brazil, OLV Co-Op and OLC Holdings; and

(c) any other Person providing a guarantee of the obligations of MRDM and/or CPN hereunder as may be agreed by Parties from time to time;

"**Hedging Agreement**" means any interest rate, currency or commodity (including, without limitation, Au) swap, option, future or forward contract, spot, cap, floor or collar transaction, any other derivative instrument, or any combination thereof, or any other similar transaction, agreement or arrangement designed to alter the risks of any Person arising from fluctuations in any underlying variable;

"**Inflation Escalator**" means an annual inflation escalator equal to 1.01;

"**Insolvency Event**" means, in relation to any Person, any one or more of the following events or circumstances:

(a) proceedings are commenced for the winding-up, liquidation or dissolution of such Person, unless it in good faith actively and diligently contests such proceedings resulting in a dismissal or stay thereof within 30 days of the commencement of such proceedings;

(b) a decree or order of a court of competent jurisdiction is entered adjudging such Person to be bankrupt or insolvent, or a petition seeking judicial or out-of-court reorganization, arrangement or adjustment of or in respect of it is filed under applicable Laws relating to bankruptcy, insolvency or relief of debtors;

(c) such Person makes an assignment for the benefit of its creditors, or petitions or applies to any court or tribunal for the appointment of a receiver or trustee for itself or any substantial part of its property, or commences for itself or acquiesces in or approves or has filed or commenced against it any proceeding under any bankruptcy, insolvency, reorganization, arrangement or readjustment of debt law or statute or any proceeding for the appointment of a receiver or trustee for itself or any substantial part of its assets or property, or has a liquidator, administrator, receiver, trustee, conservator or similar person appointed with respect to it or any substantial portion of its property or assets; or

(d) a resolution is passed for the winding-up, liquidation or judicial or out-of-court reorganization, arrangement or adjustment of or in respect of such Person;

"**Intercreditor Agreement**" has the meaning set forth in subsection 27(c);

"**Interest Expense**" means, with respect to any Person for any period, without duplication, the aggregate amount of interest and other financing charges expensed by such Person on account of such period with respect to Debt, including interest, discount financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees and charges payable with respect to letters of credit, letters of guarantee and bankers' acceptance financing, standby fees, the interest component of capital leases and net payments (if any) pursuant to interest rate Hedging Agreements, but excluding any amount, such as amortization of debt discount and expenses, that would qualify as

Depreciation Expense and the amount reflected in Net Income for such period in respect of gains (or losses) attributable to translation of Debt from one currency to another currency, all as determined on a consolidated basis in accordance with applicable Accounting Principles;

"**Interim CPN Guarantee**" means the guarantee and negative pledge granted by CPN in favour of MBL dated December 15, 2011 with respect to all obligations of MRDM to CPN from time to time outstanding in whatever capacity;

"**Interim Guarantee Confirmation**" means a confirmation from CPN to MBL, in a form and substance satisfactory to MBL, that the Interim CPN Guarantee extends to all obligations owed and amounts outstanding to MBL by MRDM under the terms of this Agreement;

"**Invoice Dispute Notice**" has the meaning set forth in subsection 13(j);

"**Lands**" means, with respect to the Project, all right, title or interest of MRDM or any of its affiliates in real property, including without limitation, all right, title or interest in the real property described in the maps attached as Schedule C to this Agreement, as well as and including, all surface rights, easements, tenements, rights of use, rights of access, rights of way and leasehold interests, in each case, comprising or relating to the Project, and all buildings, erections, structures, improvements and fixtures thereon;

"**Law**" means any law (including common law and the laws of equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"**LBMA**" means the London Bullion Market Association (or any successor association or body);

"**LI**" means the Installation Licence (*Licença de Instalação*) with respect to the Project issued by COPAM and/or SUPRANMN to permit MRDM to commence construction of the Project;

"**Licences**" means, collectively, the LP, the LI and the LO, and includes any extensions, renewals, amendments, modifications, restatements, amendment and restatements and replacements of any of the same;

"**LO**" means the Operations Licence (*Licença de Operação*) with respect to the Project issued by COPAM and/or SUPRANMN to permit MRDM to commence operations thereat;

"**LOMP**" has the meaning set forth in paragraph (b)(iii) of the definition of "Conditions Precedent";

"**Losses**" means any and all damages (except indirect or consequential damages), claims, losses (except loss of profits), liabilities, fines, injuries, costs, penalties and expenses (including reasonable legal fees);

"**Lost Au ounces**" has the meaning set forth in subsection 14(d);

"**Lot**" means the applicable quantity of Minerals delivered to and accepted by the Off-taker that is separately sampled and assayed so that MRDM and the Off-taker can agree upon the content of Au and other metals therein, all as set forth in the applicable Off-take Agreement; provided that Minerals will not be commingled with other ores or other minerals derived from properties that are not part of the Project without MBL's prior written consent;

"**LP**" means the Preliminary Licence (*Licença Prévia*) with respect to the Project issued by COPAM and/or SUPRANMN to permit MRDM to carry out the necessary detailed planning and environmental studies relating thereto;

"**Market Price**" means, for each ounce of Payable Au delivered and sold to MBL, the London p.m. fix price for Au in United States dollars, as determined by the LBMA on the date the Payable Au is delivered by the relevant Off-taker (for and on behalf of MRDM) to the Bullion Account;

"**Material Adverse Change**" means:

(a) any material adverse change in or affecting (x) the business, operations, results of operations, properties, assets, liabilities, condition (financial or otherwise), ownership, material agreements or prospects of MRDM, CPN or any other Guarantor or (y) the Project, the development thereof or the production therefrom; or

(b) any material impairment or reduction (x) in the ability (financial or otherwise) of either MRDM, CPN or any other Guarantor to fulfill any covenant or obligation to MBL under the Transaction Documents, (y) of the rights or remedies of MBL under the Transaction Documents or (z) in the value of the Secured Assets;

but, in each case, excluding any change, impairment or reduction:

(i) relating to the global economy or securities markets in general;

(ii) affecting the worldwide Au mining industry in general and which does not have a materially disproportionate effect on MRDM or on CPN on a consolidated basis;

(iii) resulting from changes in the price of Au; or

(iv) relating to the rate at which Canadian Dollars can be exchanged for the currency of any other nation, including the United States and Brazil, or vice versa,

and references in this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, interpretive of the amount used for the purpose of determining whether a "**Material Adverse Change**" has occurred and such defined terms and all other

references to materiality in this Agreement shall be interpreted without reference to any such amounts;

"**MBL Audit**" has the meaning set forth in subsection 12(f);

"**MBL Event of Default**" has the meaning set forth in subsection 13(k);

"**Minerals**" means any and all economic, marketable metal bearing material, in whatever form or state that is mined, extracted, removed, produced or otherwise recovered from the AOI, including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the AOI, and including without limitation, ore and any other products resulting from the further milling, processing or other beneficiation of Minerals, including concentrates or doré bars that are produced from the AOI;

"**Mining Concession**" means:

(a) the mining concession (*Concessão de Lavra*) identified on Schedule A annexed hereto as being within and comprising part of the AOI, as issued by the DNPM and held by MRDM for the conduct of mining operations at the Project; and

(b) any future mining concession (*Concessão de Lavra*) relating to or comprising part of the AOI (including, any Expansion Area referred to in part (b) of the definition of AOI), as may be issued by the DNPM or other relevant Official Body and held by MRDM or any of its affiliates for the conduct of mining operations at the Project,

and, in each case, includes any application for a mining concession, and any extension, renewal, expansion, amendment, modification, restatement, amendment and restatement and replacement of any of the same;

"**Monthly Progress Report**" means a monthly progress report setting forth, in reasonable detail and otherwise in form and substance satisfactory to MBL, acting reasonably, the then current status of the construction and development of the Project, which shall include:

(a) commentary regarding the work completed for the month in question, including a description of key results and conclusions from studies;

(b) a comparison of the current status of construction and development of the Project compared to that forecast in the then approved Project Schedule, including details of any delays or other deviations or proposed changes to the Project Schedule (or any associated schedules), and an estimate of the then anticipated completion date for the Project;

(c) a statement of the aggregate construction and development costs incurred to date, broken down by major expense category, and a comparison of such costs to that forecast in the then approved Project Budget, including details of any cost

overruns or other deviations or proposed changes to the Project Budget, and an estimate of the remaining costs to complete the Project;

(d) details of any material negative impacts on the amount or timing of Au anticipated to be produced from the Project, including any such impacts that are reasonably anticipated to result from (i) delays or other deviations or proposed changes to the Project Schedule (or any associated schedules) noted in (b) above, or (ii) cost overruns or other deviations or proposed changes to the Project Budget noted in (c) above, in each case, together with remedial plans for the resolution or mitigation of such impacts, in form and substance satisfactory to MBL, acting reasonably; and

(e) details of any material dispute, action, proceeding or investigation which has arisen or has been instituted or threatened against MRDM, CPN or any of their affiliates in connection with, or which may have an adverse impact on, the construction and development of the Project;

"**Monthly Report**" means a written report, in relation to a calendar month, detailing:

(a) the number of ounces of Au produced from the Project and delivered to an Off-taker in the applicable calendar month;

(b) the names and addresses of each Off-taker to which the Au referred to in subsection (a) was delivered;

(c) the number of ounces of Payable Au which have resulted or which are calculated or estimated to result from the production of Au referred to in subsection (a);

(d) the number of ounces of Payable Au which have been delivered to MBL with respect to the Au referred to in subsection (a), in accordance with the terms of sections 2 and 13;

(e) a reconciliation between any provisional number of ounces of Payable Au specified in a Monthly Report pursuant to subsection (c) for a preceding calendar month and the final number of ounces of Payable Au for the applicable calendar month;

(f) the Au prices used by MRDM and its affiliates for short term and long term planning purposes with respect to the Project; and

(g) a schedule projecting Au production over the next three full fiscal quarters with respect to the Project;

"**Mortgages**" means the first ranking mortgages over the Lands registered with the competent Official Body securing all of the obligations of MRDM to MBL under this Agreement and the other Transaction Documents, which will be granted and given by MRDM to MBL as part of the Security Delivery and duly perfected as part of the Security Registration;

"**MRDM**" means Mineração Riacho dos Machados Ltda., a corporation incorporated pursuant to the laws of Brazil;

"**MRDM Event of Default**" has the meaning set forth in subsection 15(a);

"**MRDM Guaranteed Obligations**" has the meaning set forth in subsection 17(e)(i);

"**MRDM Invoice**" has the meaning set forth in subsection 13(i);

"**MRDM Letters**" has the meaning set forth in subsection 13(g);

"**MRDM Waybills**" has the meaning set forth in subsection 13(g);

"Net Income" means, with respect to any Person for any period, the net revenue of such Person for such period on a consolidated basis, less all expenses and other charges not otherwise deducted in computing such net revenue for such period, determined in accordance with applicable Accounting Principles, but excluding extraordinary items as determined in accordance with such Accounting Principles, earnings resulting from any reappraisal, revaluation or other write-up of assets and gains arising from the repurchase of any equity security of such Person or any subsidiary;

"**Net Smelter Royalty**" means a production royalty based on a percentage of net smelter returns from production mined, recovered and removed from the Concessions, where the net smelter return is determined as the proceeds of sale received by MRDM for sales of all such production (or deemed proceeds for retained production or production sold or transferred to affiliates) less MRDM's costs of sales, transportation, processing and extraction;

"**NPV Payment**" means, as at any date of determination, an amount equal to the aggregate of:

(a) the net present value of Payable Au, which would have been delivered to MBL and purchased by MBL hereunder during the then remaining Term, having regard (based upon MBL's election, in its sole and unfettered discretion) to the following:

(i) the then approved LOMP; or

(ii) the LOMP approved at the time of Closing,

in each case, referencing the London p.m. fix price for Au in US Dollars, as determined by the LBMA on the date of the default giving rise to the obligation to pay such NPV Payment; plus

(b) the Applicable Percentage of the then current market value, based on projects comparable to the Project, of all Au "reserves" within the meaning of National Instrument 43-101, as at the date of determination, not included in the applicable LOMP referred to in subsection (a); less

(c) any Production Shortfall Payment, to the extent paid by MRDM and/or CPN to MBL pursuant to the provisions of section 9;

"**Official Body**" means any government (including any federal, provincial, state, territorial, municipal or local government) or political subdivision or any agency, authority, bureau, regulatory or administrative authority, central bank, monetary authority, commission, department or instrumentality thereof, the registry of titles and deeds (*Cartório de Registro de Títulos e Documentos*), the real estate registry (*Cartório de Registro de Imóveis*), the TSX or any other public securities exchange, or any court, tribunal, judicial entity, or arbitrator, whether foreign or domestic, having jurisdiction with respect to a specified Person, property, transaction, event or matter;

"**Off-take Agreement**" means any refining, smelting, marketing, sale and purchase and/or processing agreement entered into by MRDM and/or CPN with an Off-taker with respect to Minerals;

"**Off-taker**" means a counterparty to an Off-take Agreement that is located outside of Brazil and that is not a Brazilian Person;

"**Off-taker Acknowledgement**" has the meaning set forth in subsection 13(f);

"**OLC Brazil**" means Ore-Leave Capital (Brazil) Limited, a corporation organized and subsisting under the laws of Barbados;

"**OLC Holdings**" means OLC Holdings BV, a limited liability corporation organized and subsisting under the laws of the Netherlands;

"**OLV Co-op**" means OLV Coöperatie U.A., a holding co-operative organized and subsisting under the laws of the Netherlands;

"**Parties**" means the parties to this Agreement and "**Party**" means any one of the Parties;

"**Payable Au**" means an amount of Refined Au equal to the Applicable Percentage of all Refined Au produced from:

(a) the AOI; and

(b) any Expansion Area in respect of which MBL has exercised its Expansion Area Option pursuant to section 8, from and after the closing of such Expansion Area Option transaction and payment of the Additional Purchase Price subject to and in accordance with that section;

"**Payable Au Dispute**" has the meaning set forth in subsection 13(h);

"**Permits**" means:

(a) the Licences; and

(b) any other permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise,

privilege, grant, waiver, exemption and other similar concession or by law, rule or regulation (whether or not having the force of law) of, by or from any Official Body; provided that, where such permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other similar concession or by law, rule or regulation does not have the force of law, it shall comprise a Permit only to the extent that a prudent owner of an asset or operator of a business similar to that owned or operated by the relevant Person would consider it necessary or advisable to comply with same;

"**Permitted Encumbrances**" means, in respect of any Person at any time, any of the following:

(a) any Encumbrance for Taxes not at the time due and delinquent or the validity or amount of which is being contested at the time by such Person in good faith by proper legal proceedings and which are not, in the opinion of MBL, acting reasonably, expected to result in a Material Adverse Change;

(b) construction, builder's, mechanic's, carrier's, warehousemen's, storage, repairer's and materialmen's liens and other statutory and possessory liens arising in the ordinary course of business not at the time due and delinquent or the validity or amount of which is being contested at the time by such Person in good faith by proper legal proceedings and which are not, in the opinion of MBL, acting reasonably, expected to result in a Material Adverse Change;

(c) easements, encroachments, rights of way, servitudes, restrictive covenants, reservations of undersurface rights, or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, drains, electric lines, telegraph, telephone and telecommunications lines, railways and other similar purposes, or zoning or other restrictions as to the use of real properties, which easements, encroachments, rights of way, servitudes, restrictive covenants, reservations and other similar rights and restrictions do not, in the opinion of MBL, acting reasonably, materially impair the use of such real properties in the business of such Person;

(d) the right (so long as such right is not exercised) reserved to or vested in any Official Body by the terms of any lease, licence, franchise, grant or permit acquired by such Person or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof or to distrain or obtain a charge on any assets of such Person in the event of a failure to make such annual or periodic payments or to comply with the terms thereof;

(e) deposits to secure public or statutory obligations or in connection with any matter giving rise to an Encumbrance described in subsection (d) above;

(f) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from any Official Body;

(g) defects or irregularities in title which are of a minor nature and which in the aggregate do not, and are not reasonably likely to, materially impair the use of any assets affected thereby for the purposes for which such assets are held by such Person, in each case, in the opinion of MBL, acting reasonably;

(h) any Encumbrance arising from court or arbitral proceedings; provided that the claims secured thereby or the amount thereof are being contested at the time by such Person in good faith by proper legal proceedings, execution thereon has been stayed and the same is not, in the opinion of MBL, acting reasonably, expected to result in a Material Adverse Change;

(i) deposits of cash securities in connection with any appeal, review or contestation of any security or Encumbrance, or any matter giving rise to any security or Encumbrance, described in subsection (h) above;

(j) good faith deposits or any agreement or arrangement pursuant to which such Person pledges cash to any insurer, guarantor, third party contractor, public utility or Official Body, in each case, made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than contracts of Debt), leases, surety, customs, performance bonds (relating to obligations that do not constitute Debt) and other similar obligations;

(k) any rights of expropriation, condemnation, access or user or other similar such rights conferred on or vested in an Official Body; provided that such rights are not exercised;

(l) any Encumbrance arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of conducting day to day banking business in relation to deposit accounts or other funds maintained with a creditor depository institution (in this definition, a "**Banker's Lien**"); provided that such Banker's Lien:

(i) does not relate to any deposit account that is a dedicated cash collateral account and is subject to restrictions against access by the depositor or account holder;

(ii) does not relate to any deposit account intended by the depositor or account holder to provide collateral to the depository institution; and

(iii) is not intended directly or indirectly to secure the payment or performance of Debt or any other obligation;

(m) the interests (including Encumbrances in the property leased and any insurance related thereto) of lessors under operating leases of personal property (that are not financial leases and do not create or evidence Debt);

(n) the Net Smelter Royalty of 1% payable to Mineração Brilhante Ltda.;

(o) Encumbrances created by the Security Agreement and the Mortgages;

(p) Purchase Money Mortgages other than in respect of Project Tenements, provided (i) any Debt secured thereby has not been accelerated nor has repayment of the same been demanded (ii) the aggregate amount of Debt secured thereby from time to time does not exceed $15 million; and

(q) Encumbrances, other than fiduciary properties (*propriedades fiduciárias*), securing Project Debt and the GPA, provided (i) the same are consistent with the requirements of section 21 and subsection 27(c) and (ii) the Project Debt has not been accelerated nor has repayment of the same been demanded; and (iii) amounts under the GPA have not been accelerated nor demanded as due and payable by the purchaser;

"**Person**" means and includes individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, governments or any other type of organization, whether or not a legal entity;

"**Production Shortfall Payment**" has the meaning set forth in section 9;

"**Project**" means the Riacho dos Machados Mine Gold Project located near the town of Riacho dos Machados in the northern region of Minas Gerais State, Brazil and includes:

(a) the Project Tenements;

(b) all applicable Permits;

(c) all property, plant and equipment of MRDM or any Guarantor located, installed, constructed or used at the Project site for the purposes of the installation, construction, development and operation of the Project, including, without limitation, the property, plant and equipment described in Schedule B annexed hereto;

(d) all Au and other metals and minerals (including ore bearing Au and other metals and minerals) derived by MRDM from the Project;

(e) all ore reserves and resources of the Project;

(f) all of the right and interest of MRDM or any Guarantor under material contracts relating to the Project, including in relation to any part of the Project referred to in subsections (a) through (e) above, including, without limitation, the right and

interest of MRDM or any Guarantor under any material contracts described in Schedule B annexed hereto; and

(g) all accounts, receipts and monies (whether of capital or income, and including insurance proceeds and proceeds of expropriation or eminent domain) derived or otherwise received by MRDM or any Guarantor from or in connection with the Project;

"**Project Budget**" prior to the commissioning, start-up and commencement of operation of the Project, has the meaning set forth in paragraph (b)(i) of the definition of "Conditions Precedent" and thereafter, means an annual operating budget for the continuing operation and production of the Project, consistent with the LOMP and otherwise in form and substance satisfactory to MBL, acting reasonably;

"**Project Debt**" means indebtedness for borrowed money, obligations and liabilities arising under or in connection with any debt financing, and interest rate and/or foreign exchange hedging arrangements with respect to such indebtedness, obligations and liabilities, which debt financing and hedging arrangements are provided to MRDM by one or more banks and other arm's length reputable financial institutions relating to the development, construction, start-up, commissioning, re-commissioning and/or operation of the Project;

"**Project Schedule**" has the meaning set forth in paragraph (b)(ii) of the definition of "Conditions Precedent";

"**Project Tenements**" means, collectively:

(a) the Mining Concession, Exploration Licences and application for an exploration license, totalling 29,614.95 hectares of area, set out in Schedule A annexed hereto, together with any amendments thereto and consolidations thereof and any additional Concessions held by MRDM or any of its affiliates or obtained by any of them from time to time in connection with the Project, including in respect of any Expansion Area; and

(b) the Lands;

"**Purchase Money Mortgage**" means an Encumbrance created or incurred by a Person securing Debt incurred to finance the acquisition of property (including the costs of installation thereof), provided that:

(a) such Encumbrance is created substantially simultaneously with the acquisition of such property;

(b) such Encumbrance does not at any time encumber any property other than the property financed by such Debt;

(c) the amount of Debt secured thereby is not increased subsequent to such acquisition; and

(d) the principal amount of Debt secured by such Encumbrance at no time exceeds 100% of the original purchase price of such Property and the cost of installation thereof,

and, for the purposes of this definition, the term "acquisition" includes a capital lease;

"**Purchase Price for the Acquisition Right**" means the sum of US$15,000,000.

"**Refined Au**" means marketable metal bearing material in the form of Au that is refined to standards meeting or exceeding commercial standards for the sale of refined Au;

"**Responding Party**" has the meaning set forth in subsection 24(b);

"**Resumption Notice**" has the meaning set forth in subsection 13(o);

"**Retained Payable Au**" has the meaning set forth in subsection 13(l);

"**Secured Assets**" means, collectively, (a) the Lands, to the extent the same are capable of being mortgaged in favour of MBL as security for the obligations of MRDM under this Agreement pursuant to applicable Laws, (b) the other Project Tenements, to the extent the same are capable of being pledged as security under applicable Laws, (c) all applicable Permits, to the extent the same are capable of being pledged as security under applicable Laws, (d) all property, plant and equipment of MRDM located, installed, constructed or used at the Project site for the purposes of the installation, construction, development and operation of the Project, (e) all of the right and interest of MRDM in the ore reserves and resources of the Project, (f) all of the right and interest of MRDM under material contracts relating to the Project, and (g) all accounts, receipts and monies (whether of capital or income, and including insurance proceeds and proceeds of expropriation or eminent domain) derived or otherwise received by MRDM from or in connection with the Project;

"**Security**" means the Mortgages, the Security Agreements, the Guarantees and any other items of security given by MRDM and/or the Guarantors to MBL from time to time to secure the obligations of MRDM and/or CPN under this Agreement;

"**Security Agreements**" means the pledges or assignments of the Secured Assets other than the Lands (or other form of appropriate security or rights), in a form acceptable to MBL, creating a valid security interest to and in favour of MBL over all such Secured Assets and having the priority contemplated by this Agreement, in order to secure all obligations of MRDM under this Agreement, which security interest will be granted by MRDM to MBL and duly perfected in accordance with the requirements of sections 10(n) and 27 and from time to time after the Closing Date to ensure that MBL has a valid security interest in the Secured Assets as and when they are constructed, developed or acquired in accordance with sections 10(n) and 27;

"**Security Delivery**" shall occur once each of the following conditions has been satisfied, in a form and substance satisfactory to MBL:

(a) MBL shall have received certified copies of the constating documents of each of MRDM and the Guarantors;

(b) MBL shall have received certified copies of resolutions of the respective quota holders or boards of directors, as applicable, of MRDM and each Guarantor authorizing the execution, delivery and performance of the Transaction Documents to which it is a party;

(c) MBL shall have received a certificate of the secretary or an assistant secretary of MRDM and each Guarantor certifying the names and the true signatures of the officers authorized to sign the Transaction Documents to which it is a party;

(d) MBL shall have received a certificate of good standing or like certificate in respect of each Guarantor issued by the appropriate Official Body of its jurisdiction of formation and each other jurisdiction where failure to register or qualify as a foreign or extra provincial corporation in the opinion of MBL results in, or would reasonably be expected to result in, a Material Adverse Change;

(e) each of the Guarantees (other than the Interim CPN Guarantee) shall have been duly executed and delivered to MBL and registered, as applicable;

(f) each of the Security Agreements and the Mortgages as required under this Agreement, shall have been duly executed, delivered and lodged for registration with all applicable Official Bodies and all other steps shall have been taken so as to allow the registration and perfection of the Security Agreements and the Mortgages;

(g) MBL shall have received legal opinions from its counsel and MRDM's counsel, in a form and substance satisfactory to MBL, confirming each of the matters outlined in sub-paragraphs (e) and (f) above;

"**Security Registration**" shall occur once each of the following conditions has been satisfied, in a form and substance satisfactory to MBL

(a) each of the Security Agreements and the Mortgages shall have been duly registered, filed or recorded with each relevant Official Body or otherwise perfected as a security interest to the satisfaction of MBL with the priority contemplated under this Agreement;

(b) MBL shall have received favourable opinions of counsel to MRDM and of MBL's counsel, including legal opinions confirming the validity, enforceability and perfection of the Security Agreements and the Mortgages in each relevant jurisdiction;

"**Standing Instruction**" has the meaning set forth in subsection 13(f);

"**Standing Instruction Divergence**" has the meaning set forth in subsection 13(l);

"**Standing Instruction Divergence Notice**" has the meaning set forth in subsection 13(k);

"**Standing Instruction Operation**" has the meaning set forth in subsection 13(f);

"**subsidiary**" means, with respect to any Person:

(a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by such Person or one or more of its subsidiaries, or such Person and one or more of its subsidiaries;

(b) any partnership of which, at the time, such Person, or one or more of its subsidiaries, or such Person and one or more of its subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or

(c) any other Person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by such Person, or one or more of its subsidiaries, or such Person and one or more of its subsidiaries;

"**SUPRANMN**" means the Regional Superintendent of the Environment and Sustainable Development (*Superintendência Regional de Meio Ambiente e Desenvolvimento Sustentável*) of COPAM;

"**Taxes**" means all taxes, levies, imposts, stamp taxes, duties, fees, deductions, withholdings, charges, compulsory loans or restrictions or conditions resulting in a charge which are imposed, levied, collected, withheld or assessed by any country or political subdivision or taxing authority thereof as of the date hereof or at any time in the future together with interest thereon and penalties with respect thereto, if any, and any payments of principal, interest, charges, fees or other amounts made on or in respect thereof, and "**Tax**" shall be construed accordingly;

"**Technical Report**" means a technical report that includes an economic analysis and that is determined by the board of directors of CPN and the requisite quota holders of MRDM to be an adequate basis on which to proceed with the construction and development of an Expansion Area, that qualifies as a technical report, but not necessarily a feasibility study, under Applicable Securities Laws or is otherwise satisfactory to MBL;

"**Term**" has the meaning set forth in subsection 4(a);

"**this Agreement**", "**herein**", "**hereof**", "**hereto**" and "**hereunder**" and similar expressions mean and refer to this Agreement as supplemented or amended and not to any particular Article, section, subsection, paragraph, Schedule or other portion hereof; and the expressions "**Article**", "**section**", "**subsection**", "**paragraph**" and "**Schedule**" followed by a number or letter mean and refer to the specified Article, section, subsection, paragraph or Schedule of this Agreement;

"**Transaction**" means the purchase by MBL of the Acquisition Right as contemplated by this Agreement and the purchase and sale of Payable Au pursuant to the Acquisition Right;

"**Transaction Documents**" means this Agreement, the Interim CPN Guarantee, the Interim Guarantee Confirmation, the Security and all other documents, instruments or certificates from time to time delivered to or for the benefit of MBL pursuant to this Agreement or the Security and any other document expressed by its terms, or agreed by the Parties, to be a Transaction Document;

"**Transfer**" when used as a verb, means to sell, grant, assign, encumber, mortgage, charge, pledge or otherwise dispose of or commit to dispose of, directly or indirectly, including through mergers, consolidations or asset purchases. When used as a noun, "**Transfer**" means a sale, grant, assignment, mortgage, charge, pledge or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, consolidations or asset purchases;

"**TSX**" means the Toronto Stock Exchange;

"**US Dollars**" and "**US $**" each mean lawful money of the United States of America in same day immediately available funds or, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due hereunder; and

"**US Prime**" means the prime business rate of interest applicable to obligations outstanding in US Dollars as quoted from time to time by MBL or its affiliates.

2. Agreement of Purchase and Sale of Acquisition Right.

Subject to the terms and conditions of this Agreement, in consideration for MBL paying the Purchase Price for the Acquisition Right to MRDM, MRDM shall sell to MBL and MBL shall purchase from MRDM the Acquisition Right.

3. Acquisition Right

(a) Subject to the terms and conditions of this Agreement, pursuant to the Acquisition Right, MRDM shall sell to MBL and MBL shall have the right to purchase from MRDM, the Payable Au, free and clear of any and all Encumbrances in consideration for the payment of the Gold Price. MRDM's obligation under the Acquisition Right purchased by MBL shall be to sell and deliver the Payable Au in a manner consistent with the terms of this Agreement.

(b) During the Term, MBL shall make ongoing payments to MRDM in cash or by wire transfer for each ounce of Payable Au sold and delivered by MRDM to MBL under this Agreement pursuant to the provisions of section 13, at a price per ounce of Payable Au equal to the Gold Price.

(c) Commencing on the First Review Date and annually on each anniversary thereof, the Gold Price shall be increased by multiplying the then applicable Gold Price by the Inflation Escalator.

4. Term.

(a) The term of this Agreement shall commence on the Closing Date and subject to section 15, shall continue until 31 May 2040 subject to any extensions in accordance with section 31(b) (the "**Term**").

(b) Notwithstanding the foregoing, if Closing does not occur on or before the Closing Date by reason of any of the Conditions Precedent not having been satisfied (or waived by MBL), MBL may terminate this Agreement on the provision of five Business Days notice to MRDM and CPN and for greater certainty and without limitation, MBL shall have no obligation whatsoever to pay the Purchase Price for the Acquisition Right.

5. Closing Date.

Closing shall occur upon execution and delivery of this Agreement and payment of the Purchase Price for the Acquisition Right by MBL to MRDM ("**Closing**"). Closing shall take place at the offices of CPN at 10:00 a.m. (the "**Closing Time**") (Eastern time) on October 29, 2012 (the "**Closing Date**") or at such other place, in such other manner or on such earlier or later date or other time as the Parties may mutually agree, provided that all of the conditions set out in sections 6 and 7 have been satisfied or waived in writing by the applicable Party. It is anticipated that Closing shall occur within three Business Days of the satisfaction of the last of the Conditions Precedent. At the Closing Time, provided the Closing conditions for the benefit of MBL and MRDM have been satisfied or waived, as the case may be, MBL shall deliver the Purchase Price for the Acquisition Right to MRDM in cash by wire transfer to an account held by MRDM with a bank authorized to operate in the Brazilian foreign exchange market, for further credit into a bank account held by MRDM in Brazil.

6. Closing Conditions for the Benefit of MBL.

MBL shall not be obligated to enter into the Transaction and pay the Purchase Price for the Acquisition Right to MRDM unless, at or before the Closing Time, each of the conditions listed below has been satisfied or waived in writing by MBL, it being understood that the said conditions are included for the exclusive benefit of MBL. MRDM and CPN shall take all such actions, steps and proceedings as are reasonably within their respective control as may be necessary to ensure that the conditions listed below are fulfilled at or before the Closing Time.

(a) Each of CPN, MRDM and MBL shall have received any and all required consents or approvals, including without limitation, third Person consents and all governmental or regulatory consents in any applicable jurisdiction with respect to the obligations of CPN and MRDM hereunder and under the other Transaction Documents and the same shall remain in full force and any and all applicable waiting periods under applicable legislation or otherwise shall have expired.

(b) MBL shall have received a favourable tax opinion from MBL's legal counsel and/or tax advisors relating to the proposed structure of the Transaction and its rights and obligations under this Agreement, which shall be in form and substance satisfactory to MBL. In addition, MBL shall have received a copy of the opinion referred to in section 7(c), which shall be in form and substance satisfactory to MBL, acting reasonably.

(c) MBL shall have received all such other assurances, consents, agreements, documents and instruments as may be reasonably required by MBL to enter into the Transaction and pay the Purchase Price for the Acquisition Right, all of which shall be in form and substance satisfactory to MBL.

(d) The Conditions Precedent shall have been and shall remain satisfied.

If any condition contained in this section 6 has not been fulfilled at or before the Closing Time or if any such condition is or becomes impossible to satisfy, if MBL is unwilling to waive the fulfillment of any such condition, this Agreement shall be terminated and each of the Parties shall be released from all of their obligations hereunder save and except for obligations arising under sections 23, 24, 30 and 32.

7. Closing Conditions for the Benefit of MRDM and CPN.

MRDM and CPN shall not be obligated to enter into the Transaction unless, at or before the Closing Time, each of the conditions listed below has been satisfied or waived in writing by MRDM or CPN, it being understood that the said conditions are included for the exclusive benefit of MRDM and CPN. MBL shall take all such actions, steps and proceedings as are reasonably within its control as may be necessary to ensure that the conditions listed below are fulfilled at or before the Closing Time.

(a) The representations and warranties of MBL contained in section 25 shall be true and correct, in all material respects, at the Closing.

(b) Each of MRDM, CPN and MBL shall have received any and all required consents or approvals, including without limitation, third Person consents and all governmental or regulatory consents in any applicable jurisdiction, including without limitation, the consent of the TSX, if applicable, with respect to the obligations of MRDM and CPN hereunder and under the other Transaction Documents and the same shall remain in full force and any and all applicable waiting periods under applicable legislation or otherwise shall have expired.

(c) MRDM shall have received a favourable tax opinion from MRDM's legal counsel relating to the proposed structure of the Transaction and its rights and obligations under this Agreement, which shall be in form and substance satisfactory to MRDM.

(d) MRDM shall have received all such other assurances, consents, agreements, documents and instruments as may be reasonably required by MRDM to complete the Transaction, all of which shall be in form and substance satisfactory to MRDM, acting reasonably.

If any condition contained in this section 7 has not been fulfilled at or before the Closing Time or if any such condition is or becomes impossible to satisfy, then if MRDM and CPN are unwilling to waive the fulfillment of any such condition, this Agreement shall be terminated and each of the Parties shall be released from all of its obligations hereunder save and except for obligations arising under sections 23, 24, 30 and 32.

8. Expansion Area Option.

(a) CPN and MRDM do hereby give and grant to MBL, for and on behalf of themselves and their respective affiliates, the sole, exclusive and irrevocable right and option during the Term to additionally purchase an Acquisition Right with respect to Payable Au from each Expansion Area (each, an "**Expansion Area Option**"). Each Expansion Area Option shall be exercisable in accordance with the terms and conditions of this section if:

(i) CPN and/or MRDM has received board approval for the development of an Expansion Area; and

(ii) a Technical Report has been prepared for the applicable Expansion Area,

(together, the "**Expansion Area Option Trigger**").

(b) CPN and MRDM shall provide MBL with (i) a notice that a Technical Report has been commissioned with respect to any potential Expansion Area within 5 Business Days of such Technical Report being commissioned and (ii) a copy of any Technical Report that is produced in relation to any potential Expansion Area within 5 Business Days of its delivery to CPN or MRDM.

(c) CPN and MRDM agree not to commence production of Au from any Expansion Area prior to giving MBL a Development Notice (hereinafter defined) in relation to the applicable Expansion Area, other than in connection with trial or test mining considered necessary in connection with the Technical Report, nor to do any act or thing or to omit to do any act or thing intended to delay triggering an Expansion Area Option or to delay or postpone MBL's rights under this section 8.

(d) CPN and MRDM shall provide MBL with written notice that an Expansion Area Option Trigger has occurred (each, a "**Development Notice**"), together with a copy of the Technical Report for the applicable Expansion Area. Each

Development Notice shall set out the Additional Purchase Price for the Acquisition Right with respect to the Payable Au produced from the applicable Expansion Area, determined in accordance with subsection 8(g) and the calculations with respect thereto.

(e) MBL shall have the right to exercise each Expansion Area Option by delivery to MRDM of a written notice of its intention to exercise (each, an "**Exercise Notice**") within 30 days of the date of the delivery to MBL of a Development Notice. If no Exercise Notice has been delivered to MRDM within such 30 day period, MBL shall have no further right to exercise the Expansion Area Option with respect to the Expansion Area to which such Development Notice relates unless both of the following conditions are met:

(i) MRDM and/or CPN have not, within 12 months of MBL's receipt of such Development Notice, obtained committed project financing and/or equity financing sufficient to complete the development, construction, start-up, commissioning and commencement of operation of such Expansion Area; and

(ii) a further Expansion Area Option Trigger occurs with respect to such Expansion Area.

(f) If MBL delivers an Exercise Notice, the Parties shall negotiate and enter into a binding agreement (the "**Expansion Agreement**"), either as an amendment to this Agreement or as a separate agreement having terms and conditions, in form and substance, similar to this Agreement, with respect to MBL's participation in the Expansion Area, subject to, *inter alia*, the matters set forth in paragraphs (i) through (iv) below. The Parties shall use commercially reasonable efforts to achieve the closing of the applicable Expansion Area Option within 60 days of the date of receipt by MRDM (pursuant to the terms hereof) of the applicable Exercise Notice, or such longer period as MBL may advise CPN and MRDM in writing that it requires to complete the Due Diligence Investigations using commercially reasonable efforts or as may be required by the parties to settle the Expansion Agreement, provided that the following conditions have been satisfied or waived by MBL, such conditions being solely for the benefit of MBL:

(i) CPN and MRDM shall have permitted MBL to conduct the Due Diligence Investigations;

(ii) the Mortgages and the Security Agreements shall have been amended and supplemented in accordance with section 27(c), as applicable;

(iii) MBL shall be fully satisfied with the results of the Due Diligence Investigations, including without limitation, being satisfied that CPN and/or MRDM shall have received all requisite Permits and been granted all requisite Concessions in order to commence mining the applicable Expansion Area; and

(iv) MBL shall be satisfied that MRDM or its affiliates (if any such affiliates will be involved in operating the applicable Expansion Area) have all the corporate power and authority to commence mining the applicable Expansion Area.

Within such 60 day period or such aforementioned longer period, MBL shall advise CPN and MRDM whether such conditions have been satisfied or are to be waived. If the conditions have been satisfied or waived, MBL shall also notify CPN and MRDM in writing of the closing date which must be within the 60 day period or such aforementioned longer period and shall be no earlier than five Business Days after receipt by CPN and MRDM of the notice designating the date of closing. If MBL does not advise CPN and MRDM within such 60 day period or such aforementioned longer period, that the conditions set forth in this subsection 8(f) have been satisfied or waived by MBL, the applicable Expansion Area Option shall terminate and be of no further force or effect. CPN and/or MRDM shall thereafter be entitled to enter into other arrangements of any nature or kind whatsoever, to finance development and construction of the applicable Expansion Area, including without limitation, one or more Au stream agreements (subject to section 28 of this Agreement) and MBL shall no longer have any right to purchase Payable Au from such Expansion Area under this Agreement. For clarity and without limitation, MBL shall retain the Expansion Area Option with respect to all other Expansion Areas.

(g) Subject to the proviso below in this subsection 8(g) and to the requirements set out in subsection 8(h), to purchase the Payable Au from any Expansion Area, MBL shall be required to remit to MRDM an additional purchase price (each, an "**Additional Purchase Price**") equal to 6.25% of the aggregate of the capital expenditures estimated in the Technical Report to be required to construct and develop the Expansion Area, including reasonable contingencies noted therein incurred or required to be incurred, as outlined in the Technical Report with respect to the development and construction of the applicable Expansion Area (collectively, the "**Expansion Capital Expenditures**"), multiplied by the Additional Purchase Price Factor, provided that, if, at the time MBL exercises its Expansion Area Option with respect to such Expansion Area, MRDM has not delivered at least 80% of the Payable Au from the original AOI scheduled to be delivered to MBL at such time under the LOMP agreed at the time of Closing, MBL shall be entitled to defer payment of such Additional Purchase Price until such time as the aggregate volume of Payable Au from the original AOI delivered to MBL is equal to 100% of the Payable Au from the original AOI scheduled to be delivered, as at such time, to MBL under the LOMP agreed at the time of Closing.

(h) If MBL exercises an Expansion Area Option and the conditions set forth in subsection 8(f) have been fulfilled to the satisfaction of MBL (or waived in whole or in part by MBL), on closing of the exercise of an Expansion Area Option, CPN and MRDM shall deliver to MBL an Expansion Certificate, and after CPN shall have provided proof to MBL, acting reasonably, that CPN and/or MRDM or their

respective affiliates have sufficient financing, net of the Additional Purchase Price (but only if MRDM is then entitled to receive the same), required to attain the Commencement of Commercial Operation of the applicable Expansion Area, the Parties will execute and deliver the Expansion Agreement and take such other actions and steps to give effect to the exercise of the Expansion Area Option and, subject to the proviso in subsection 8(g), MBL will pay the Additional Purchase Price to CPN and MRDM by wire transfer, in immediately available funds.

(i) If MBL exercises an Expansion Area Option and CPN and/or MRDM have not expended an amount equal to the Expansion Capital Expenditures on the applicable Expansion Area, at the time of Commencement of Commercial Operation of the Expansion Area, MRDM and/or CPN shall, upon the Commencement of Commercial Operation of the applicable Expansion Area, adjust MBL's pro rata share of Expansion Capital Expenditures and remit to MBL its pro rata share of the unexpended portion thereof, to the extent payment of such amounts by MBL is not deferred pursuant to subsection 8(g).

(j) If, during the Term, within any Expansion Area in respect of which MBL has previously exercised its Expansion Area Option and made all required payments in respect of the same to the extent required hereunder, CPN and/or MRDM shall determine to proceed to develop and mine an additional mineable deposit (the "**Deposit**"), such Expansion Area shall be deemed to include the Deposit and MBL shall be entitled to complete the purchase of Payable Au from the Deposit by paying the Gold Price for each delivery thereof throughout the remaining Term, in each case, without the requirement for any additional purchase price or any further or other act or formality by any Party, unless, prior to the commencement of the development of the Deposit, the life of mine plan or plans for such Expansion Area and the Deposit indicate that not less than 65% of the ounces of Au projected to be produced from such Expansion Area are projected to be produced from the Deposit, in which event, the provisions of section 8 shall apply with respect to the Deposit as if it were an additional Expansion Area.

(k) If for any reason, (including, without limitation, as a result of any change in the regulations issued by the Central Bank of Brazil), payment of the Additional Purchase Price cannot be made to MRDM in a form or substance that is consistent with the payment of the Purchase Price for the Acquisition Right hereunder, or the Expansion Agreement cannot be entered into on terms and conditions in form and substance substantially similar to the terms of this Agreement, MRDM and CPN will enter into negotiations with MBL in good faith to find a mutually acceptable alternative structure or transaction to what is contemplated under this section 8 that achieves substantially the same economic outcomes and commercial benefits for each of MRDM, CPN and MBL as is contemplated by this section 8.

9. Production Shortfall Payment.

Notwithstanding any other provision of this Agreement, if during the period from July 1, 2013 to June 30, 2014, the AOI has not produced a minimum of 80,000 ounces of

Refined Au (that is, 5,000 ounces of Payable Au to be delivered to and purchased by MBL under this Agreement), then at the option of MBL, in its sole and unfettered discretion, upon five Business Days prior written notice to MRDM and CPN, MBL shall have the right to require MRDM and CPN, jointly and severally, to forthwith, without set-off, deduction or defalcation, refund to MBL an amount (the "**Production Shortfall Payment**") equal to that percentage of the Purchase Price for the Acquisition Right which is equal to the percentage of underproduction of Refined Au over such 12 month period compared with that which was projected for such 12 month period as set out in the LOMP agreed at the time of Closing. At the request of CPN and/or MRDM, MBL, in its absolute discretion, may agree to extend the date for payment of the Production Shortfall Payment to a date that is at least 2 (two) years after the Closing Date.

Notwithstanding the foregoing, if any Production Shortfall Payment becomes due to MBL under this section, and at such time both CPN and MRDM are in violation or default of any debt covenant under the credit, debt or loan facility for the Project Debt, or the payment of such amounts by CPN and/or MRDM would each constitute a default under such credit, debt or loan facility, then MRDM and CPN shall have the right to defer payment of such Production Shortfall Payment to MBL until the later of the date upon which such violation or default of such credit, debt or loan facility has been remedied and the date on which the amount owing to MBL may be paid by CPN and/or MRDM without constituting a default under such credit, debt or loan facility. Until paid in full to MBL, the Refund Amount shall bear interest at the Default Rate and such amount together with interest shall be secured by the Security. In the event of any dispute between the Parties with respect to this section, either Party shall have the right to elect to have the matter settled in accordance with the dispute resolution procedures set forth in section 24.

10. Covenants of MRDM (and, where relevant, CPN).

MRDM (as guaranteed by CPN) covenants and agrees to and in favour of MBL as follows and acknowledges and agrees that MBL is relying on such covenants in executing and delivering this Agreement:

(a) CPN and/or MRDM shall use the Purchase Price for the Acquisition Right only to fund capital expenditures and other expenditures which, in each case, are required to construct and develop the Project and are consistent with the Project Budget as at the Closing Date or any amended Project Budget that is acceptable to MBL;.

(b) MRDM shall at all times have a duly authorized officer approve all ongoing dealings between MRDM and MBL under this Agreement.

(c) Throughout the Term, MRDM shall continue to comply in all material respects, with respect to the Project, with the provisions of all applicable Laws and the terms of the Project Tenements and applicable Permits.

(d) MRDM and CPN shall perform (or cause to be performed) all mining operations and activities in respect of the Project in a commercially prudent manner and in

accordance with good mining, processing, engineering and environmental practices, Environmental Laws and other applicable Laws. In addition, MRDM and CPN shall mine and process ore from the Project (or cause the same to be mined or processed) in a manner consistent with industry standards and practices as would be expected by a reasonably prudent party receiving the Payable Au.

(e) MRDM shall, from time to time, provide MBL with copies of all consultant's reports, technical reports or independent studies with respect to the Project, the AOI or any Expansion Area, in each case, promptly after the same become available. In addition, MRDM shall promptly advise MBL in writing if any such report or study reveals material differences from the technical parameters concerning the Project outlined in the Bankable Feasibility Study for the Project dated 15 November 2011.

(f) Commencing with the fiscal year of MRDM in which the commissioning, start-up and commencement of operation of the Project occurs, MRDM will provide to MBL:

(i) within 45 days of the end of each fiscal quarter of MRDM, the unaudited consolidated quarterly financial statements of MRDM; and

(ii) within 90 days of the end of each fiscal year of MRDM, the audited consolidated annual financial statements of MRDM.

(g) MRDM shall provide to MBL, within 90 days of the end of each fiscal year of MRDM, an annual statement of reserves and resources for the Project, which, for greater certainty, shall contain updated information regarding Au reserves and resources, including inferred Au resources, for the Project.

(h) MRDM shall provide MBL, on a timely basis, with any information reasonably requested by MBL in relation to MRDM's financial condition and the development, construction or operation and production of the Project and the Au produced therefrom.

(i) MRDM shall at all times maintain a Debt to EBITDA Ratio of no greater than 1.5 to 1.0, to be measured quarterly in arrears commencing with the fourth full fiscal quarter following the commissioning, start-up and commencement of operation of the Project.

(j) MRDM and CPN shall (i) take all actions in due course to fulfill any and all conditions established by the relevant Official Bodies under each Permit; and (ii) not permit any of the Project Tenements, the other Concessions, the Licences or the Permits, in each case, which are relevant and material or would reasonably be expected to be relevant and material to the Project, to be cancelled, revoked or suspended, and each of MRDM and CPN will keep MBL informed of all material reporting and other requirements relating to any of the foregoing Project Tenements, Concessions, Licences or Permits, including without limitation, all

such requirements relating to the filing of exploration reports, extension approvals and other reports and filings, including those relating to the conversion of any Exploration Licence into a Mining Concession.

(k) MRDM and CPN shall not dispose of assets that are or are likely to be or become material to the development, construction, or operation of the Project without the prior written consent of MBL, except:

(i) the disposal of output (other than Payable Au) in the ordinary course of business; and

(ii) the disposal of tangible personal property, in the ordinary course of business and in accordance with sound industry practice, that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business.

(l) MRDM and CPN shall ensure that before or at each date of delivery of Payable Au, MRDM has obtained the appropriate exporter registration (*registro de exportador*) with the Brazilian Foreign Trade Integrated System – SISCOMEX.

(m) MRDM and CPN shall ensure that all required filings, declarations, registrations and approvals with the Central Bank of Brazil (*Banco Central do Brasil*), are at all times during the Term duly filed, registered, complied with and obtained in a timely manner.

(n) MRDM and CPN shall, from time to time, execute and deliver, or shall cause to be executed and delivered, all such amendments to the Security and all supplemental mortgages, pledges, assignments and other security agreements as may be required to ensure that the Secured Assets (including any property and assets of MRDM acquired, developed or constructed from time to time) are and remain subject to valid and enforceable Encumbrances having the priority contemplated under this Agreement (subject only to Permitted Encumbrances) in favour of MBL as continuing collateral security for the performance and payment of the obligations of MRDM to MBL hereunder and shall, at their expense, translate, register, file or record the Security in all offices where such registration, filing or recordation is necessary or of advantage for the creation, perfection and preserving of the security intended to be created thereby.

(o) MRDM shall not grant or permit to exist any security or Encumbrance over the Secured Assets or any of its other assets, in each case, without MBL's prior written consent, other than Permitted Encumbrances.

(p) MRDM (as guaranteed by CPN) shall ensure that all Payable Au delivered to MBL pursuant to the terms of this Agreement will be free and clear of all Encumbrances at the time the same is so delivered.

(q) Each of CPN and MRDM shall promptly give written notice to MBL as soon as it becomes aware of any of the following:

(i) a Default or MRDM Event of Default; and

(ii) a Material Adverse Change.

11. Covenants of CPN.

(a) CPN shall not reduce, directly or indirectly, its beneficial ownership interest in any of the other Guarantors or MRDM, and shall procure that each of the Guarantors shall not reduce, directly or indirectly, its beneficial ownership interest in the other Guarantors and MRDM without the prior written consent of MBL, not to be unreasonably withheld; provided that MBL will be deemed to have acted reasonably in withholding its consent to any such reduction which would not preserve MBL's rights and remedies hereunder and under the other Transaction Documents on terms and conditions acceptable to MBL, acting reasonably.

(b) CPN shall provide to MBL, on a timely basis, with all material information provided by CPN to the TSX from time to time.

(c) If at any time, the Costs to Complete exceed the Available Funding by more than US$13,000,000, then within 30 days, CPN shall ensure that it raises additional equity financing or other form of financing acceptable to MBL such that the Available Funding is at least equal to the Costs to Complete and CPN can demonstrate to MBL that the Project is fully funded.

(d) CPN shall ensure that prior to the date on which:

(i) the aggregate corporate cash balance held by CPN and MRDM is less than US$3,000,000; or

(ii) the available commitment under the Project Debt that is available for drawdown is less than US$25,000,000,

CPN has raised additional equity financing or other form of financing acceptable to MBL such that the Available Funding is at least equal to the Costs to Complete and CPN can demonstrate to MBL that the Project is fully funded.

12. Monthly Reports and Annual Reports.

(a) Commencing on the Closing Date until the completion of the development and construction, and the commissioning, start-up and commencement of operation of the Project, MRDM shall deliver a Monthly Progress Report, on or before the fourteenth day of each calendar month, for the preceding month.

(b) Commencing on the Closing Date and during the Term, MRDM shall deliver to MBL an annual Project Budget on or before 30 days prior to the last day of each

calendar year for the ensuing calendar year. MRDM shall provide MBL with at least 15 Business Days prior written notice of any proposed amendments to any Project Budget, the Project Schedule or the LOMP (including the life of mine model included therein) prior to the same being implemented and shall represent and warrant to and in favour of MBL in such notice that any such proposed amendments will not have a material adverse effect on the net present value of the anticipated stream of Payable Au which MBL is entitled to purchase thereafter pursuant to the terms of this Agreement and the Acquisition Right or result in a Material Adverse Change. MRDM shall periodically update the LOMP to reflect changes in the extent of the Au reserves at the Project. MRDM shall update the Project Schedule periodically to reflect changes to the status of the projected completion of the development and construction, and the commissioning, start-up and commencement of operation of the Project.

(c) During the Term, from and including the calendar month in which the commissioning, start-up and commencement of operation of the Project is achieved, MRDM shall deliver to MBL a Monthly Report on or before the seventh Business Day after the last day of each calendar month.

(d) During the Term, MRDM shall deliver to MBL an Annual Report, on or before 30 days after the last day of each calendar year.

(e) MBL shall have the right to dispute an Annual Report in accordance with the provisions of this section 12. If MBL disputes an Annual Report:

(i) MBL shall notify MRDM in writing within 90 days from the date of delivery of the applicable Annual Report that it disputes the accuracy of that Annual Report (or any part thereof) (the "**Annual Report Dispute Notice**");

(ii) MBL and MRDM shall have 30 days from the date the Annual Report Dispute Notice is delivered by MBL to resolve the dispute. If MBL and MRDM have not resolved the dispute within the 30 day period, MBL shall have the right to require MRDM to deliver a report prepared by an auditor with respect to the dispute in question (the "**Auditor's Report**");

(iii) if the Auditor's Report concludes that the actual number of ounces of Payable Au varies by five per cent or less from the number of ounces of Payable Au set out in the Annual Report, then the cost of the Auditor's Report shall be for the account of MBL;

(iv) if the Auditor's Report concludes that the number of ounces of Payable Au varies by more than five per cent from the number of ounces of Payable Au set out in the Annual Report, then the cost of the Auditor's Report shall be for the account of MRDM; and

(v) if either MBL or MRDM disputes the Auditor's Report and such dispute is not resolved between the Parties within ten days after the date of delivery of the Auditor's Report, then such dispute shall be resolved by the dispute mechanism procedures set forth in section 24.

(f) If MRDM does not deliver a Monthly Report or an Annual Report as required pursuant to this section, MBL shall have the right to perform or to cause its representatives or agents to perform, at the cost and expense of MRDM, an audit of MRDM's books and records relevant to the production and delivery of Payable Au produced during the calendar month or calendar year in question (the "**MBL Audit**"). MRDM shall grant MBL or its representatives or agents access to all such books and records on a timely basis. In order to exercise this right, MBL must provide not less than seven days' written notice to MRDM of its intention to conduct the MBL Audit. If within seven days of receipt of such notice, MRDM delivers the applicable Monthly Report or Annual Report, as the case may be, then MBL shall have no right to perform the MBL Audit. If MRDM delivers the applicable Monthly Report or Annual Report, as the case may be, before the delivery of the MBL Audit, the applicable Monthly Report or Annual Report, as the case may be, shall be taken as final and conclusive, subject to the rights of MBL as set forth in subsection 12(e). Otherwise, absent any manifest or gross error in the MBL Audit, the MBL Audit shall be final and conclusive and MRDM shall not have the right to dispute its findings.

13. Delivery of Minerals, Payments and Documentation in respect of Off-take.

(a) During the Term, MRDM and/or CPN shall be a party to the Off-take Agreements and MRDM shall be responsible for delivering all Minerals that include Au to each Off-taker, in such quantity, quality, description and amounts and at such times and places as required under and in accordance with each Off-take Agreement. MRDM and CPN shall use their best efforts to ensure that all Minerals derived from the Project are processed in a prompt and efficient manner that is consistent with the terms of this Agreement. MRDM shall notify MBL in writing that a Lot is being delivered to an Off-taker at least one Business Day before the Lot leaves the premises of MRDM. MRDM shall promptly deliver to MBL once available and/or prepared, copies of all documents, certificates and instruments pertaining to each Lot, including without limitation, all invoices, credit notes, bills of lading, certificates indicating MRDM's provisional shipped moisture content and provisional shipped assays and any and all documentation prepared or produced by the Off-taker in respect of the Au, including without limitation, all analyses and assays.

(b) All Off-take Agreements maintained or entered into by MRDM and/or CPN shall be on arm's length commercial terms with Persons who are not Brazilian and are located outside of Brazil and on terms consistent with ordinary industry practices with respect to the payable adjustment factor and on terms which permit compliance with the other requirements of this section 13, including without limitation, the issuance and compliance with Standing Instructions. MBL shall

have the right to review and approve proposed, existing or future Off-take Agreements and other purchase agreements and any amendments thereto, and upon MBL's reasonable request, to review all other documentation issued pursuant to or in connection with or related to the calculation of Payable Au under all such agreements.

(c) All Deductions relating to each Lot shall be borne by MRDM and/or CPN, as applicable.

(d) All deliveries of Minerals shall be made free and clear of any and all withholdings or deductions for, or on account of any present or future Taxes imposed or levied on such delivery by or on behalf of any Official Body having power and jurisdiction to tax and for which MRDM and/or CPN, as applicable, is required in law to withhold or deduct and remit to such Official Body.

(e) MRDM shall not be required to deliver Refined Au from the Project to MBL, and MRDM's obligations to deliver Refined Au hereunder may be satisfied by delivery of any LBMA good delivery bars in the relevant quantity to the Bullion Account.

(f) MRDM acknowledges and agrees (as guaranteed by CPN) that it will provide an irrevocable standing instruction (the "**Standing Instruction**") to each Off-taker, in form and content acceptable to MBL, acting reasonably, to deliver the Payable Au to the Bullion Account, as agent for and on behalf of MRDM (the "**Standing Instruction Operation**"). Subject to section 16, MRDM (as guaranteed by CPN) shall use its reasonable commercial efforts to procure that each Off-taker delivers an acknowledgement to MBL (the "**Off-taker Acknowledgement**") of the Security held by MBL over the Secured Assets, that such Off-taker shall at all times act in accordance with the Standing Instruction and otherwise in form and content acceptable to MBL, acting reasonably. MRDM shall deliver to MBL a copy of the Standing Instruction as and when the same is delivered to each Off-taker as well as a copy of the Off-taker Acknowledgement as and when it shall be in receipt of the same. At the request of MRDM and in lieu of an Off-taker Acknowledgement, MBL will enter into a tripartite agreement with any Off-taker, the purchaser under the GPA and the holder of the Project Debt with respect to deliveries of Minerals for processing and sale, on terms consistent with the Standing Instruction and the foregoing requirements for Off-taker Acknowledgements, and which tripartite agreement may recognize the priority of the Project Debt holder's security over the Secured Assets (other than any Payable Au), provided such agreement recognizes MBL's right to purchase and receive the Payable Au prior to any other sale or other disposition of Refined Au.

(g) MRDM shall issue waybills (the "**MRDM Waybills**") to each Off-taker for the processing and sale of Minerals by such Off-taker (as export agent of MRDM). Provided that there is no MBL Event of Default, MRDM shall issue a letter to the Off-taker concurrently with the delivery of each MRDM Waybill reiterating the directions set out in the Standing Instruction in respect of the Lot(s) to which each

such MRDM Waybill pertains (the "**MRDM Letters**"). During the Term, the MRDM Waybills shall relate to the Mineral content thereof with respect to each Lot and shall contain all Deductions for and in respect of any and all Au pertaining to the Au contained in each Lot to which each MRDM Waybill relates.

(h) MBL shall have the right by written notice (the "**Delivery Dispute Notice**") to MRDM to dispute the amount of the Payable Au (a "**Payable Au Dispute**"), delivered to the Bullion Account, as being less than the amount to which it is entitled, based on the Monthly Report and/or the MRDM Waybills. The Delivery Dispute Notice shall include a certification of a senior officer of MBL stating among other things, the number of ounces of Payable Au delivered to the Bullion Account. If MBL and MRDM are unable to resolve any dispute with respect thereto, either Party shall have the right to elect to have the matter settled in accordance with the dispute resolution procedures set forth in section 24. Default Interest shall accrue daily on the undelivered amount of Payable Au from and including the date delivery was due to and excluding the date MBL receives the disputed Payable Au, to which it is entitled, and shall be payable monthly in arrears.

(i) MRDM shall issue an invoice to MBL (the "**MRDM Invoice**") for payments required to be made by MBL on account of the Payable Au at the same time as MRDM receives Refined Au from the Off-taker into MRDM's metal account for the applicable Lot(s) delivered to the Off-taker. MBL shall initiate a cash wire transfer payment of the aggregate Gold Price to MRDM pursuant to the MRDM Invoice for and in respect of the Payable Au promptly and in any event no later than three Business Days following the end of a calendar week in which the Payable Au is delivered to the Bullion Account by the Off-taker (for and on behalf of MRDM) pursuant to the Standing Instruction. As soon as it is in receipt of the same, MBL shall provide to MRDM the tracking information with respect to any such wire transfer payment.

(j) MBL shall have the right by delivery of a written notice (the "**Invoice Dispute Notice**") to MRDM to dispute the MRDM Invoice as reflecting greater than the amount which MBL is obligated to pay. The Invoice Dispute Notice shall include a certification of a senior officer of MBL setting out its calculation of the aggregate Gold Price that is payable pursuant to the MRDM Invoice in reasonable detail. If MBL and MRDM are unable to resolve any dispute with respect thereto, either Party shall have the right to elect to have the matter settled in accordance with the dispute resolution procedures set forth in section 24.

(k) Subject to subsection 13(n), if MBL does not initiate a cash wire transfer payment of the MRDM Invoice to MRDM within 10 Business Days after the calendar week in which the Payable Au (the "**Default Payable Au**") has been delivered to the Bullion Account, all as contemplated by subsection 13(i) (an "**MBL Event of Default**"), MRDM shall be entitled to deliver to the Off-taker a notice of Standing Instruction Divergence (the "**Standing Instruction Divergence Notice**"), on the 10th Business Day following the date MRDM gives notice to MBL of an MBL

Event of Default. The Standing Instruction Divergence Notice shall include an irrevocable direction to and in favour of the Off-taker from MRDM that the Retained Payable Au is not to be dealt with other than as contemplated in subsections 13(l) and 13(m). For greater certainty and without limitation, if MBL disputes that there has been an MBL Event of Default, MBL shall be entitled to submit the dispute to the dispute resolution procedures set forth in section 24. Default Interest shall accrue daily on the unpaid amount of the Gold Price that is ultimately determined to be payable from and including the date that payment was due to and excluding the date that MRDM receives the disputed payment to which it is entitled, and shall be payable monthly in arrears.

(l) The Standing Instruction shall provide, among other things, that in the event there has been an MBL Event of Default, upon receipt of a Standing Instruction Divergence Notice from MRDM, the Off-taker shall not subsequently deliver Payable Au, as agent for and on behalf of MRDM to the Bullion Account (the "**Standing Instruction Divergence**"), but, subject to subsections 13(m) and 13(o), such Payable Au shall remain in the metals account of MRDM maintained with the Off-taker for a minimum period of three months (as contemplated by subsection 13(m)) (the "**Retained Payable Au**"). The retention of Retained Payable Au shall continue until the date that the Off-taker shall receive a Resumption Notice in accordance with subsection 13(o).

(m) If an MBL Event of Default occurs and is continuing for a period of three months, on the third Business Day after written notice has been delivered to MBL, MRDM shall be entitled to sell to an arm's length third party the Retained Payable Au by way of instruction to the Off-taker (which instruction shall be contemporaneously forwarded to MBL). MRDM shall be entitled to receive: (i) the Gold Price in respect of the Retained Payable Au, (ii) the balance of the Gold Price owing for the Default Payable Au, and (iii) Default Interest. MRDM (as guaranteed by CPN) shall pay the balance of any such sale proceeds received to MBL promptly and in any event no later than three Business Days following the date that MRDM receives the proceeds from the sale of the Retained Payable Au. Within such same three Business Day period, MRDM (as guaranteed by CPN) shall cause the Off-taker to provide to MBL an accounting of the sale of the Retained Payable Au.

(n) If MBL has delivered a Delivery Dispute Notice or an Invoice Dispute Notice to MRDM, until the matter has been resolved between the Parties or pursuant to the dispute resolution procedures set out in section 24, MBL shall not be considered to have committed an MBL Event of Default if MBL has:

(i) in the case of a Payable Au Dispute, initiated a cash wire transfer payment of the Gold Price to MRDM in respect of the Payable Au received by MBL, if any, as certified in the Delivery Dispute Notice; or

(ii) in the case of an Invoice Dispute, initiated a cash wire transfer payment of the Gold Price, as certified in the Invoice Dispute Notice, to MRDM in respect of the Payable Au received by MBL.

(o) Within one Business Day of MRDM receiving payment in full for the Default Payable Au, including Default Interest pursuant to subsection 13(k), MRDM (as guaranteed by CPN) covenants to give written notice to the Off-taker to resume delivery of the Payable Au to MBL under the Standing Instruction and to deliver any Retained Payable Au held in the MRDM metals accounts to the Bullion Account as agent for and on behalf of MRDM (the "**Resumption Notice**"). MBL shall make payment to MRDM for any Retained Payable Au in accordance with the provisions of subsection 13(i). MRDM and MBL agree to act in good faith with respect to the delivery of the Resumption Notice to the Off-taker and in such regard, MRDM (as guaranteed by CPN) agrees that upon the termination or other rectification of the MBL Event of Default, as provided in this subsection 13(o), MRDM shall promptly execute and deliver to the Off-taker and MBL any such Resumption Notice.

(p) MRDM (as guaranteed by CPN) hereby agrees to indemnify MBL and its directors, officers and employees harmless from and against any and all Losses incurred or suffered by any of them arising out of or in connection with or related to any breach or default of this section 13.

(q) MBL hereby agrees to indemnify MRDM and its officers and employees harmless from and against any and all Losses incurred or suffered by any of them arising out of or in connection with or related to any breach or default of this section 13.

14. Title, Risk of Loss and Insurance.

(a) Title to all Payable Au contained in each Lot shall pass from MRDM to MBL immediately upon the delivery of the Payable Au from MRDM or the Off-taker (for and on behalf of MRDM) to the Bullion Account.

(b) Risk of loss or damage to all Au contained in each Lot shall at all times remain with MRDM (as guaranteed by CPN) until risk of loss or damage with respect to such Lot passes to the applicable Off-taker in accordance with the terms of the Off-take Agreement to which such Off-taker is a party.

(c) Insurance in respect of each Lot shall be covered by and shall be the responsibility of MRDM up to and until the time that risk of loss or damage with respect to each such Lot passes to the applicable Off-taker in accordance with the terms of the applicable Off-take Agreement. MRDM shall acquire and maintain adequate insurance for and in respect of each Lot in accordance with the terms of the Off-take Agreements (and normal industry standards and practice) during the Term and shall deliver proof of such insurance to MBL (including insurance obtained by each Off-taker) upon the written request of MBL. Insurance in respect of each

Lot shall be covered by and shall be the responsibility of the applicable Off-taker at the time that risk of loss or damage passes to such Off-taker.

(d) In the event of a partial or total loss of a shipment of Minerals before title to Payable Au has passed from MRDM to MBL, MRDM (as guaranteed by CPN) shall deliver to MBL, in care of the Bullion Account, such number of ounces of Au (the "**Lost Au ounces**") equal to the Payable Au contained in the Lot which was lost, without set-off, deduction or defalcation, within 30 days of the date that the Lost Au ounces would have been delivered to the Bullion Account in the ordinary course. Final settlements received by MRDM from an Off-taker with respect to the Lost Au ounces shall be used for the purposes of such calculation provided that if no such settlements have been received, the MRDM Waybills shall be used for the purposes of such calculation. MRDM, at its option, may make arrangements to satisfy the obligation to deliver Lost Au ounces from its retained Au production or via the acquisition of Au from an affiliate or third Persons. If there shall be a dispute with respect to this section which MBL and MRDM are unable to resolve, either Party shall have the right to elect to have the matter settled in accordance with the dispute resolution procedures set forth in section 24.

15. MRDM Events of Default and Early Termination.

(a) The Parties (MRDM and CPN acting as one Party for the purposes of this section) may terminate this Agreement at any time by mutual written consent. In addition, MBL shall have the right to terminate this Agreement, effective upon ten days' prior written notice to MRDM and CPN, if any of the following shall occur (each, an "**MRDM Event of Default**"):

(i) MRDM fails to deliver any amount of Payable Au due under the terms of this Agreement for any reason other than any one or more of the following:

(1) an Act of God or Force Majeure;

(2) a temporary shut down of the Project due to a Material Adverse Change referred to in subsection (a) of the definition thereof, which is beyond the control of MRDM and CPN; and

(3) the continued operation of the Project becoming uneconomic due to a material decrease in the market price of Au, for so long as such continued operation remains uneconomic;

(ii) any of the representations and warranties in section 26 or in the other Transaction Documents shall prove to have been incorrect or misleading in any material respect on and as of the date made and MBL notifies MRDM and/or CPN of the same or, if capable of rectification, the facts or circumstances which make such representation or warranty incorrect or

misleading are not rectified and the representation or warranty remains incorrect or misleading more than 30 days after MBL notifies MRDM and/or CPN of the same;

(iii) Security Delivery has not occurred within 60 days of the Closing Date or such later date as MBL may agree in writing;

(iv) Security Registration has not occurred by 31 January 2013 or such later date as MBL may agree in writing, taking into account delays in the ordinary course associated with the process of registration, filing or recordation of such Security;

(v) MRDM or CPN defaults in any material respect in the performance of any of its respective covenants or obligations contained in this Agreement (except for covenants or obligations which are otherwise dealt with in paragraphs 15(a)(i) through (iii) and (vii) through (ix), but including, for certainty, any covenant or obligation under subsection 10(c), the breach of which is not referred to in paragraph 15(a)(viii)) and, if such default is susceptible of rectification, the same is not rectified to the reasonable satisfaction of MBL within 30 days after written notice to MRDM and CPN, or if such default is not susceptible of rectification within 30 days, but is susceptible of rectification within a longer period of reasonable duration not exceeding a further 30 days, MRDM and CPN have not promptly commenced to rectify the default within such 30 day period, and thereafter proceed diligently to rectify same;

(vi) MRDM or CPN breaches any representation and warranty or defaults on any of its respective covenants or obligations under any other Transaction Document, the breach or default of which, pursuant to such Transaction Document, expressly constitutes an MRDM Event of Default hereunder;

(vii) an Insolvency Event occurs with respect to MRDM, CPN or any other Guarantor;

(viii) (A) MRDM and/or CPN is in default of the provisions of subsection 10(c) and has received notice from DNPM, COPAM and/or SUPRANMN or another applicable Official Body with respect to any default under the terms and conditions of the Mining Concession, the Exploration Licences and/or the Licences and MRDM and/or CPN has not forthwith provided MBL with a copy of such notice and allowed MBL to intervene on a reasonable basis to ensure that none of the Mining Concession, the Exploration Licences and the Licences is cancelled, or (B) the Mining Concession, any of the Exploration Licences and/or any of the Licences is cancelled; provided that, expiry of any Exploration Licence at the conclusion of its term will not constitute an MRDM Event of Default under this paragraph; or

(ix) in the opinion of MBL, acting reasonably, any of the Transaction Documents shall cease to be valid and binding or to have the priority they were intended to have under this Agreement.

(b) Without prejudice to any other right or remedy MBL may have pursuant to the other provisions of this Agreement, under applicable Laws, at common law in equity or otherwise, if an MRDM Event of Default as set forth in subsection 15(a) occurs and is continuing, MBL shall have the right, upon written notice to MRDM and CPN, at its option, to demand payment of the NPV Payment (together with Default Interest from the date of such MRDM Event of Default until payment in full of such NPV Payment). Upon demand from MBL, which demand shall include a calculation of the NPV Payment, MRDM (as guaranteed by CPN) shall promptly pay the NPV Payment, together with accrued Default Interest, in cash by wire transfer, in immediately available funds, to a bank account designated by MBL. For greater certainty and without limitation, in the event MRDM (as guaranteed by CPN) is required to pay the NPV Payment to MBL, the obligation of MRDM to pay the NPV Payment and any Default Interest thereon will be secured by the Security.

(c) Notwithstanding the occurrence of any of the MRDM Events of Default set forth in subsection 15(a), MBL may, in its sole and unfettered discretion, waive any such MRDM Event of Default, however any such waiver will be effective only in the specific instance for the specific purpose for which it was given and will not be deemed to be a waiver of any other rights and remedies of MBL under this Agreement or the other Transaction Documents.

(d) Notwithstanding the termination of this Agreement in accordance with the terms hereof, the Parties agree to fulfil and perform all of their respective covenants and obligations that arise prior to the date of termination.

(e) The Parties hereby acknowledge that: (i) MBL will be damaged by an MRDM Event of Default; and (ii) any sums payable or retainable pursuant to this section 15 are in the nature of liquidated damages, are a genuine pre-estimate of such damages and not a penalty, and are fair and reasonable.

16. Off-take Agreements.

(a) During the Term, MRDM shall notify MBL in writing when it commences negotiations to enter into an Off-take Agreement or Off-take Agreements for the processing or refinement of Minerals containing Au, from time to time. MRDM shall provide MBL with the proposed terms and conditions of any Off-take Agreement and/or subsequent amendments to the material terms and conditions of any Off-take Agreement. Each Off-take Agreement shall be on arm's length commercial terms, consistent with normal industry standards and practice. CPN and MRDM shall not enter into any Off-take Agreement nor amend or modify any Off-take Agreement if the terms and conditions of any such Off-take Agreement pertaining to the sale and purchase of Au would disadvantage MBL,

as determined by MBL acting reasonably. MRDM shall negotiate with MBL to determine acceptable terms and conditions for the Off-take Agreement and/or Off-take Agreement amendment prior to the execution and delivery thereof. Any new, amended or modified Off-take Agreement shall not be in derogation of the Standing Instructions and MRDM (as guaranteed by CPN) shall procure that the Off-taker executes and delivers to MBL within three Business Days of the execution and delivery of any such Off-take Agreement, an Off-taker Acknowledgement.

(b) MRDM (as guaranteed by CPN) hereby agrees to indemnify and hold MBL and its directors, officers and employees harmless from and against any and all Losses incurred or suffered by any of them arising out of or in connection with or related to any breach or default of this section. This subsection 16(b) shall survive the termination of this Agreement.

17. Guarantee of MRDM's Obligations by CPN.

(a) CPN hereby absolutely, unconditionally and irrevocably guarantees the prompt and complete observance and performance of all the terms, covenants, conditions, provisions and indemnifications to be observed or performed by MRDM pursuant to this Agreement. CPN shall perform such terms, covenants, conditions, provisions and indemnifications upon the default or non-performance thereof by MRDM.

(b) CPN shall indemnify and save MBL and its directors, officers and employees harmless from and against any and all Losses incurred or suffered by any of them arising out of or in connection with or related to any breach or default of this section. This subsection 17(b) shall survive the termination of this Agreement.

(c) Subject to the provisions of subsection 17(d) and section 21, CPN shall not Transfer all or any part of its obligations set forth in this section without the prior written consent of MBL.

(d) CPN shall not consolidate, amalgamate with, or merge with or into, or transfer all or substantially all its assets to, or reorganize, reincorporate or reconstitute into or as another entity unless, at the time of such consolidation, amalgamation, merger, reorganization, reincorporation, reconstitution or transfer, the resulting, surviving or transferee entity agrees to assume in favour of MBL all the obligations of CPN under this Agreement.

(e) The obligations of CPN under this section are continuing, unconditional and absolute and without limitation, and will not be released, discharged, limited or otherwise affected by (and CPN hereby consents to or waives, as applicable, to the fullest extent permitted by applicable Law):

(i) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any obligations

guaranteed pursuant to this section (collectively, the "**MRDM Guaranteed Obligations**"), security, Person or otherwise;

(ii) any modification or amendment of or supplement to the MRDM Guaranteed Obligations, including any increase or decrease in the amounts payable thereunder;

(iii) any release, non-perfection or invalidity of any direct or indirect security for any of the MRDM Guaranteed Obligations;

(iv) any winding-up, dissolution, insolvency, bankruptcy, reorganization or other similar proceeding affecting MRDM or any other Person or its or their property;

(v) the existence of any claim, set-off or other rights which CPN may have at any time against MRDM, MBL or any other Person;

(vi) any invalidity, illegality or unenforceability relating to or against MRDM or any provision of applicable Law or regulation purporting to prohibit the payment by CPN of any amount in respect of the MRDM Guaranteed Obligations;

(vii) any limitation, postponement, prohibition, subordination or other restriction on the rights of MBL to payment of the MRDM Guaranteed Obligations (except for any postponements contemplated by this Agreement);

(viii) any release, substitution or addition of any co-signer, endorser or other guarantor of the MRDM Guaranteed Obligations;

(ix) any defence arising by reason of any failure of MBL to make any presentment, demand for performance, notice of non-performance, protest or any other notice, including notice of acceptance of this Agreement, partial payment or non-payment of any of the MRDM Guaranteed Obligations or the existence, creation or incurring of new or additional MRDM Guaranteed Obligations;

(x) any defence arising by reason of any failure of MBL to proceed against MRDM or any other Person, to proceed against, apply or exhaust any security held from MRDM or any other Person for the MRDM Guaranteed Obligations or to pursue any other remedy in the power of MBL whatsoever;

(xi) any law which provides that the obligation of a guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligation;

(xii) any defence arising by reason of any incapacity, lack of authority or other defence of MRDM or any other Person, or by reason of the cessation from any cause whatsoever of the liability of MRDM or any other Person in respect of any of the MRDM Guaranteed Obligations, except as a result of the payment in full of the MRDM Guaranteed Obligations, or by reason of any act or omission of MBL or others which directly or indirectly results in the discharge or release of MRDM or any other Person or all or any part of the MRDM Guaranteed Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise;

(xiii) any defence arising by reason of any failure by MBL to obtain, perfect or maintain a perfected or prior (or any) security interest or Encumbrance upon any property of MRDM or any other Person, or by reason of any interest of MBL in any property, whether as owner thereof or the holder of a security interest or Encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by MBL of any right to recourse or collateral;

(xiv) any defence arising by reason of the failure of MBL to marshal any property;

(xv) any dealing whatsoever with MRDM or any other Person or any security;

(xvi) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against MRDM or any other Person, including any discharge of, or bar against collecting, any of the MRDM Guaranteed Obligations, in or as a result of any such proceeding; or

(xvii) any other act or omission to act or delay of any kind by MRDM, MBL or any other Person or any other circumstance whatsoever, whether similar or dissimilar to the foregoing, which might, but for the provisions of this subsection 17(e), constitute a legal or equitable discharge, limitation or reduction of the obligations of CPN hereunder (other than the payment or performance in full of all of the MRDM Guaranteed Obligations). To the extent permitted by applicable Law, the foregoing provisions of this subsection 17(e) apply (and the waivers set out therein will be effective) even if the effect of any action (or failure to take action) by MBL is to destroy or diminish any subrogation rights of CPN or any rights of CPN to proceed against MRDM for reimbursement or to recover any contribution from any other guarantor or any other right or remedy of CPN.

(f) MBL shall not be bound to exhaust its recourse against MRDM or any other Persons or to realize on any securities it may hold in respect of the MRDM Guaranteed Obligations before being entitled to payment or performance from

CPN under this section and CPN hereby renounces all benefits of discussion and division.

18. Books; Records; Inspections.

MRDM shall keep true, complete and accurate books and records of all of its operations and activities with respect to the Project, including the processing of Minerals therefrom and the transportation of Minerals, prepared in accordance with Accounting Principles, consistently applied. Subject to the confidentiality provisions of this Agreement and in addition to the provisions of subsection 12(f), MBL and its authorized representatives shall be entitled to perform audits or other reviews and examinations of the books and records of MRDM relevant to the delivery of Minerals pursuant to this Agreement to confirm compliance by MRDM with the terms of this Agreement. MBL shall diligently complete any audit or other examination permitted hereunder. For greater certainty and without limitation, MBL shall have access to all documents provided by the Off-taker to MRDM or by MRDM to an Off-taker, as contemplated under the Off-take Agreements or which otherwise relate to the Minerals vis a vis the Off-taker and that are, in any manner, relevant to the calculation of Payable Au or the delivery and credit in respect thereof, in each instance. The expenses of any audit or other examination permitted in this section shall be paid by MBL, unless the results of such audit or other examination permitted in this section, disclose a discrepancy in calculations made by MRDM of equal to or greater than five percent, in which event the reasonable costs of such audit or other examination shall be paid by MRDM. MRDM shall contemporaneously furnish to MBL copies of all reports provided to the relevant Official Bodies in accordance with applicable Law.

19. Conduct of Mining Operations, etc.

(a) Subject to subsection 19(e), all decisions concerning methods, the extent, times, procedures and techniques of any processing operations related to the Project and materials to be introduced on or to the Project shall be made by MRDM in its sole and absolute discretion, subject to the provisions of section 10.

(b) MBL has no contractual rights relating to the development or operation of any of MRDM's operations, including without limitation, the Project or any of its properties and, except as contemplated in section 8, MBL shall not be required to contribute to any capital or expenditures in respect of operations at the Project. Except as provided in this Agreement, the Security Agreements and the Mortgages, MBL has no right, title or interest in and to the Project.

(c) Save and except as provided in section 9 and subsection 15(b), MBL is not entitled to any form or type of compensation or payment from MRDM if MRDM discontinues or ceases operations from the Project. Save and except as provided in section 9 and paragraph 15(a)(i), this Agreement shall in no way be construed or considered a guarantee as to the delivery of any amount of Payable Au from the AOI on an annual basis or over the life of the Project.

(d) During the Term, MRDM shall perform or cause to be performed all operations and activities, including production, processing and delivery operations and activities, in respect of the Project in accordance with the currently approved LOMP and otherwise in a commercially prudent manner and in accordance with good processing, engineering and environmental practices. For greater certainty and without limitation, both short term and long term mine planning and operations shall be carried out with prices for Au that are consistent with industry practices (i.e. near spot prices for short term planning and operations and long-term expected prices for long-term planning).

(e) At reasonable times and with MRDM's prior consent (which shall not be unreasonably withheld or delayed), at the sole risk and expense of MBL, during the Term, MBL shall have a right of access by its representatives to the Project and any mill, smelter, concentrator or other processing facility owned or operated by MRDM, CPN and/or their respective affiliates and that is used to process Minerals for the purpose of enabling MBL to monitor compliance by MRDM and/or CPN with the terms of this Agreement.

(f) MRDM shall ensure that all Au is produced from the Project in a prompt and timely manner. If MRDM wishes to commingle the Minerals produced from the Project with other Minerals, the same shall be subject to the prior written approval of MBL, acting reasonably, provided that MBL is satisfied that it shall not be disadvantaged as a result of such commingling and further provided that a method is agreed upon by MBL and MRDM to determine the quantum of Refined Au produced from the Project.

20. Covenant Regarding Corporate Existence.

Each of MRDM and CPN shall at all times during the Term do and cause to be done all things necessary to maintain its respective corporate existence. MRDM (as guaranteed by CPN) shall at all times during the Term do all things necessary to maintain the Project in good standing including paying all Taxes owing in respect thereof. During the Term, MRDM (as guaranteed by CPN) shall not abandon any of the mining rights forming a part of the Project unless MRDM provides evidence satisfactory to MBL, acting reasonably, that it is not economical, as at the date of determination, to produce Minerals from the applicable mining rights forming a part of the Project that MRDM proposes to abandon.

21. Restricted Transfer Rights of MRDM.

During the Term, MRDM may not Transfer, in whole or in part: (i) the Project; or (ii) its rights and obligations under this Agreement; in each case, unless the following conditions are satisfied and, upon such conditions being satisfied in respect of such Transfer (other than a Transfer under subsection 21(d) below), each of MRDM and CPN (as contemplated in subsection 17(c)) shall be released from its obligations under this section:

(a) MRDM shall provide MBL with at least ten Business Days prior written notice of its intent to Transfer;

(b) any purchaser, transferee or assignee shall have, in the opinion of MBL, acting reasonably, the financial, operational and technical capability to produce similar amounts of Au from the AOI and to observe and perform the covenants, agreements and obligations of MRDM and CPN on a consolidated basis under this Agreement, and shall otherwise be acceptable to MBL, acting reasonably;

(c) any purchaser, transferee or assignee agrees in writing in favour of MBL to be bound by the terms of this Agreement, including without limitation, this section; and

(d) any transferee that is a mortgagee, chargeholder or encumbrancer (including, for certainty, any lender or holder of Project Debt or the GPA and, if applicable, their agents) agrees in writing in favour of MBL to be bound by and subject to the terms of this Agreement in the event it takes possession of or forecloses on all or part of the Project or any of the mining operations carried on by MRDM on or in respect of the Project and undertakes to obtain an agreement in writing in favour of MBL from any subsequent purchaser or transferee of such mortgagee, chargeholder or encumbrancer that such subsequent purchaser or transferee will be bound by the terms of this Agreement, including without limitation, this section.

22. Transfer Rights of MBL.

During the Term, MBL shall have the right to Transfer, in whole or in part, its rights and obligations under this Agreement, upon the provision of ten Business Days prior written notice to MRDM, whereupon MBL shall be released from its obligations under this Agreement.

23. Confidentiality.

(a) Subject to subsection 23(b), neither MBL nor MRDM and CPN, (MRDM and CPN acting as one Party for the purposes of this section) shall, without the express written consent of the other Party (which consent shall not be unreasonably withheld or delayed), disclose any non-public information in respect of the terms of this Agreement or otherwise received under or in conjunction with this Agreement, other than to its affiliates or its and its affiliates' respective employees, agents, bankers and/or consultants and/or requisite regulatory authorities in connection with the procurement of consents and approvals contemplated hereunder. Neither Party shall issue any press releases concerning the terms of this Agreement without the consent of the other Party after the other Party has first reviewed the terms of such press release. Each Party agrees to reveal such information only to its affiliates or its and its affiliates' respective employees, agents, bankers and/or consultants who need to know, who are informed of the confidential nature of the information and who agree to be bound

by the terms of this section 23 or are subject to confidentiality obligations substantially the same as those set out in this section 23. In addition, neither Party shall use any such information for its own use or benefit except for the purpose of enforcing its rights under this Agreement.

(b) Notwithstanding the foregoing: (i) each Party shall be entitled to file a copy of this Agreement under its profile on SEDAR (subject to such redactions as may be mutually agreed to by the Parties); and (ii) each Party may disclose information obtained under this Agreement if required to do so for compliance with applicable Laws, rules, regulations or orders of any Official Body or stock exchange having jurisdiction over such Party or to allow a current or potential *bona fide* provider of finance to conduct due diligence provided that the other Party shall be given the right to review and object to the data or information to be disclosed prior to any public release subject to any reasonable changes proposed by such other Party.

24. Arbitration.

(a) In the event of a dispute in relation to this Agreement, including without limitation, the existence, validity, performance, breach or termination thereof or any matter arising therefrom, including whether any matter is subject to arbitration, the Parties agree to negotiate diligently and in good faith in an attempt to resolve such dispute. For the purposes of this section, MRDM and CPN act as one Party.

Failing resolution satisfactory to either Party, either Party may request that the dispute be resolved by binding arbitration, conducted in English, in Toronto, Ontario. *The Arbitration Act* 1991 (Ontario), as may be amended from time to time, shall apply to such proceedings.

(b) To demand arbitration, either Party (the "**Demanding Party**") shall give written notice (the "**Arbitration Dispute Notice**") to the other Party (the "**Responding Party**"), which Arbitration Dispute Notice shall toll the running of any applicable limitations of actions by law or under this Agreement. The Arbitration Dispute Notice shall specify the nature of the allegation and issues in dispute, the amount or value involved (if applicable) and the remedy requested. Within 15 Business Days of receipt of the Arbitration Dispute Notice, the Responding Party shall answer the demand in writing, responding to the allegations and issues that are disputed.

(c) The Demanding Party and the Responding Party shall each select one qualified arbitrator within five Business Days of the Responding Party's answer. Each of the arbitrators shall be a disinterested person qualified by experience to hear and determine the issues to be arbitrated. The arbitrators so chosen shall select a neutral arbitrator within five Business Days of their selection.

(d) No later than 15 Business Days after hearing the representations and evidence of the Parties, the arbitrators shall make their majority determination in writing and

shall deliver one copy to each of the Parties. The written decision of the arbitrators shall be final and binding upon the Parties in respect of all matters relating to the arbitration, the procedure, the conduct of the Parties during the proceedings and the final determination of the issues in the arbitration. There shall be no appeal from the determination of the arbitrators to any court. The decision rendered by the arbitrators may be entered into any court for enforcement purposes.

(e) The arbitrators may determine all questions of law and jurisdiction (including questions as to whether or not a dispute is arbitratable) and all matters of procedure relating to the arbitration.

(f) A dispute of the Parties shall not constitute an Act of God or Force Majeure.

(g) The arbitrators shall have the right to grant legal and equitable relief and to award costs (including legal fees and the costs of arbitration) and interest. The costs of any arbitration shall be borne by the Parties in the manner specified by the arbitrators in their majority determination. The arbitrators may make an interim order, including injunctive relief and other provisional, protective or conservatory measures, as well as orders seeking assistance from a court in taking or compelling evidence or preserving and producing documents regarding the subject matter of the dispute.

(h) All papers, notices or process pertaining to an arbitration hereunder may be served on a Party as provided in this Agreement.

(i) The Parties agree to treat as confidential information, in accordance with the provisions of section 23, the following: the existence of the arbitral proceedings; written notices, pleadings and correspondence in relation to the arbitration; reports, summaries, witness statements and other documents prepared in respect of the arbitration; documents exchanged for the purposes of the arbitration; and the contents of any award or ruling made in respect of the arbitration. Notwithstanding the foregoing part of this section, a Party may disclose such confidential information in judicial proceedings to enforce, nullify, modify or correct an award or ruling and as permitted under section 23.

25. Representations and Warranties of MBL.

MBL, acknowledging that MRDM and CPN are entering into this Agreement in reliance thereon, hereby represents and warrants to MRDM and CPN as follows:

(a) MBL is a corporation duly and validly existing under the laws of its governing jurisdiction.

(b) MBL has the requisite corporate power and capacity to enter into this Agreement and to perform its obligations hereunder. MBL has received all requisite approvals with respect to the execution and delivery of this Agreement.

(c) This Agreement has been duly and validly executed and delivered by MBL and constitutes a legal, valid and binding obligation of MBL enforceable against MBL in accordance with its terms.

(d) MBL has not made an assignment for the benefit of creditors, nor is MBL the voluntary or involuntary subject of any proceedings under any bankruptcy or insolvency law, no receiver or receiver/manager has been appointed for all or any substantial part of the properties or business of MBL and its corporate existence has not been terminated by voluntary or involuntary dissolution or winding up (other than by way of amalgamation or reorganization) and MBL is not now aware of any circumstance which, with notice or the passage of time, or both, would give rise to any of the foregoing.

26. Representations and Warranties of MRDM and CPN.

MRDM and CPN acknowledging that MBL is entering into this Agreement in reliance thereon, hereby jointly and severally represent and warrant to MBL as follows:

(a) Each of MRDM and CPN is a corporation duly and validly existing under the laws of its governing jurisdiction and each of MRDM and CPN is up to date in respect of all filings required by law or by any Official Body. It is acknowledged that it is intended that MRDM will be converted from a "*Sociedade Limitada*" (or limited liability company) to a "*Sociedade Anônima*" (or joint stock corporation). Provided that MBL receives confirmation from MBL's legal counsel, immediately prior to such conversion that all documentation that needs to be executed and registered following such conversion has been prepared and agreed between MBL and MRDM, so as to ensure that MBL's rights under the Transaction Documents are not prejudiced and MRDM's obligations under the Transaction Documents are not affected, MBL will consent to the conversion. Without in any way limiting this sub-section 26(a), MRDM shall procure that the quota pledge granted over 100% of the quotas issued by MRDM shall be converted to a share pledge granted over 100% of the shares issued by MRDM in favour of Macquarie ("**New Share Pledge**") and shall ensure that the New Share Pledge is registered in MRDM's registered share register simultaneously with the execution of the corporate documentation of MRDM providing for this conversion. Failure to comply with this sub-section 26(a) shall constitute an MRDM Event of Default.

(b) Each of MRDM and CPN has the requisite corporate power and capacity to enter into this Agreement and to perform its respective obligations hereunder. Each of MRDM and CPN has received all requisite board approvals with respect to the execution and delivery of this Agreement.

(c) This Agreement has been duly and validly executed and delivered by each of MRDM and CPN and constitutes a legal, valid and binding obligation of each of MRDM and CPN enforceable against each of MRDM and CPN in accordance with its terms.

(d) No Insolvency Event has occurred with respect to MRDM, CPN or any of the other Guarantors, and neither MRDM nor CPN is now aware of any circumstance which, with notice or the passage of time, or both, would give rise to any such event.

(e) Neither MRDM, nor CPN, nor any of their affiliates has created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, any Person may have or be entitled to any Encumbrance on or in respect of the Project, the Secured Assets or any part thereof except for Permitted Encumbrances.

(f) Other than: (i) the Net Smelter Royalty of 1% payable to Mineração Brilhante Ltda.; (ii) the CFEM (Financial Compensation for the Exploitation of Mineral Resources) of 1% of the net sales of mineral products payable to the Brazilian Federal government; and (iii) under the terms of the GPA, no Person has any agreement, option, right of first refusal or right, title or interest or right capable of becoming an agreement, option, right of first refusal or right, title or interest, in or to the Project, or any of the Au therein, thereon or thereunder or derived therefrom or any quotas or shares of MRDM or the Guarantors (other than CPN).

(g) MRDM has all necessary corporate power to own the mining rights forming a part of the Project and MRDM is in material compliance with all material applicable Laws and licences, registrations, permits, consents and qualifications to which the mining rights forming a part of the Project are subject.

(h) MRDM has sufficient right, title or interest in and to the Project, including without limitation, access rights thereto, in order for MRDM to perform its obligations and enter into and complete the Transaction subject to the terms and conditions contained in this Agreement.

(i) MRDM has and will deliver to MBL an undivided 100% legal and beneficial good, valid, marketable and exclusive ownership title in and to, and actual and exclusive possession of Payable Au free and clear of any and all Encumbrances.

(j) Each of MRDM and CPN has provided to MBL all material information in its respective control or possession with respect to the Project, and corporate matters pertaining to MRDM and CPN.

(k) CPN is the indirect owner of 100% of the issued and outstanding quotas of MRDM, MRDM is owned 99.9999% by OLC Holdings and 0.0001% by OLV Co-op. OLC Holdings is owned 100% by OLV Co-Op. OLV Co-Op is owned 99.9998% by CPN and 0.0002% by OLC Brazil. OLC Brazil is owned 100% by CPN;

(l) All information (including the information in the Schedules to this Agreement) heretofore supplied to MBL by or on behalf of CPN or MRDM is, with respect to factual matters, true, correct and complete in all material respects and is, with

respect to projections, forecasts and other matters being the subject of opinion, believed on reasonable grounds to be true, correct and complete in all material respects and, to the extent based upon assumptions, such assumptions are believed in good faith, after due inquiry, to be reasonable in the circumstances.

27. Security, etc.

(a) MRDM covenants and agrees that from and after Closing, at its own sole cost and expense, MRDM shall do all such acts and things as shall be required to register, file and record the Security Agreements and the Mortgages, and any amended or supplemental Security granted pursuant to section 10(n), with each relevant Official Body as required to preserve, protect and perfect the security constituted thereby under applicable Law with the priority contemplated under this Agreement. MRDM shall forthwith provide MBL with evidence of such registration, filing and recordation. Without limiting this section 27, MRDM shall be in breach of this section and this Agreement if MRDM has not provided the said evidence with respect to the initial Security Agreement and Mortgages to MBL and achieved Security Delivery within 60 days of the Closing Date and Security Registration by 31 January 2013 or such later date as MBL may agree in writing, taking into account delays in the ordinary course associated with the process for registration of the initial Security.

(b) MRDM and CPN shall amend and renew such registrations, filings and recordations from time to time as and when required to keep them in full force and effect or to preserve the priority established by any prior registration, filing or recordation thereof, except any change in such priority as contemplated in section 21(d) or 27(c), and shall send evidence of any such registrations, filings and recordations to MBL. MRDM and CPN shall provide their written consent or signature to any documents or things necessary to accomplish such registration, recordation and notice.

(c) The Security shall be limited to the Secured Assets and shall secure all of the obligations of MRDM under this Agreement and the other Transaction Documents. MRDM shall amend or supplement the Security Agreements and the Mortgages (including by granting additional mortgages and pledges to MBL) from time to time in order to ensure that any Project Tenements acquired by MRDM after Closing are mortgaged and/or pledged in favour of MBL as security for the obligations of MRDM under this Agreement, and shall register, file and record the same in accordance with subsection 27(a) above. MBL will allow any subsequent charge on the Secured Assets (other than the Payable Au) provided that such subsequent charge is in favour of the holder of Project Debt or the purchaser under GPA and satisfies the terms and conditions of section 21 and also provided that the holder of such subsequent charge enters into an intercreditor agreement (an "**Intercreditor Agreement**") with MBL on terms and conditions satisfactory to MBL, acting reasonably. It is intended that the Security will secure the obligations of MRDM hereunder and under the other Transaction Documents and the obligations of MRDM to the purchaser under the GPA and the

Purchase Documents (as defined in the GPA) on a pari passu basis, and MBL, MRDM and CPN will enter into an intercreditor agreement with such purchaser to (among other things) give effect to the foregoing. MBL agrees to subordinate the Security to the security securing the Project Debt (provided that the purchaser under the GPA agrees to the same subordination) on terms and conditions to be set forth in the Intercreditor Agreement and which will be acceptable to MBL, acting reasonably, and will include, among other things, the following provisions:

(i) so long as MBL elects not to demand payment of the NPV Payment under subsection 15(b) hereof, upon any enforcement by such holder of its security for the Project Debt, including pursuant to or in connection with any proceedings in respect of an Insolvency Event, such holder shall ensure that any purchaser or transferee of the Secured Assets, including any purchaser or transferee pursuant to a public auction or private sale requested, consented to or acquiesced in by such holder, agrees to be bound by the terms of this Agreement with respect to the obligation to sell and deliver the Payable Au from the AOI to MBL for the Gold Price for a period equal to the then remaining Term, and such holder shall take any and all actions, steps and proceedings as may be required to ensure its compliance with its obligations under this paragraph 27(c)(i); and

(ii) a right, exercisable by MBL upon and following the acceleration of the Project Debt, to purchase the Project Debt from the holder thereof.

Such Intercreditor Agreement shall also provide that any transferee or assignee of the subsequent charge shall be bound by the terms and conditions of the Intercreditor Agreement.

(d) Neither MRDM nor CPN shall amend, supplement, waive, restate, supersede, terminate, cancel or release or otherwise consent to a departure from the provisions of the Security Agreements or the Mortgages, without the prior written consent of MBL, such consent not to be unreasonably withheld.

28. Future Gold Purchase Transactions.

MRDM and CPN hereby grant to and in favour of MBL a right of first refusal over any future Au purchase agreements, Au royalty agreements or similar agreements or arrangements (which, for certainty, excludes Au Hedging Agreements) proposed to be entered into by MRDM or CPN during the Term in respect of the Project, whether within or outside of the AOI. Furthermore, MRDM and CPN shall not enter into any Au purchase agreements, Au royalty agreements or similar agreements or arrangements (which, for certainty, excludes Au Hedging Agreements) with respect to the Project, whether within or outside of the AOI, without the prior written consent of MBL.

29. Indemnity of MBL.

MBL shall indemnify and save CPN and MRDM, without duplication, and their respective directors, officers, employees and agents harmless from and against any and all actual Losses suffered or incurred by them that arise out of or relate to any failure of MBL to timely and fully perform or cause to be performed all of the covenants and obligations to be observed or performed by MBL pursuant to this Agreement.

30. Indemnity of MRDM.

MRDM (as guaranteed by CPN) shall indemnify and save MBL and its directors, officers, employees and agents harmless from and against any and all actual Losses suffered or incurred by them, that arise out of or relate to any failure of MRDM and/or CPN to timely and fully perform or cause to be performed all of the covenants and obligations to be observed or performed by MRDM and/or CPN pursuant to this Agreement.

31. Force Majeure.

(a) Neither of the Parties (MRDM and CPN being treated as one Party for the purposes of this section) will be liable for a breach of its obligations under this Agreement because of an event out of its control, such as acts of god or force majeure (each of which is referred to as an "**Act of God or Force Majeure**"), including without limitation, fire, storm, flood, explosion, war, disturbance, strike, legal or illegal stoppages, difficulty accessing the Project because the surface owners refuse or third Persons that claim rights to the surface area or any other situation for which the Person that has the right to the benefit of this section is not responsible for the impossibility of continuing as agreed in this Agreement. For greater certainty and without limitation, an event of force majeure under the Off-take Agreements, which excuses performance by the Off-taker thereunder, shall, to the extent applicable, constitute an Act of God or Force Majeure under this Agreement.

(b) The Term of this Agreement will be extended for a period equal to (i) the delay caused by an event derived from an Act of God or Force Majeure under the terms of subsection 31(a), (ii) the length of any temporary shut down of the Project described in subparagraph 15(a)(i)(2), and (iii) the length of any suspension of the Project in the circumstances described in subparagraph 15(a)(i)(3).

(c) The Party in the position described in subsection 31(a) will take all measures necessary to eliminate the negative effects of any event caused by an Act of God or Force Majeure, and if and to the extent possible, shall comply with its obligations appropriately. Notwithstanding the above, nothing herein implies that the Party must resolve a labour dispute hurriedly or that the Party is forced to challenge the validity of any rule, law, regulation or order from any Official Body in order to comply with its obligations within the term established.

32. General Provisions.

(a) Each Party shall execute all such further instruments and documents and shall take all such further actions as may be necessary to effectuate the Transaction in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

(b) Each Party will bear its own costs and expenses incurred in connection with the Transaction, subject to any specific provision of the Transaction Documents that requires MRDM and/or CPN to take a certain action or step, which, if taken by MBL after MRDM and/or CPN has failed to do so in accordance herewith, will be at the cost and expense of MRDM (as guaranteed by CPN) and shall be paid by MRDM (as guaranteed by CPN), promptly upon demand for payment therefor by MBL.

(c) Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership or other partnership relationship between MRDM and CPN as one Party and MBL as a second Party.

(d) This Agreement shall be governed by and construed under the laws of the Province of Ontario and the federal laws of Canada applicable therein, provided that matters governing the Project and/or the Security Agreements and/or the Mortgages shall be referable to the laws of Brazil.

(e) The Parties hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Ontario in regard to legal proceedings relating to this Agreement. For the purpose of all such legal proceedings, the courts of the Province of Ontario shall have jurisdiction to entertain any action arising under this Agreement. Notwithstanding the foregoing, nothing in this subsection 32(e) shall be construed nor operate to limit the right of any Party to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

(f) Time is of the essence of this Agreement.

(g) All references in this Agreement to currency or to "$", unless otherwise expressly indicated, shall be to US Dollars.

(h) If any provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of this Agreement which shall be construed as if this Agreement had been executed without the invalid portion.

(i) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered by hand or transmitted by facsimile transmission addressed to:

If to MRDM and/or CPN, to:

Carpathian Gold Inc.
365 Bay St. Suite 500
Toronto, Ontario M5H 2V1

Attention: President and Chief Executive Officer
Facsimile No.: (416) 260 2243

If to MBL, to:

Macquarie Bank Limited
1 Martin Place
Sydney, NSW 2000

Attention: Executive Director, Metals & Energy Capital Division
Facsimile No. +61 (2) 8232 3590

with a copy to:

Macquarie Metals and Energy Capital (Canada) Ltd.
Suite 2400, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2B5

Attention: Mr. Chris Adams
Facsimile No.: (604) 605 1679

Any notice given in accordance with this section, if transmitted by facsimile transmission, shall be deemed to have been received on the next Business Day following transmission or, if delivered by hand, shall be deemed to have been received when delivered.

(j) This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties. The failure by any Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision unless such waiver is acknowledged in writing, nor shall such failure affect the validity of this Agreement or any part thereof or the right of a Party to enforce each and every provision. No waiver or breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

(k) Following the execution and delivery of this Agreement, if there shall occur any change in laws relating to Taxes or other circumstances, each of MBL, MRDM and CPN will cooperate reasonably with the other Party (MRDM and CPN being treated as a one Party in this subsection 32(k)) in implementing any proposed adjustments to the structure of this Agreement, provided that such adjustments have no material adverse impact on the non-proposing Party.

(l) Each of MRDM and CPN shall pay all Taxes (whether liability for such Taxes is that of CPN, MRDM or MBL under applicable Law) which arise from any payment or delivery made or received by it hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Transaction Document. Further, MRDM and/or CPN shall not transfer, whether directly or indirectly, to MBL the economic burden of any Taxes paid, due or to be deducted from any amounts payable under this Agreement or any other Transaction Document, including, but not limited to, Taxes on foreign exchange transactions and Taxes withheld at source. For the avoidance of doubt, if applicable law determines that any Taxes are to be deducted from any payment or delivery made by MRDM and/or CPN to MBL pursuant to this Agreement or any other Transaction Document, MRDM and CPN shall adjust the payable amounts so that MBL receives the payments abroad free of any Brazilian Taxes.

(m) If MRDM and/or CPN fails to pay to the relevant Official Body when due any Taxes owing by it in accordance with subsection 32(l), then MRDM and CPN shall jointly and severally indemnify and save harmless MBL for the full amount of any such Taxes (including any Taxes imposed by any jurisdiction on amounts payable under this subsection) paid by MBL and any liability (including penalties, interest and expense) arising from such failure or with respect thereto, whether or not such Taxes were correctly or legally asserted. Payment under this indemnity shall be made within 30 days from the date MBL makes written demand therefor. A certificate as to the amount of such Taxes paid by MBL submitted by MBL to MRDM and/or CPN shall be conclusive evidence, absent manifest error, of the amount thereof.

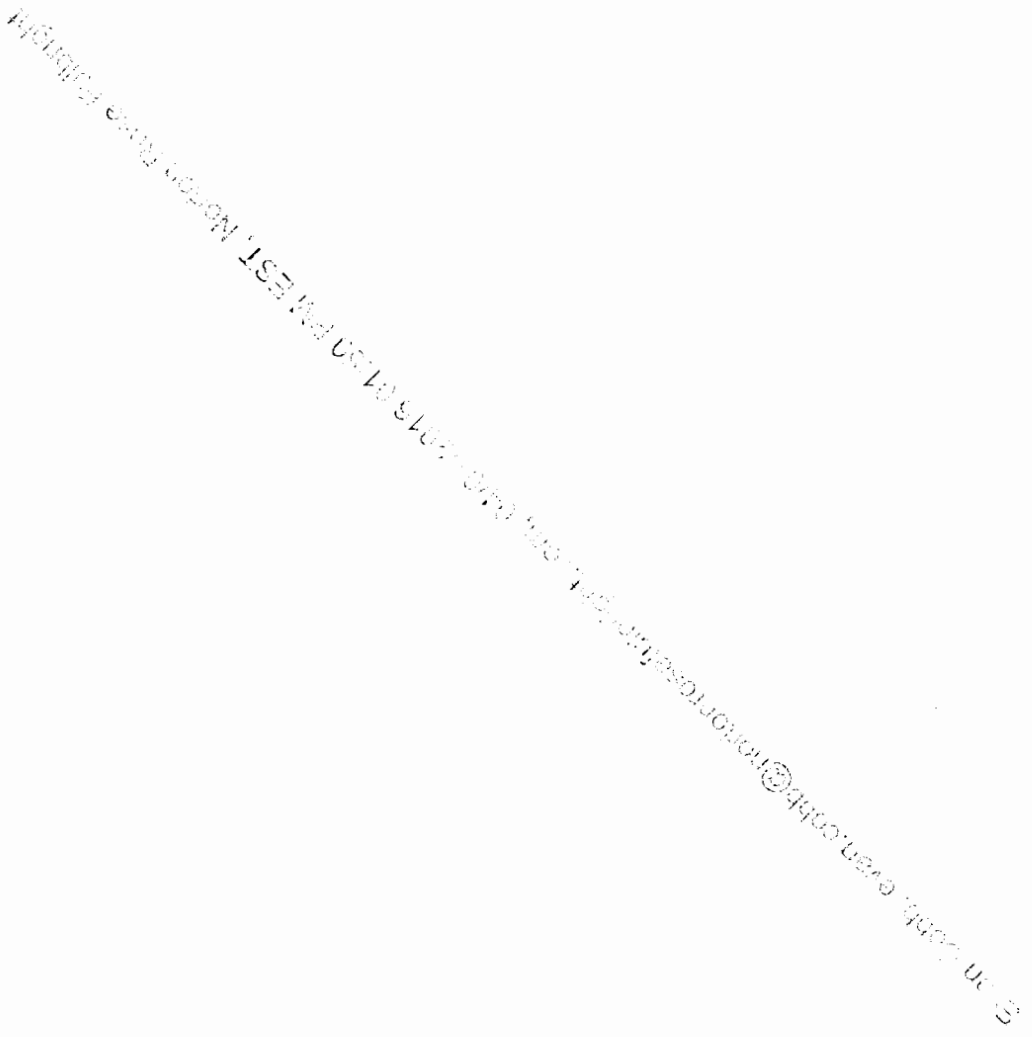
(n) This Agreement may be executed in one or more counterparts and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(o) This Agreement shall enure to the benefit of and shall be binding on and shall be enforceable by the Parties and their respective, successors and permitted assigns.

(p) The Parties have expressly required that this Agreement and all notices relating hereto be drafted in English.

(q) This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, among the Parties with respect to the subject matter hereof.

(r) The Parties may agree to enter into other financial instruments or agreements to supplement the pricing in this Agreement.



[Signature page of the Sale and Purchase Agreement dated October 25, 2012]

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

CARPATHIAN GOLD INC.

Per: ______________________

Name: PEDRO GARCIA

Title: ATTORNEY-IN-FACT

Per: ______________________

Name:

Title:

[Signature page of the Sale and Purchase Agreement dated October 25, 2012]

MINERAÇÃO RIACHO DOS MACHADOS LTDA.

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

Witnesses (as to above signatures):

Rafaella Noronha Alves
Name: Rafaella Noronha Alves
ID: 2.393 346

Hane Libânio de Oliveira Rocha
Name: Hane Libânio de Oliveira Rocha
ID: 1500794 SSP-DF

[Signature page of the Sale and Purchase Agreement dated October 25, 2012]

MACQUARIE BANK LIMITED

Per: Graciema A Amaral de Almeida
Name: GRACIEMA AMARAL DE ALMEIDA
Title: ATTORNEY-IN-FACT

Per: _____
Name:
Title:

[Signature page of the Sale and Purchase Agreement dated October 25, 2012]

IN WITNESS WHEREOF and for the purpose of agreeing and acknowledging this Agreement the following parties have executed this Agreement as of the date and year first above written.

OLC HOLDINGS B.V.

Per: _____
Name: PEDRO GARCIA
Title: ATTORNEY-IN-FACT

Per: _____
Name:
Title:

ORE-LEAVE CAPITAL (BRAZIL) LIMITED

Per: _____
Name: PEDRO GARCIA
Title: ATTORNEY-IN-FACT

Per: _____
Name:
Title:

OLV COÖPERATIE U.A.

Per: _____
Name: PEDRO GARCIA
Title: ATTORNEY-IN-FACT

Per: _____
Name:
Title:

[Signature page of the Sale and Purchase Agreement dated October 25, 2012]

Witnesses (as to all of the above signatures):

Name: Simone Machado dos Santos Rolim	Name: Maria Helena Pereira Gomes
ID: 09667558-2 DETRAN	ID: 08969426-9
CPF: 078.556.837-98	CPF: 025641 587.18

195431-417462
DOCS #1149682 v. 10

SCHEDULE A

DESCRIPTIONS OF MINING CONCESSION, EXPLORATION LICENCES AND AOI

DNPM Nº	LEGAL RIGHT	STATUS	HECTARES	ISSUE DATE	EXPIRY DATE	AOI
831.005/1982	MRDM	Mining Concession	1,000.00	03-18-1992	N/A	**Yes**
833.478/2006	MRDM	Exploration Licence	1,612.33	04-04-2008	05-24-2014	No
833.479/2006	MRDM	Exploration Licence	1,963.10	04-04-2008	05-24-2014	**Yes**
833.480/2006	MRDM	Exploration Licence	1,940.37	04-04-2008	04-04-2011	**Yes**
834.013/2006	MRDM	Exploration Licence	812.88	04-16-2008	05-24-2014	No
834.014/2006	MRDM	Exploration Licence	1,980.00	04-04-2008	05-24-2014	No
834.015/2006	MRDM	Exploration Licence	1,921.76	04-04-2008	05-24-2014	**Yes**
834.016/2006	MRDM	Exploration Licence	1,988.40	04-04-2008	05-24-2014	**Yes**
834.017/2006	MRDM	Exploration Licence	785.00	04-04-2008	05-24-2014	**Yes**
834.018/2006	MRDM	Exploration Licence	1,981.86	04-04-2008	05-24-2014	No
834.019/2006	MRDM	Exploration Licence	1,894.50	04-04-2008	05-24-2014	No
834.020/2006	MRDM	Exploration Licence	1,998.50	04-04-2008	05-24-2014	No
834.021/2006	MRDM	Exploration Licence	1,994.00	04-04-2008	05-24-2014	No
831.869/2008	MRDM	Exploration Licence	116.72	12-22-2009	12-22-2012	No
832.689/2009	MRDM	Exploration Licence	1443.53	06-01-2010	06-01-2013	No
831.632/2010	MRDM	Exploration Licence	718.39	04-20-2011	04-20-2014	No
831.631/2010	MRDM	Exploration Licence	1999.77	04-20-2011	04-20-2014	No
831.630/2010	MRDM	Exploration Licence	1999.71	04-20-2011	04-20-2014	No
831.341/2012	MRDM	Application for Exploration Licence	1,464.13	N/A	N/A	No

SCHEDULE B

THE PROJECT

Description of Property, Plant and Equipment
Ore Processing Plant including but not limited to: • Crushing system including grizzly, primary-secondary and tertiary crusher with associated conveyor belts and storage bins; • Grinding system including ball mill; • Cyclones and Hydrocyclones; and • All associated equipment and parts with respect to the Ore Processing plant
Carbon-In-Leach ("CIL") circuit including but not limited to: • CIL Tanks; • Screens and pumps; and • All associated equipment and parts with respect to the CIL circuit
Adsorption, Desorption and Recovery ("ADR") Plant including but not limited to: • Carbon transfer systems, desorption columns, tanks, filtration systems and all associated equipment and parts; • Electrowinning cells; • Carbon regeneration plant; and • All associated equipment and parts with respect to the ADR plant
Tailings Disposal System and all related equipment and parts
Fixed and Mobile equipment for: • Plant; • Mine; • Infrastructure; and • Office
Ancillary Facilities including but not limited to: • Laboratory; • Offices; and • Camp and accommodation
Power transformers, transmission infrastructure and related equipment and parts
All inventory, spares and servicing equipment

Description of Material Contracts

- Any agreement or agreements in respect of the engineering, procurement, development, construction, commission, re-commissioning, start-up and/or initial operation of the Project or any part thereof, including, without limitation, the Project site and the property, plant and equipment referred to above.

SCHEDULE C

PROJECT MAPS

This is **Exhibit "D"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

SECOND AMENDING AGREEMENT TO THE PURCHASE AGREEMENT

THIS AGREEMENT is made as of October 25, 2012

BETWEEN:

CARPATHIAN GOLD INC., a corporation organized and subsisting under the laws of Canada

("**CPN**")

AND:

MINERAÇÃO RIACHO DOS MACHADOS LTDA., a corporation organized and subsisting under the laws of Brazil

("**MRDM**")

AND:

MACQUARIE BANK LIMITED (ABN 46 008 583 542), a corporation organized and subsisting under the laws of Australia

("**MBL**")

WHEREAS CPN, MRDM and MBL entered into a purchase agreement dated May 4, 2010, as amended, modified and supplemented from time to time (the "**Purchase Agreement**");

AND WHEREAS the parties hereto have agreed to amend, and restate the Purchase Agreement as set out in this Agreement;

NOW THEREFORE THIS AGREEMENT 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 conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

1. Interpretation

1.1 In this Agreement and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this agreement, as amended, modified, supplemented or restated from time to time;

"**Amended Purchase Agreement**" means the Purchase Agreement, as amended, supplemented and restated in accordance with clause 2;

"**Effective Date**" means the date on which the conditions precedent set out in Section 4 have been satisfied, or waived by MBL;

"**Purchase Agreement**" has the meaning set forth in the recitals hereto;

"**Sale and Purchase Agreement**" means the Sale and Purchase Agreement to be entered into between MBL, MRDM and CPN, on or about the date of this Agreement, on terms and conditions satisfactory to all parties;

1.2 Capitalized terms used herein and in the recitals hereto without express definition shall have the same meanings herein and therein as are ascribed thereto in the Purchase Agreement.

1.3 The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, references herein to "Sections" are to Sections of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreements supplemental hereto.

2. Amendments to Purchase Agreement

On and with effect from the Effective Date:

(a) the Purchase Agreement is amended and restated in the form as set out in the Annexure to this Agreement;

(b) each of MBL, MRDM and CPN is bound by the Amended Purchase Agreement in their respective capacities.

3. Acknowledgements and confirmations

3.1 No affect on validity, rights, obligations

Each of the parties to this Agreement acknowledges and confirms that:

(a) the amendments effected by this Agreement do not adversely affect the validity or enforceability of the Purchase Agreement or any other Purchase Document; and

(b) nothing in this Agreement:

(i) prejudices or adversely affects any right, power, authority, discretion or remedy arising under the Purchase Agreement or any other Purchase Document before the Effective Date;

(ii) discharges, releases, limits or otherwise affects in any way any duties, obligations or liabilities arising under the Purchase Agreement or any other Purchase Document before the Effective Date; or

(iii) rescinds or terminates the Purchase Agreement.

3.2 Security

(a) CPN acknowledges and confirms that its obligations under the guarantee granted by CPN in favour of MBL dated 17 May 2010 and under each guarantee in clause 19 of the Purchase Agreement and clause 18 of the Amended Purchase Agreement continue to apply despite the amendments contemplated or effected by this Agreement.

(b) MRDM acknowledges and confirms that its obligations under the existing Security continue to apply despite the amendments contemplated or effected by this Agreement.

3.3 Purchase Document

Each party acknowledges and agrees that this Agreement is a "Purchase Document", as defined in, and for all purposes under, the Purchase Agreement and the Amended Purchase Agreement.

4. Conditions and effectiveness

The Effective Date shall not occur until the following conditions precedent have been satisfied in a form and substance satisfactory to MBL, or have otherwise been waived by MBL:

(a) no Default or MRDM Event of Default (as defined under both the Purchase Agreement and the Amended Purchase Agreement) shall have occurred and be continuing and the representations and warranties contained in Section 28 of the Purchase Agreement and Section 27 of the Amended Purchase Agreement shall be true and correct in all material respects;

(b) all consents, approvals or authorizations as may be required for the execution and delivery of this Agreement shall have been unconditionally obtained and be in full force and effect, unamended;

(c) the Sale and Purchase Agreement shall have been duly executed by all parties, in registrable form and, if applicable, duly stamped and the "Purchase Price for the Acquisition Right" as that term is defined in the Sale and Purchase Agreement shall have been paid by MBL to MRDM;

(d) MBL shall have received the most recent:

(i) Project Budget;

(ii) Project Schedule; and

(iii) LOMP,

each of which shall have been approved by the board of directors of CPN and the requisite quota holders of MRDM for the development of the Project and shall be,

in form and substance, satisfactory to MBL and shall otherwise be in compliance with the requirements of the Amended Purchase Agreement;

(e) MBL shall have received satisfactory evidence that MRDM has received all requisite approvals then required from, and made all filings then required with, the Central Bank of Brazil (*Banco Central do Brasil*) with respect to the transactions contemplated by this Agreement, the Amended Purchase Agreement and the Sale and Purchase Agreement; and

(f) MBL shall have received favourable opinions of counsel to MRDM and the Guarantors and of MBL's counsel, including legal opinions confirming the validity and enforceability of this Agreement, the Amended Purchase Agreement and the other Purchase Documents that are required to be executed and delivered to MBL pursuant to this Agreement in each relevant jurisdiction.

The foregoing conditions precedent are inserted for the sole benefit of MBL and may be waived in writing by MBL, in whole or in part (with or without terms and conditions).

5. Representations and Warranties

5.1 MRDM and CPN each represent and warrant to MBL, and MRDM and CPN each acknowledge and confirm that MBL is relying upon such representations and warranties, as follows:

(a) Capacity, Power and Authority

(i) It is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all the requisite corporate capacity, power and authority to carry on its business as presently conducted and to own its property; and

(ii) It has the requisite corporate capacity, power and authority to execute and deliver this Agreement.

(b) Authorization; Enforceability

It has taken or caused to be taken all necessary action to authorize, and has duly executed and delivered, this Agreement, and this Agreement is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, winding up, insolvency, moratorium or other laws of general application affecting the enforcement of creditors' rights generally and to the equitable and statutory powers of the courts having jurisdiction with respect thereto.

(c) Compliance With Other Instruments

The execution, delivery and performance by it of this Agreement and the consummation of the transactions contemplated herein do not conflict with, result in any breach or violation of, or constitute a default under the terms, conditions or provisions of the charter or constating documents or by-laws of, or any unanimous

shareholder agreement relating to, it or of any law, regulation, judgment, decree or order binding on or applicable to it or to which its property is subject or of any material agreement, lease, licence, permit or other instrument to which it is a party or is otherwise bound or by which it benefits or to which its property is subject and do not require the authorization or approval of any Official Body or the consent or approval of any other party of which the failure to have received or obtained would have or would reasonably be expected to have a Material Adverse Change

(d) No Default

No Default or MRDM Event of Default has occurred or is continuing.

(e) Purchase Agreement Representations and Warranties

Each of its representations and warranties set forth in Section 27 of the Amended Purchase Agreement is true and accurate in all respects as of the date hereof.

5.2 MBL represents and warrants to MRDM and CPN, and MBL acknowledges and confirms that MRDM and CPN are relying upon such representations and warranties, as follows:

(a) Capacity, Power and Authority

(i) It is a corporation duly and validly existing under the laws of its governing jurisdiction.

(ii) It has the requisite corporate power and capacity to enter into this Agreement and to perform its obligations hereunder. MBL has received all requisite approvals with respect to the execution and delivery of this Agreement.

(b) Purchase Agreement Representations and Warranties

Each of the representations and warranties of MBL set forth in Section 26 of the Amended Purchase Agreement is true and accurate in all respects as of the date hereof.

The representations and warranties set out herein shall survive the execution and delivery of this Agreement, notwithstanding any investigations or examinations which may be made by or on behalf of MBL or MBL's counsel. Such representations and warranties shall survive until the Purchase Agreement, as amended and supplemented by this Agreement, has been terminated.

6. Further Assurances

Each of MRDM, CPN and MBL shall promptly cure any default by them in the execution and delivery of this Agreement, the other Purchase Documents or any of the agreements provided for hereunder to which it is a party. MRDM and CPN, each at its own expense, shall promptly execute and deliver to MBL, upon request by MBL, all such other and further deeds, agreements, opinions, certificates, instruments, affidavits, registration materials and other documents reasonably necessary for compliance by MRDM and CPN with, or accomplishment of the covenants and agreements of MRDM and CPN hereunder or more fully to state the obligations of MRDM or CPN as set out herein

or to make any registration, recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith. MBL hereby agrees to take all steps and actions and execute and deliver all agreements, instruments and other documents as may be required by MRDM or CPN to give effect to the foregoing.

7. Enurement

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns in accordance with the Purchase Agreement, as amended and supplemented by this Agreement.

8. Governing law and jurisdiction

8.1 This Agreement shall be governed by and construed under the laws of the Province of Ontario and the federal laws of Canada applicable therein.

8.2 The Parties hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Ontario in regard to legal proceedings relating to this Agreement. For the purpose of all such legal proceedings, the courts of the Province of Ontario shall have jurisdiction to entertain any action arising under this Agreement. Notwithstanding the foregoing, nothing in this section 8 shall be construed nor operate to limit the right of any Party to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

9. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission or by sending a scanned copy by electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

10. Stamp duty

MRDM must pay any stamp duty or similar tax which is payable in connection with the execution or performance of this Agreement.

[The remainder of this page has been intentionally left blank.]

[Signature page of the Second Amending Agreement to the Purchase Agreement dated October 25, 2012]

IN WITNESS WHEREOF the following parties have executed this Agreement as of the date and year first above written.

CARPATHIAN GOLD INC.

Per: _____

Name: PEDRO GARCIA

Title: ATTORNEY-IN-FACT

Per: _____

Name:

Title:

[Signature page of the Second Amending Agreement to the Purchase Agreement dated October 25, 2012]

MINERAÇÃO RIACHO DOS MACHADOS LTDA.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

[Signature page of the Second Amending Agreement to the Purchase Agreement dated October 25, 2012]

MACQUARIE BANK LIMITED

Per: _____
Name: GRACIEMA AMARAL DE ALMEIDA
Title: ATTORNEY - IN - FACT

Per: _____
Name:
Title:

[Signature page of the Second Amending Agreement to the Purchase Agreement dated October 25, 2012]

IN WITNESS WHEREOF and for the purpose of agreeing and acknowledging Sections 2 and 3 of this Agreement the following parties have executed this Agreement as of the date and year first above written.

OLC HOLDINGS B.V.

Per: _____
Name: PEDRO GARCIA
Title: ATTORNEY - IN - FACT

Per: _____
Name:
Title:

ORE-LEAVE CAPITAL (BRAZIL) LIMITED

Per: _____
Name: PEDRO GARCIA
Title: ATTORNEY - IN - FACT

Per: _____
Name:
Title:

OLV COÖPERATIE U.A.

Per: _____
Name: PEDRO GARCIA
Title: ATTORNEY - IN - FACT

Per: _____
Name:
Title:

[Signature page of the Second Amending Agreement to the Purchase Agreement dated October 25, 2012]

Witnesses (as to all of the above signatures):

Rafaella Nogueira Alves
Name: Rafaella Nogueira Alves
ID:

Hane Líbânia de Oliveira Rocha
Name: Hane Líbânia de Oliveira Rocha
ID: 1500794 SSP-DF

ANNEXURE ONE
AMENDED PURCHASE AGREEMENT

Execution version

PURCHASE AGREEMENT dated as of the 4th day of May, 2010 as amended pursuant to a Second Amending Agreement to the Purchase Agreement dated 25th day of October 2012.

AMONG:

CARPATHIAN GOLD INC., a corporation organized and subsisting under the laws of Canada

("**CPN**")

AND:

MINERAÇÃO RIACHO DOS MACHADOS LTDA., a corporation organized and subsisting under the laws of Brazil

("**MRDM**")

AND:

MACQUARIE BANK LIMITED (ABN 46 008 583 542), a corporation organized and subsisting under the laws of Australia

("**MBL**")

WHEREAS:

A. CPN is the indirect owner of 100% of the issued and outstanding shares of MRDM, MRDM is owned 99.9999% by OLC Holdings BV ("**OLC Holdings**") and 0.0001% by OLV Coöperatie U.A. ("**OLV Co-Op**"). OLC Holdings is owned 100% by OLV Co-Op. OLV Co-Op is owned 99.9998% by CPN and 0.0002% by Ore-Leave Capital (Brazil) Limited (**OLC Brazil**). OLC Brazil is owned 100% by CPN;

B. MRDM is the owner of a 100% undivided interest in the Project, which includes the AOI;

C. CPN, MRDM and MBL executed and delivered the Mandate Letter pursuant to which CPN and MRDM engaged MBL on an exclusive basis to arrange and seek relevant approvals for a gold stream purchase and sale, substantially on the terms and conditions set out in the indicative letter of offer attached to the Mandate Letter. This Agreement sets out the terms and conditions of that gold stream purchase and sale, as subsequently amended by the parties;

D. MBL has agreed to make certain upfront payments in partial payment for the Payable Au, on the terms and conditions set out in this Agreement, totalling US $15 million;

E. MRDM has agreed to secure its obligations under this Agreement by executing and delivering the Security Agreement and the Mortgages to MBL;

F. CPN executes and delivers this Agreement to signify its assent to the terms and conditions hereof and to provide a guarantee to and in favour of MBL of the covenants, obligations and indemnifications of MRDM set forth in this Agreement; and

G. the Parties are therefore desirous of executing and delivering this Agreement, all on and subject to the terms and conditions contained herein;

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, the Parties mutually agree as follows:

1. Definitions.

In this Agreement, including in the recitals and preamble hereto, unless the subject matter or context otherwise requires, the following terms shall have the following meanings:

"**Accounting Principles**" means, in relation to any Person at any time and as applicable:

(a) accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants as in effect on the date hereof, applied on a basis consistent with the most recent audited financial statements of such Person and its consolidated subsidiaries (except for changes approved by the auditors of such Person); or

(b) international financial reporting standards, approved by the International Accounting Standards Board ("**IASB**") or any successor, adopted by such Person, as at the date on which any calculation or determination is required to be made, in accordance with the international financial reporting standards and, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financial reporting standards;

"**Act of God or Force Majeure**" has the meaning set forth in subsection 32(a);

"**Additional Upfront Payment**" has the meaning set forth in subsection 9(g);

"**Additional Upfront Payment Factor**" means, in respect of each Expansion Area Option that is exercised by MBL hereunder, a fraction, having (i) a numerator equal to the number of months (rounded down to the nearest whole number) from the anticipated date of Commencement of Commercial Operation of the applicable Expansion Area until the end of the Term, and (ii) a denominator equal to the number of months (rounded down to the nearest whole number) from the anticipated date of Commencement of Commercial Operation until the anticipated date of completion of commercial production from such Expansion Area, in each case, as set forth in the life of mine plan for such Expansion Area; provided that in no event will the Additional Upfront Payment Factor be greater than 1.0;

"**affiliate**" means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person; and, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of shares or other economic interests, the holding of voting rights or contractual rights or otherwise;

"**Annual Report**" means a written report, in relation to any calendar year, detailing:

(a) the number of ounces of Au produced from the Project and delivered to an Off-taker in the applicable calendar year;

(b) the names and addresses of each Off-taker to which the Au referred to in subsection (a) was delivered;

(c) the number of ounces of Payable Au which have resulted or which are estimated to result from the Au referred to in subsection (a);

(d) the number of ounces of Payable Au which have been delivered to MBL with respect to the Au referred to in subsection (a), in accordance with the terms of sections 2 and 14;

(e) if necessary, a reconciliation between any provisional number of ounces of Payable Au specified in an Annual Report for a preceding calendar year and the final number of ounces of Payable Au for the applicable calendar year; and

(f) the Au prices used by MRDM and its affiliates for short term and long term planning purposes with respect to the Project;

"**Annual Report Dispute Notice**" has the meaning set forth in paragraph 13(e)(i);

"**Anticipated Delivery Schedule**" has the meaning set forth in paragraph (b)(iv) of the definition of First Upfront Payment Conditions;

"**AOI**" means:

(a) the open pit mining operations in the area within the Mining Concession and certain of the Exploration Licences, as indicated in Schedule A and, for the avoidance of doubt and subject to (b) below, does not include underground mining operations within the Mining Concession and such Exploration Licences; and

(b) the underground, open pit or other mining operations in any Expansion Area in respect of which MBL has exercised its Expansion Area Option under and in accordance with section 9;

"**Applicable Percentage**" means:

(a) in respect of the original AOI as at the Closing Date:

(i) upon payment by MBL of the First Upfront Payment, 3.125%; and

(ii) upon payment by MBL of the Second Upfront Payment, 6.25%; and

(b) in respect of any Expansion Area in respect of which MBL has exercised its Expansion Area Option pursuant to section 9, 6.25%;

"**Applicable Securities Laws**" means the securities legislation in each of the provinces of Canada and the rules and regulations made thereunder, the orders and policy statements of the securities commissions or other securities regulatory authorities in such jurisdictions, and the rules, regulations and policies of the TSX;

"**Arbitration Dispute Notice**" has the meaning set forth in paragraph 25(b);

"**Au**" means gold;

"**Auditor's Report**" has the meaning set forth in paragraph 13(e)(ii);

"**Bullion Account**" means the bullion account (loco London) of MBL established and maintained by HSBC Bank USA, London branch as account number 15875, or such other bullion account (loco London) as MBL shall direct in writing from time to time to which MRDM or Off-takers on behalf of MRDM, as the case may be, shall deliver Payable Au to MBL, all in accordance with the provisions of subsection 14(f);

"**Business Day**" means any day other than a Saturday or Sunday or a day that is a statutory holiday in any or all of Vancouver, British Columbia, Toronto, Ontario, New York, New York, Sydney, Australia or São Paulo, SP, Brazil, or any day that banks are not open for business in the United Kingdom;

"**Canadian Dollars**" and "**Cdn. $**" each mean lawful money of Canada in same day immediately available funds or, if such funds are not available, the form of money of Canada that is customarily used in the settlement of international banking transactions on the day payment is due hereunder;

"**Closing**" has the meaning set forth in section 2;

"**Closing Date**" has the meaning set forth in section 5;

"**Closing Time**" has the meaning set forth in section 5;

"**Commencement of Commercial Operation**" means, with respect to:

(a) the original AOI, the "Project Completion Date", as that term is defined in the Facility Agreement; and

(b) any Expansion Area, the point in time at which actual production from such Expansion Area achieves at least 80% of budgeted production for the first year of scheduled mining operations of such Expansion Area, as per the life of mine plan relating to such Expansion Area;

"**Completion Guarantee Refund Amount**" has the meaning set forth in section 10;

"**Concessions**" means, with respect to the Project:

(a) the Mining Concession;

(b) the Exploration Licences;

(c) all other mineral licences, tenures, tenements and other material interests in the Project, including all research permits, exploration permits, exploration concessions, exploitation concessions and any gaps or fractions between such permits or concessions relating to the Project, whether constituted or in the process of being constituted, and held by or for the benefit of MRDM or its affiliates, and any other permits or concessions or rights thereto (including any future right) located within the areas covered by the aforesaid permits or concessions and owned directly or indirectly by MRDM or its affiliates or otherwise for the benefit thereof; and

(d) all registered and non-registered concessions and other rights held by or contracted to MRDM or its affiliates to remove or divert from its natural source and to use water granted by any Persons to MRDM or its affiliates in respect of or in connection with the Project, and all rights and approvals related thereto, such as rights and approvals to access water and to locate equipment and other hydrological works necessary to access and transport water in respect of or in connection with the Project;

"**COPAM**" means the State Council of the Environment (*Conselho Estadual de Política Ambiental*) of Minas Gerais State, the deliberative body of the State Secretariat of Environment and Sustainable Development (*Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável*) of Minas Gerais State;

"**CPN**" means Carpathian Gold Inc., a corporation organized and subsisting under the laws of Canada;

"**Debt**" means, with respect to any Person, all obligations that, in accordance with applicable Accounting Principles, would then be classified as a liability of such Person, and, without limiting the generality of the foregoing but without duplication, includes, with respect to such Person:

(a) an obligation in respect of borrowed money or for the deferred purchase price of property or services or an obligation that is evidenced by a note, bond, debenture or any other similar instrument;

(b) delivery obligations with respect to, and to the extent of, mineral production (i.e. minerals that have been mined, recovered and removed) under any metals purchase agreement, royalty, or similar agreement or arrangement, whether the same are required or permitted to be settled in cash or in kind;

(c) all payments that would be required to be made in respect of any Hedging Agreement in the event of termination (including an early termination, if the conditions for early termination are then satisfied) of such Hedging Agreement on the date of determination;

(d) a transfer with recourse or with an obligation to repurchase, to the extent of the liability of such Person with respect thereto;

(e) an obligation under a capital lease;

(f) an obligation under a residual value guarantee made with respect to an operating lease in which such Person is the lessee;

(g) a reimbursement obligation or other obligation in connection with a bankers' acceptance or any similar instrument, or letter of credit or letter of guarantee issued by or for the account of such Person;

(h) a contingent obligation to the extent that the primary obligation so guaranteed would be classified as "Debt" (within the meaning of this definition) of such Person; or

(i) the aggregate amount at which any shares of such Person that are redeemable or retractable at the option of the holder of such shares (except where the holder is such Person) may be redeemed or retracted prior to the end of the Term for cash or obligations constituting Debt or any combination thereof,

provided, however, that there will not be included for the purpose of this definition any obligation that is on account of (i) reserves for deferred income taxes or general contingencies, (ii) minority interests in subsidiaries, or (iii) trade accounts payable and accrued liabilities (including contract loans and income taxes payable) incurred in the ordinary course of business;

"**Debt to EBITDA Ratio**" means, at any time, with respect to MRDM on a consolidated basis, the ratio of (a) Debt at such time, to (b) EBITDA for the four most recently completed fiscal quarters;

"**Deductions**" means any and all deductions, refining, reprocessing, processing, treatment and other charges (including location fees, swap fees, administration transfer fees, consulting fees and material return fees), penalties, adjustments, shipping expenses and/or expenses pertaining to and/or in respect of Au and charged by an Off-taker and/or charged in respect of delivery costs to the final customer of MRDM, CPN and/or MBL, as the case may be, or charged to MRDM or CPN as and by way of royalty payments, as the case may be;

"**Default**" means an event, condition or circumstance which, with the giving of notice or passage of time, or both, would constitute an MRDM Event of Default;

"**Default Interest**" means US Prime plus 4% per annum;

"**Default Payable Au**" has the meaning set forth in subsection 14(k);

"**Delivery Dispute Notice**" has the meaning set forth in subsection 14(h);

"**Demanding Party**" has the meaning set forth in subsection 25(b);

"**Deposit**" has the meaning set forth in subsection 9(j);

"Depreciation Expense" means, for any period with respect to any Person, depreciation, amortization, depletion and other like reductions to income of such Person for such period not involving any outlay of cash;

"**Development Notice**" has the meaning set forth in subsection 9(d);

"**DNPM**" means *Departamento Nacional de Produção Mineral* of the Federative Republic of Brazil;

"**Due Diligence Investigations**" means the due diligence investigations of the financial condition, results of operations, business operations, title, rights, liabilities and obligations of CPN and MRDM and their respective affiliates and subsidiaries that hold an interest in the Expansion Area and all geological, metallurgical, environmental, permitting and regulatory due diligence with respect to the Expansion Area. In order to conduct such due diligence investigations, MBL shall be granted reasonable access to the facilities, books and records of CPN and MRDM and the applicable affiliates and subsidiaries, including, without limitation, one or more site visits to the Expansion Area. CPN and/or MRDM will instruct their key employees, technical consultants, retained engineering companies, accountants, counsel and financial advisors to co-operate fully with MBL and its representatives in connection with its Due Diligence Investigations;

"**EBITDA**" means, with respect to any Person for any period, the Net Income of such Person for such period plus, without duplication and to the extent reflected as a charge in the statement of net income included in the financial statements of such Person:

(a) all amounts deducted in the calculation thereof in respect of Depreciation Expense, and current and deferred taxes, net losses of subsidiaries and any other losses incurred in respect of investments that are accounted for on an equity basis;

(b) Interest Expense; and

(c) any extraordinary, non-recurring or unusual expenses or losses (including, whether or not otherwise includable as a separate item in such statement of net income, losses on sales outside of the ordinary course of business or on sale leaseback transactions);

less, without duplication and to the extent reflected as a credit in such statement of net income,

(d) any reduction of deferred taxes;

(e) amounts included in the calculation thereof in respect of net profits of subsidiaries and any other profits in respect of investments that are accounted for on an equity basis; and

(f) any extraordinary, non-recurring or unusual income or gains (including, whether or not otherwise includable as a separate item in such statement of net income, gains on sales outside of the ordinary course of business or on sale lease back transactions);

"**Encumbrances**" means any and all liens, charges, mortgages, encumbrances, pledges, fiduciary properties (*propriedades fiduciárias*), security interests, royalties (including Net Smelter Royalties), proxies and third party rights or any other encumbrances of any nature whatsoever, whether registered or unregistered;

"**Environmental Laws**" means all applicable Laws, Permits and guidelines or requirements of any Official Body (whether or not having the force of law, and including consent decrees to which MRDM or CPN is a party or otherwise subject, and administrative orders which may affect any such Person) relating to public health and safety, protection of the environment, the release of hazardous or other materials and occupational health and safety; provided that, where such Permits, guidelines or requirements do not have the force of law, they shall comprise Environmental Laws only to the extent that a prudent owner of an asset or operator of a business similar to that owned or operated by the relevant Person would consider it necessary or advisable to comply with same;

"**Exercise Notice**" has the meaning set forth in subsection 9(d);

"**Expansion Agreement**" has the meaning set forth in subsection 9(f);

"**Expansion Area**" means (a) any underground mining operations referred to in paragraph (a) of the definition of AOI above, and (b) any open pit or underground mining operations in or under the area within 15 km of the boundaries of the original AOI as at the Closing Date;

"**Expansion Area Option**" has the meaning set forth in subsection 9(a);

"**Expansion Area Option Trigger**" has the meaning set forth in subsection 9(a);

"**Expansion Capital Expenditures**" has the meaning set forth in subsection 9(g);

"**Expansion Certificate**" means a certificate from a duly authorized officer of CPN and/or MRDM stating that the representations and warranties of CPN and MRDM

contained in section 27 are true and correct in all material respects, and stating that CPN and MRDM have complied in all material respects with the terms of this Agreement;

"**Exploration Licences**" means (a) the exploration licences (*Autorização de Pesquisa*) within and comprising part of the Project from time to time, including, without limitation, those listed on Schedule A annexed hereto, and (b) any exploration licence which relates (in whole or in part) to Minerals within the Expansion Area, and, in each case, includes any application for an exploration licence and any filing, extension, renewal, amendment, modification, restatement, amendment and restatement and replacement of any of the same;

"**Facility Agreement**" means the Project Facility Agreement to be made between, inter alia, MBL, in various capacities, CPN and MRDM in or about October 2012, relating to the provision of Project Debt for the Project;

"**Final Instalment**" per ounce of Payable Au means the lesser of the Fixed Price and the Market Price, payable in cash;

"**First Review Date**" means, as applicable, the third anniversary of (a) the date of Commencement of Commercial Operation with respect to the AOI, or (b) the date of Commencement of Commercial Operation with respect to any Expansion Area;

"**First Upfront Payment Conditions**" means the following conditions:

(a) MBL shall be satisfied (in its sole discretion) with the results of such due diligence as it shall conduct with respect to all or any of the Project, MRDM, CPN or the other Initial Guarantors, including without limitation, satisfactory searches and replies to requisitions made by MBL and its counsel in respect of MRDM, the Initial Guarantors and the Security;

(b) MBL shall have received:

(i) the budget for the development of the Project (the "**Project Budget**");

(ii) the project schedule for the development and construction of the Project (the "**Project Schedule**");

(iii) a life of mine plan (the "**LOMP**") for the AOI, which includes a life of mine model; and

(iv) a schedule (the "**Anticipated Delivery Schedule**") setting out the anticipated dates and quantities for the delivery of Payable Au by MRDM to MBL during the Term pursuant to this Agreement, which schedule is to be attached as Schedule C to this Agreement,

each of which shall have been approved by the board of directors of CPN and the requisite quota holders of MRDM for the development of the Project and shall be, in form and substance, satisfactory to MBL;

(c) MBL shall have received evidence, in form and substance satisfactory to MBL, that:

(i) MRDM has legal and beneficial title to 100% of the Project, subject only to Permitted Encumbrances, and, subject only to the Net Smelter Royalty of 1% payable to Mineração Brilhante Ltda., the right to receive and deal with 100% of the Au production therefrom;

(ii) CPN has legal and beneficial title to 100% of the shares in the capital of each of OLC and MVF; and

(iii) OLC and MVF, together, have legal and beneficial title to 100% of the shares in the capital of MRDM;

(d) MBL shall have received evidence, in form and substance satisfactory to MBL, that:

(i) all Project Tenements are in good standing, in all material respects, and no material breach of any terms or conditions of any of the same has occurred and is continuing; and

(ii) the LP with respect to the Project, to allow MRDM to carry out the necessary detailed planning and environmental studies relating thereto, has been issued *ad referendum* by the relevant Official Bodies,

and, with respect to paragraph (ii) above, MBL shall be satisfied, in its sole discretion, that the conditions under the *ad referendum* LP are expected to be fulfilled to the satisfaction of, and approved by, the relevant Official Bodies in the ordinary course in order for such Official Bodies to grant to MRDM the unconditional LP;

(e) MBL shall have received certified copies of the constating documents of each of MRDM and the Initial Guarantors;

(f) MBL shall have received certified copies of resolutions of the respective quota holders or boards of directors, as applicable, of MRDM and each Initial Guarantor authorizing the execution, delivery and performance of the Purchase Documents to which it is a party;

(g) MBL shall have received a certificate of the secretary or an assistant secretary of MRDM and each Initial Guarantor certifying the names and the true signatures of the officers authorized to sign the Purchase Documents to which it is a party, accompanied by (in the case of MRDM and CPN) a list of authorized signatories of MRDM and CPN for purposes of this Agreement and the Transaction contemplated hereunder;

(h) MBL shall have received a certificate of good standing or like certificate in respect of MRDM and each Initial Guarantor issued by the appropriate Official

Body of its jurisdiction of formation and each other jurisdiction where failure to register or qualify as a foreign or extra provincial corporation in the opinion of MBL results in, or would reasonably be expected to result in, a Material Adverse Change;

(i) all Purchase Documents (other than the Security Agreements and the Mortgages) on terms and conditions satisfactory to MBL and its counsel, shall have been executed and delivered and, where required, registered, by MRDM and the Initial Guarantors, and CPN shall have performed its obligations under and in accordance with the Letter Agreement;

(j) MBL shall have received confirmation, in form and substance satisfactory to MBL, that MRDM has not granted or created any Encumbrances in or over any of its assets, and all such assets are free of Encumbrances, in each case, other than Permitted Encumbrances;

(k) MBL shall be satisfied that there are no material actions, suits or proceedings (whether or not purportedly on MRDM's or any Initial Guarantor's behalf) pending or threatened against or affecting MRDM, any Initial Guarantor or the Project before any court or other Official Body;

(l) MBL shall have received confirmation, in form and substance satisfactory to MBL, that any and all required consents, approvals or waivers, including from Official Bodies and third parties and all governmental or regulatory consents in any applicable jurisdiction, shall have been obtained and remain in full force and effect and any and all applicable waiting periods for the validity or effectiveness of any of the same under applicable Law or otherwise have expired;

(m) MBL shall have received confirmation, in form and substance satisfactory to MBL, that MRDM and the Initial Guarantors have not incorporated or acquired any subsidiaries other than those previously disclosed in writing to MBL;

(n) the representations and warranties of MRDM and CPN contained in section 27 and in the Letter Agreement shall be true and correct at the time of the payment of the First Upfront Payment;

(o) each of MRDM and CPN are in compliance with, and neither MRDM nor CPN shall be in breach of, this Agreement and the other Purchase Documents to which it is a party;

(p) the provision of evidence satisfactory to MBL that MRDM has received all requisite approvals then required from, and made all filings then required with, the Central Bank of Brazil (*Banco Central do Brasil*) with respect to the Transaction, including, without limitation, the ROF;

(q) MBL shall have received (i) the most recent audited consolidated financial statements of CPN, and (ii) confirmation that no Material Adverse Change shall

have occurred with respect to MRDM or the Initial Guarantors since the date of such financial statements;

(r) MBL shall have received favourable opinions of counsel to MRDM and the Guarantors and of MBL's counsel, including legal opinions confirming: (i) the validity and enforceability of the Purchase Documents that are required to be executed and delivered to MBL pursuant to these First Upfront Payment Conditions in each relevant jurisdiction; (ii) that MRDM has good and marketable title to the Project (including the Secured Assets) and the Minerals extracted therefrom (subject only to Permitted Encumbrances) and that MRDM has full right, power and authority to deliver the Payable Au to or at the direction of MBL as contemplated under this Agreement; (iii) if MBL is entitled to receive any Completion Guarantee Refund Amount under and in accordance with section 10 (and has not exercised its right to demand payment of the NPV Payment under subsection 16(b)), MRDM's obligation to pay such Completion Guarantee Refund Amount will constitute a valid secured claim in any foreclosure, liquidation or judicial or out-of-court reorganization, arrangement or adjustment of, or in respect of, MRDM; and (iv) if MBL exercises its right to demand payment of the NPV Payment under and in accordance with subsection 16(b), MBL's claim for the NPV Payment will constitute a valid secured claim in any foreclosure, liquidation or judicial or out-of-court reorganization, arrangement or adjustment of, or in respect of, MRDM; and

(s) MBL shall have received such supporting and other certificates, documentation, authorizations and information as MBL may reasonably request;

"**First Upfront Payment**" means the first upfront cash payment to be paid by MBL hereunder in a single payment in the amount of US $7.5 million;

"**Fixed Price**" means:

(a) with respect to Payable Au from:

(i) the original AOI; or

(ii) an Expansion Area if, at the time MBL exercises its Expansion Area Option with respect thereto, MRDM has not delivered at least 80% of the Payable Au from the original AOI scheduled to be delivered to MBL under the LOMP agreed at the time of Closing, until such time as the aggregate volume of Payable Au delivered to MBL from the original AOI is equal to 100% of the Payable Au from the original AOI scheduled to be delivered to MBL under the LOMP agreed at the time of Closing,

US $400 per ounce of Au; or

(b) with respect to Payable Au from an Expansion Area:

(i) if, at the time MBL exercises its Expansion Area Option with respect thereto, MRDM has delivered at least 80% of the Payable Au from the original AOI scheduled to be delivered to MBL under the LOMP agreed at the time of Closing; or

(ii) in any other event, from and after such time as the aggregate volume of Payable Au delivered to MBL from the original AOI is equal to 100% of the Payable Au from the original AOI scheduled to be delivered to MBL under the LOMP agreed at the time of Closing,

US $450 per ounce of Au,

in each case, subject to increase by the Inflation Escalator on the First Review Date, and annually thereafter in accordance with section 3(d); provided that, for certainty, each Expansion Area may have a different First Review Date than that for the original AOI and any other Expansion Area.

"**Guarantee**" means an unconditional, irrevocable guarantee of the payment and performance by MRDM and CPN of each of their respective obligations under the terms of this Agreement to be granted initially by each of the Initial Guarantors and, subsequently, to be granted by the Guarantors;

"**Guarantors**" means, collectively:

(a) with respect to the obligations of MRDM hereunder, CPN;

(b) with respect to the obligations of MRDM and CPN hereunder, OLC Brazil, OLV Co-Op and OLC Holdings; and

(c) any other Person providing a guarantee of the obligations of MRDM and/or CPN hereunder as may be agreed by Parties from time to time;

"**Hedging Agreement**" means any interest rate, currency or commodity (including, without limitation, Au) swap, option, future or forward contract, spot, cap, floor or collar transaction, any other derivative instrument, or any combination thereof, or any other similar transaction, agreement or arrangement designed to alter the risks of any Person arising from fluctuations in any underlying variable;

"**Inflation Escalator**" means an annual inflation escalator equal to 1.01;

"**Initial Guarantors**" means CPN, OLC and MVF.

"**Insolvency Event**" means, in relation to any Person, any one or more of the following events or circumstances:

(a) proceedings are commenced for the winding-up, liquidation or dissolution of such Person, unless it in good faith actively and diligently contests such proceedings

resulting in a dismissal or stay thereof within 30 days of the commencement of such proceedings;

(b) a decree or order of a court of competent jurisdiction is entered adjudging such Person to be bankrupt or insolvent, or a petition seeking judicial or out-of-court reorganization, arrangement or adjustment of or in respect of it is filed under applicable Laws relating to bankruptcy, insolvency or relief of debtors;

(c) such Person makes an assignment for the benefit of its creditors, or petitions or applies to any court or tribunal for the appointment of a receiver or trustee for itself or any substantial part of its property, or commences for itself or acquiesces in or approves or has filed or commenced against it any proceeding under any bankruptcy, insolvency, reorganization, arrangement or readjustment of debt law or statute or any proceeding for the appointment of a receiver or trustee for itself or any substantial part of its assets or property, or has a liquidator, administrator, receiver, trustee, conservator or similar person appointed with respect to it or any substantial portion of its property or assets; or

(d) a resolution is passed for the winding-up, liquidation or judicial or out-of-court reorganization, arrangement or adjustment of or in respect of such Person;

"**Intercreditor Agreement**" has the meaning set forth in subsection 28(b);

"**Interest Expense**" means, with respect to any Person for any period, without duplication, the aggregate amount of interest and other financing charges expensed by such Person on account of such period with respect to Debt, including interest, discount financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees and charges payable with respect to letters of credit, letters of guarantee and bankers' acceptance financing, standby fees, the interest component of capital leases and net payments (if any) pursuant to interest rate Hedging Agreements, but excluding any amount, such as amortization of debt discount and expenses, that would qualify as Depreciation Expense and the amount reflected in Net Income for such period in respect of gains (or losses) attributable to translation of Debt from one currency to another currency, all as determined on a consolidated basis in accordance with applicable Accounting Principles;

"**Invoice Dispute Notice**" has the meaning set forth in subsection 14(j);

"**Lands**" means, with respect to the Project, all right, title or interest of MRDM or any of its affiliates in real property, including without limitation, all right, title or interest in the real property described in the maps attached as Schedule D to this Agreement, as well as and including, all surface rights, easements, tenements, rights of use, rights of access, rights of way and leasehold interests, in each case, comprising or relating to the Project, and all buildings, erections, structures, improvements and fixtures thereon;

"**Law**" means any law (including common law and the laws of equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"**LBMA**" means the London Bullion Market Association (or any successor association or body);

"**Letter Agreement**" means the letter agreement made as of 19 May 2010 between CPN and MBL relating to, *inter alia*, the subscription for and purchase of common shares of CPN by MBL;

"**LI**" means the Installation Licence (*Licença de Instalação*) with respect to the Project issued by COPAM and/or SUPRANMN to permit MRDM to commence construction of the Project;

"**Licences**" means, collectively, the LP, the LI and the LO, and includes any extensions, renewals, amendments, modifications, restatements, amendment and restatements and replacements of any of the same;

"**LO**" means the Operations Licence (*Licença de Operação*) with respect to the Project issued by COPAM and/or SUPRANMN to permit MRDM to commence operations thereat;

"**LOMP**" has the meaning set forth in paragraph (b)(iii) of the definition of First Upfront Payment Conditions;

"**Losses**" means any and all damages (except indirect or consequential damages), claims, losses (except loss of profits), liabilities, fines, injuries, costs, penalties and expenses (including reasonable legal fees);

"**Lost Au ounces**" has the meaning set forth in subsection 15(d);

"**Lot**" means the applicable quantity of Minerals delivered to and accepted by the Off-taker that is separately sampled and assayed so that MRDM and the Off-taker can agree upon the content of Au and other metals therein, all as set forth in the applicable Off-take Agreement; provided that Minerals will not be commingled with other ores or other minerals derived from properties that are not part of the Project without MBL's prior written consent;

"**LP**" means the Preliminary Licence (*Licença Prévia*) with respect to the Project issued by COPAM and/or SUPRANMN to permit MRDM to carry out the necessary detailed planning and environmental studies relating thereto;

"**Mandate Letter**" means the mandate letter dated as of March 12, 2010 between MBL, CPN and MRDM attaching an indicative letter of offer in relation to a gold stream purchase facility;

"**Market Price**" means, for each ounce of Payable Au delivered and sold to MBL, the London p.m. fix price for Au in United States dollars, as determined by the LBMA on the date the Payable Au is delivered by the relevant Off-taker (for and on behalf of MRDM) to the Bullion Account;

"**Material Adverse Change**" means:

(a) any material adverse change in or affecting (x) the business, operations, results of operations, properties, assets, liabilities, condition (financial or otherwise), ownership, material agreements or prospects of MRDM, CPN or any other Guarantor or (y) the Project, the development thereof or the production therefrom; or

(b) any material impairment or reduction (x) in the ability (financial or otherwise) of either MRDM, CPN or any other Guarantor to fulfill any covenant or obligation to MBL under the Purchase Documents, (y) of the rights or remedies of MBL under the Purchase Documents or (z) in the value of the Secured Assets;

but, in each case, excluding any change, impairment or reduction:

(i) relating to the global economy or securities markets in general;

(ii) affecting the worldwide Au mining industry in general and which does not have a materially disproportionate effect on MRDM or on CPN on a consolidated basis;

(iii) resulting from changes in the price of Au; or

(iv) relating to the rate at which Canadian Dollars can be exchanged for the currency of any other nation, including the United States and Brazil, or vice versa,

and references in this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, interpretive of the amount used for the purpose of determining whether a "**Material Adverse Change**" has occurred and such defined terms and all other references to materiality in this Agreement shall be interpreted without reference to any such amounts;

"**MBL Audit**" has the meaning set forth in subsection 13(f);

"**MBL Event of Default**" has the meaning set forth in subsection 14(k);

"**Minerals**" means any and all economic, marketable metal bearing material, in whatever form or state that is mined, extracted, removed, produced or otherwise recovered from the AOI, including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the AOI, and including without limitation, ore and any other products resulting from the further

milling, processing or other beneficiation of Minerals, including concentrates or doré bars that are produced from the AOI;

"**Mining Concession**" means:

(a) the mining concession (*Concessão de Lavra*) identified on Schedule A annexed hereto as being within and comprising part of the AOI, as issued by the DNPM and held by MRDM for the conduct of mining operations at the Project; and

(b) any future mining concession (*Concessão de Lavra*) relating to or comprising part of the AOI (including, any Expansion Area referred to in part (b) of the definition of AOI), as may be issued by the DNPM or other relevant Official Body and held by MRDM or any of its affiliates for the conduct of mining operations at the Project,

and, in each case, includes any application for a mining concession, and any extension, renewal, expansion, amendment, modification, restatement, amendment and restatement and replacement of any of the same;

"**Monthly Progress Report**" means a monthly progress report setting forth, in reasonable detail and otherwise in form and substance satisfactory to MBL, acting reasonably, the then current status of the construction and development of the Project, which shall include:

(a) commentary regarding the work completed for the month in question, including a description of key results and conclusions from studies;

(b) a comparison of the current status of construction and development of the Project compared to that forecast in the then approved Project Schedule, including details of any delays or other deviations or proposed changes to the Project Schedule (or any associated schedules), and an estimate of the then anticipated completion date for the Project;

(c) a statement of the aggregate construction and development costs incurred to date, broken down by major expense category, and a comparison of such costs to that forecast in the then approved Project Budget, including details of any cost overruns or other deviations or proposed changes to the Project Budget, and an estimate of the remaining costs to complete the Project;

(d) details of any material negative impacts on the amount or timing of Au anticipated to be produced from the Project, including any such impacts that are reasonably anticipated to result from (i) delays or other deviations or proposed changes to the Project Schedule (or any associated schedules) noted in (b) above, or (ii) cost overruns or other deviations or proposed changes to the Project Budget noted in (c) above, in each case, together with remedial plans for the resolution or mitigation of such impacts, in form and substance satisfactory to MBL, acting reasonably; and

(e) details of any material dispute, action, proceeding or investigation which has arisen or has been instituted or threatened against MRDM, CPN or any of their affiliates in connection with, or which may have an adverse impact on, the construction and development of the Project;

"**Monthly Report**" means a written report, in relation to a calendar month, detailing:

(a) the number of ounces of Au produced from the Project and delivered to an Off-taker in the applicable calendar month;

(b) the names and addresses of each Off-taker to which the Au referred to in subsection (a) was delivered;

(c) the number of ounces of Payable Au which have resulted or which are calculated or estimated to result from the production of Au referred to in subsection (a);

(d) the number of ounces of Payable Au which have been delivered to MBL with respect to the Au referred to in subsection (a), in accordance with the terms of sections 2 and 14;

(e) a reconciliation between any provisional number of ounces of Payable Au specified in a Monthly Report pursuant to subsection (c) for a preceding calendar month and the final number of ounces of Payable Au for the applicable calendar month;

(f) the Au prices used by MRDM and its affiliates for short term and long term planning purposes with respect to the Project; and

(g) a schedule projecting Au production over the next three full fiscal quarters with respect to the Project;

"**Mortgages**" means the first ranking mortgages over the Lands registered with the competent Official Body securing all of the obligations of MRDM to MBL under this Agreement and the other Purchase Documents, which will be granted and given by MRDM to MBL and duly perfected on or prior to the Second Upfront Payment Date;

"**MRDM**" means Mineração Riacho dos Machados Ltda., a corporation incorporated pursuant to the laws of Brazil;

"**MRDM Event of Default**" has the meaning set forth in subsection 16(a);

"**MRDM Guaranteed Obligations**" has the meaning set forth in subsection 18(e)(i);

"**MRDM Invoice**" has the meaning set forth in subsection 14(i);

"**MRDM Letters**" has the meaning set forth in subsection 14(g);

"**MRDM Waybills**" has the meaning set forth in subsection 14(g);

"**MVF**" means Melbourne Ventures Fund LLC, a limited liability corporation organized under the laws of Florida;

"Net Income" means, with respect to any Person for any period, the net revenue of such Person for such period on a consolidated basis, less all expenses and other charges not otherwise deducted in computing such net revenue for such period, determined in accordance with applicable Accounting Principles, but excluding extraordinary items as determined in accordance with such Accounting Principles, earnings resulting from any reappraisal, revaluation or other write-up of assets and gains arising from the repurchase of any equity security of such Person or any subsidiary;

"**Net Smelter Royalty**" means a production royalty based on a percentage of net smelter returns from production mined, recovered and removed from the Concessions, where the net smelter return is determined as the proceeds of sale received by MRDM for sales of all such production (or deemed proceeds for retained production or production sold or transferred to affiliates) less MRDM's costs of sales, transportation, processing and extraction;

"**NPV Payment**" means, as at any date of determination, an amount equal to the aggregate of:

(a) the net present value of Payable Au, which would have been delivered to MBL and purchased by MBL hereunder during the then remaining Term, having regard (based upon MBL's election, in its sole and unfettered discretion) to the following:

(i) the then approved LOMP; or

(ii) the LOMP approved at the time of Closing,

in each case, referencing the London p.m. fix price for Au in US Dollars, as determined by the LBMA on the date of the default giving rise to the obligation to pay such NPV Payment; plus

(b) the Applicable Percentage of the then current market value, based on projects comparable to the Project, of all Au "reserves" within the meaning of National Instrument 43-101, as at the date of determination, not included in the applicable LOMP referred to in subsection (a); less

(c) any Completion Guarantee Refund Amount, to the extent paid by MRDM and/or CPN to MBL pursuant to the provisions of section 10;

"**Official Body**" means any government (including any federal, provincial, state, territorial, municipal or local government) or political subdivision or any agency, authority, bureau, regulatory or administrative authority, central bank, monetary authority, commission, department or instrumentality thereof, the registry of titles and deeds (*Cartório de Registro de Títulos e Documentos*), the real estate registry (*Cartório de Registro de Imóveis*), the TSX or any other public securities exchange, or any court,

tribunal, judicial entity, or arbitrator, whether foreign or domestic, having jurisdiction with respect to a specified Person, property, transaction, event or matter;

"**Off-take Agreement**" means any refining, smelting, marketing, sale and purchase and/or processing agreement entered into by MRDM and/or CPN with an Off-taker with respect to Minerals;

"**Off-taker**" means a counterparty to an Off-take Agreement that is located outside of Brazil and that is not a Brazilian Person;

"**OLC**" means Ore-Leave Capital (Barbados) Limited, a corporation organized and subsisting under the laws of Barbados;

"**OLC Brazil**" means Ore-Leave Capital (Brazil) Limited, a corporation organized and subsisting under the laws of Barbados;

"**OLC Holdings**" means OLC Holdings BV, a limited liability corporation organized and subsisting under the laws of the Netherlands;

"**OLV Co-op**" means OLV Coöperatie U.A., a holding co-operative organized and subsisting under the laws of the Netherlands;

"**Off-taker Acknowledgement**" has the meaning set forth in subsection 14(f);

"**Parties**" means the parties to this Agreement and "**Party**" means any one of the Parties;

"**Payable Au**" means an amount of Refined Au equal to the Applicable Percentage of all Refined Au produced from:

(a) the AOI; and

(b) any Expansion Area in respect of which MBL has exercised its Expansion Area Option pursuant to section 9, from and after the closing of such Expansion Area Option transaction and payment of the Additional Upfront Payment subject to and in accordance with that section;

"**Payable Au Dispute**" has the meaning set forth in subsection 14(h);

"**Permits**" means:

(a) the Licences; and

(b) any other permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other similar concession or by law, rule or regulation (whether or not having the force of law) of, by or from any Official Body; provided that, where such permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other similar concession or by law, rule or regulation does not have the force of law, it shall

comprise a Permit only to the extent that a prudent owner of an asset or operator of a business similar to that owned or operated by the relevant Person would consider it necessary or advisable to comply with same;

"**Permitted Encumbrances**" means, in respect of any Person at any time, any of the following:

(a) any Encumbrance for Taxes not at the time due and delinquent or the validity or amount of which is being contested at the time by such Person in good faith by proper legal proceedings and which are not, in the opinion of MBL, acting reasonably, expected to result in a Material Adverse Change;

(b) construction, builder's, mechanic's, carrier's, warehousemen's, storage, repairer's and materialmen's liens and other statutory and possessory liens arising in the ordinary course of business not at the time due and delinquent or the validity or amount of which is being contested at the time by such Person in good faith by proper legal proceedings and which are not, in the opinion of MBL, acting reasonably, expected to result in a Material Adverse Change;

(c) easements, encroachments, rights of way, servitudes, restrictive covenants, reservations of undersurface rights, or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, drains, electric lines, telegraph, telephone and telecommunications lines, railways and other similar purposes, or zoning or other restrictions as to the use of real properties, which easements, encroachments, rights of way, servitudes, restrictive covenants, reservations and other similar rights and restrictions do not, in the opinion of MBL, acting reasonably, materially impair the use of such real properties in the business of such Person;

(d) the right (so long as such right is not exercised) reserved to or vested in any Official Body by the terms of any lease, licence, franchise, grant or permit acquired by such Person or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof or to distrain or obtain a charge on any assets of such Person in the event of a failure to make such annual or periodic payments or to comply with the terms thereof;

(e) deposits to secure public or statutory obligations or in connection with any matter giving rise to an Encumbrance described in subsection (d) above;

(f) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from any Official Body;

(g) defects or irregularities in title which are of a minor nature and which in the aggregate do not, and are not reasonably likely to, materially impair the use of any assets affected thereby for the purposes for which such assets are held by such Person, in each case, in the opinion of MBL, acting reasonably;

(h) any Encumbrance arising from court or arbitral proceedings; provided that the claims secured thereby or the amount thereof are being contested at the time by such Person in good faith by proper legal proceedings, execution thereon has been stayed and the same is not, in the opinion of MBL, acting reasonably, expected to result in a Material Adverse Change;

(i) deposits of cash securities in connection with any appeal, review or contestation of any security or Encumbrance, or any matter giving rise to any security or Encumbrance, described in subsection (h) above;

(j) good faith deposits or any agreement or arrangement pursuant to which such Person pledges cash to any insurer, guarantor, third party contractor, public utility or Official Body, in each case, made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than contracts of Debt), leases, surety, customs, performance bonds (relating to obligations that do not constitute Debt) and other similar obligations;

(k) any rights of expropriation, condemnation, access or user or other similar such rights conferred on or vested in an Official Body; provided that such rights are not exercised;

(l) any Encumbrance arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of conducting day to day banking business in relation to deposit accounts or other funds maintained with a creditor depository institution (in this definition, a "**Banker's Lien**"); provided that such Banker's Lien:

(i) does not relate to any deposit account that is a dedicated cash collateral account and is subject to restrictions against access by the depositor or account holder;

(ii) does not relate to any deposit account intended by the depositor or account holder to provide collateral to the depository institution; and

(iii) is not intended directly or indirectly to secure the payment or performance of Debt or any other obligation;

(m) the interests (including Encumbrances in the property leased and any insurance related thereto) of lessors under operating leases of personal property (that are not financial leases and do not create or evidence Debt);

(n) the Net Smelter Royalty of 1% payable to Mineração Brilhante Ltda.;

(o) Encumbrances created by the Security Agreement and the Mortgages;

(p) Purchase Money Mortgages other than in respect of Project Tenements, provided (i) any Debt secured thereby has not been accelerated nor has repayment of the

same been demanded (ii) the aggregate amount of Debt secured thereby from time to time does not exceed $15 million; and

(q) Encumbrances, other than fiduciary properties (*propriedades fiduciárias*), securing Project Debt and the Sale and Purchase Agreement, provided (i) the same are consistent with the requirements of section 22 and subsection 28(b) and (ii) the Project Debt has not been accelerated nor has repayment of the same been demanded; and (iii) amounts under the Sale and Purchase Agreement have not been accelerated or demanded as due and payable by the purchaser;

"**Person**" means and includes individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, governments or any other type of organization, whether or not a legal entity;

"**Project**" means the Riacho dos Machados Mine Gold Project located near the town of Riacho dos Machados in the northern region of Minas Gerais State, Brazil and includes:

(a) the Project Tenements;

(b) all applicable Permits;

(c) all property, plant and equipment of MRDM or any Guarantor located, installed, constructed or used at the Project site for the purposes of the installation, construction, development and operation of the Project, including, without limitation, the property, plant and equipment described in Schedule B annexed hereto;

(d) all Au and other metals and minerals (including ore bearing Au and other metals and minerals) derived by MRDM from the Project;

(e) all ore reserves and resources of the Project;

(f) all of the right and interest of MRDM or any Guarantor under material contracts relating to the Project, including in relation to any part of the Project referred to in subsections (a) through (e) above, including, without limitation, the right and interest of MRDM or any Guarantor under any material contracts described in Schedule B annexed hereto; and

(g) all accounts, receipts and monies (whether of capital or income, and including insurance proceeds and proceeds of expropriation or eminent domain) derived or otherwise received by MRDM or any Guarantor from or in connection with the Project;

"**Project Budget**" prior to the commissioning, start-up and commencement of operation of the Project, has the meaning set forth in paragraph (b)(i) of the definition of First Upfront Payment Conditions and thereafter, means an annual operating budget for the

continuing operation and production of the Project, consistent with the LOMP and otherwise in form and substance satisfactory to MBL, acting reasonably;

"**Project Debt**" means indebtedness for borrowed money, obligations and liabilities arising under or in connection with any debt financing, and interest rate and/or foreign exchange hedging arrangements with respect to such indebtedness, obligations and liabilities, which debt financing and hedging arrangements are provided to MRDM by one or more banks and other arm's length reputable financial institutions relating to the development, construction, start-up, commissioning, re-commissioning and/or operation of the Project;

"**Project Schedule**" has the meaning set forth in paragraph (b)(ii) of the definition of First Upfront Payment Conditions;

"**Project Tenements**" means, collectively:

(a) the Mining Concession, Exploration Licences and application for an exploration license, totalling 29,614.95 hectares of area, set out in Schedule A annexed hereto, together with any amendments thereto and consolidations thereof and any additional Concessions held by MRDM or any of its affiliates or obtained by any of them from time to time in connection with the Project, including in respect of any Expansion Area; and

(b) the Lands;

"**Purchase Documents**" means this Agreement, the Security, the Letter Agreement and all other documents, instruments or certificates from time to time delivered to or for the benefit of MBL pursuant to this Agreement, the Security or the Letter Agreement and any other document expressed by its terms, or agreed by the Parties, to be a Purchase Document;

"**Purchase Money Mortgage**" means an Encumbrance created or incurred by a Person securing Debt incurred to finance the acquisition of property (including the costs of installation thereof), provided that:

(a) such Encumbrance is created substantially simultaneously with the acquisition of such property;

(b) such Encumbrance does not at any time encumber any property other than the property financed by such Debt;

(c) the amount of Debt secured thereby is not increased subsequent to such acquisition; and

(d) the principal amount of Debt secured by such Encumbrance at no time exceeds 100% of the original purchase price of such Property and the cost of installation thereof,

and, for the purposes of this definition, the term "acquisition" includes a capital lease;

"**Purchase Price**" for the Payable Au to be delivered by MRDM to MBL hereunder means the aggregate of (a) the Upfront Payments and (b) the Final Instalments with respect to all Payable Au so delivered hereunder.

"**Refined Au**" means marketable metal bearing material in the form of Au that is refined to standards meeting or exceeding commercial standards for the sale of refined Au;

"**Responding Party**" has the meaning set forth in subsection 25(b);

"**Resumption Notice**" has the meaning set forth in subsection 14(o);

"**Retained Payable Au**" has the meaning set forth in subsection 14(l);

"**ROF**" means the *Registro de Operação Financeira*, an electronic registry number obtained by or on behalf of MRDM, as exporter of the Payable Au pursuant to this Agreement, prior to the disbursement of each Upfront Payment, through the Information System – SISBACEN of the Central Bank of Brazil (*Banco Central do Brasil*), authorizing MRDM, as exporter, to:

(a) enter into the relevant foreign exchange contract for the inflow of funds into Brazil;

(b) export the Applicable Percentage of Payable Au required to be delivered to MBL hereunder; and

(c) after the disbursement of each Upfront Payment, register a revised shipment schedule, in form and substance consistent with the revised Anticipated Delivery Schedule required to be delivered hereunder, to allow MRDM to make payments to MBL with respect to the interest, fees and expenses stipulated therein;

"**Sale and Purchase Agreement**" means the sale and purchase agreement between MBL, CPN and MRDM entered into on or about the date of the Second Amending Agreement to which this Amended and Restated Purchase Agreement is attached;

"**Second Upfront Payment Conditions**" means the following conditions:

(a) the First Upfront Payment Conditions shall have been satisfied or waived in writing by MBL;

(b) the representations and warranties of MRDM and CPN contained in section 27 and in the Letter Agreement shall be true and correct at the time of the payment of the Second Upfront Payment;

(c) each of MRDM and CPN are in compliance with, and neither MRDM nor CPN shall be in breach of, this Agreement and the other Purchase Documents to which it is a party;

(d) MBL shall have received a certificate of good standing or like certificate in respect of MRDM issued by the appropriate Official Body of its jurisdiction of formation and each other jurisdiction where failure to register or qualify as a foreign or extra provincial corporation in the opinion of MBL results in, or would reasonably be expected to result in, a Material Adverse Change;

(e) each of the Security Agreement and the Mortgages shall have been executed, delivered by MRDM on terms and conditions satisfactory to MBL, and each of the same shall have been duly registered, filed or recorded with each relevant Official Body or otherwise perfected as a security interest to the satisfaction of MBL with the priority contemplated under this Agreement;

(f) MBL shall be satisfied that there are no material actions, suits or proceedings (whether or not purportedly on MRDM's or any Initial Guarantor's behalf) pending or threatened against or affecting MRDM, any Initial Guarantor or the Project before any court or other Official Body;

(g) the provision of evidence satisfactory to MBL that MRDM has received all requisite approvals then required from, and made all requisite filings then required with, the Central Bank of Brazil (*Banco Central do Brasil*) with respect to the Transaction, including, without limitation, the ROF;

(h) MBL shall have received favourable opinions of counsel to MRDM and of MBL's counsel, including legal opinions confirming the validity, enforceability and perfection of the Security Agreements and the Mortgages in each relevant jurisdiction;

(i) MBL shall have received evidence, including up-to-date extracts of the real estate registry (*Cartório de Registro de Imóveis*) with information on the legal forest area (*área de reserva legal*), in form and substance satisfactory to MBL, that all requirements under Environmental Laws with respect to the legal forest area (*área de reserva legal*) have been complied with;

(j) MBL shall have received evidence, in form and substance satisfactory to MBL, that the LI and the building permit (*alvará de construção*) with respect to the Project to permit MRDM to commence the construction of the Project have been obtained on terms and conditions acceptable to MBL, and there shall not have been any material breach of any term or condition attaching to the same; and

(k) MBL shall have received such supporting and other certificates, documentation, authorizations and information as MBL may reasonably request;

"**Second Upfront Payment Date**" means the third Business Day following (a) satisfaction of the Second Upfront Payment Conditions and receipt by MBL of written notice from MRDM and/or CPN that the Second Upfront Payment Conditions have been satisfied and requesting payment to MRDM of the Second Upfront Payment or (b) delivery by MBL of written notice to MRDM and/or CPN that the Second Upfront

Payment Conditions have been satisfied to MBL's satisfaction or waived by MBL; provided that, in any event, the Second Upfront Payment Date shall not be later than December 21, 2011 unless MBL otherwise agrees in writing;

"**Second Upfront Payment**" means the second upfront cash payment to be paid by MBL hereunder in a single payment in the amount of US $7.5 million;

"**Secured Assets**" means, collectively, (a) the Lands, to the extent the same are capable of being mortgaged in favour of MBL as security for the obligations of MRDM under this Agreement pursuant to applicable Laws, (b) the other Project Tenements, to the extent the same are capable of being pledged as security under applicable Laws, (c) all applicable Permits, to the extent the same are capable of being pledged as security under applicable Laws, (d) all property, plant and equipment of MRDM located, installed, constructed or used at the Project site for the purposes of the installation, construction, development and operation of the Project, (e) all of the right and interest of MRDM in the ore reserves and resources of the Project, (f) all of the right and interest of MRDM under material contracts relating to the Project, and (g) all accounts, receipts and monies (whether of capital or income, and including insurance proceeds and proceeds of expropriation or eminent domain) derived or otherwise received by MRDM from or in connection with the Project;

"**Security**" means the Mortgages, the Security Agreements, the Guarantees and any other items of security given by MRDM and/or the Guarantors to MBL from time to time to secure the obligations of MRDM and/or CPN under this Agreement;

"**Security Agreements**" means the pledges and assignments of the Secured Assets other than the Lands (or other form of appropriate security), in a form acceptable to MBL, creating a valid security interest to and in favour of MBL over all such Secured Assets and having the priority contemplated by this Agreement, in order to secure all obligations of MRDM under this Agreement, which security interest will be granted by MRDM to MBL and duly perfected on or prior to the Second Upfront Payment Date and from time to time after the Second Upfront Payment Date to ensure that MBL has a valid security interest in the Secured Assets as and when they are constructed, developed or acquired in accordance with clause 11(n);

"**Standing Instruction**" has the meaning set forth in subsection 14(f);

"**Standing Instruction Divergence**" has the meaning set forth in subsection 14(l);

"**Standing Instruction Divergence Notice**" has the meaning set forth in subsection 14(k);

"**Standing Instruction Operation**" has the meaning set forth in subsection 14(f);

"**subsidiary**" means, with respect to any Person:

(a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of

directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by such Person or one or more of its subsidiaries, or such Person and one or more of its subsidiaries;

(b) any partnership of which, at the time, such Person, or one or more of its subsidiaries, or such Person and one or more of its subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or

(c) any other Person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by such Person, or one or more of its subsidiaries, or such Person and one or more of its subsidiaries;

"**SUPRANMN**" means the Regional Superintendent of the Environment and Sustainable Development (*Superintendência Regional de Meio Ambiente e Desenvolvimento Sustentável*) of COPAM;

"**Taxes**" means all taxes, levies, imposts, stamp taxes, duties, fees, deductions, withholdings, charges, compulsory loans or restrictions or conditions resulting in a charge which are imposed, levied, collected, withheld or assessed by any country or political subdivision or taxing authority thereof as of the date hereof or at any time in the future together with interest thereon and penalties with respect thereto, if any, and any payments of principal, interest, charges, fees or other amounts made on or in respect thereof, and "**Tax**" shall be construed accordingly;

"**Technical Report**" means a technical report that includes an economic analysis and that is determined by the board of directors of CPN and the requisite quota holders of MRDM to be an adequate basis on which to proceed with the construction and development of an Expansion Area, that qualifies as a technical report, but not necessarily a feasibility study, under Applicable Securities Laws or is otherwise satisfactory to MBL;

"**Term**" has the meaning set forth in subsection 4(a);

"**this Agreement**", "**herein**", "**hereof**", "**hereto**" and "**hereunder**" and similar expressions mean and refer to this Agreement as supplemented or amended and not to any particular Article, section, subsection, paragraph, Schedule or other portion hereof; and the expressions "**Article**", "**section**", "**subsection**", "**paragraph**" and "**Schedule**" followed by a number or letter mean and refer to the specified Article, section, subsection, paragraph or Schedule of this Agreement;

"**Transaction**" means the transaction of purchase and sale of Payable Au contemplated by this Agreement;

"**Transfer**" when used as a verb, means to sell, grant, assign, encumber, mortgage, charge, pledge or otherwise dispose of or commit to dispose of, directly or indirectly, including through mergers, consolidations or asset purchases. When used as a noun, "**Transfer**" means a sale, grant, assignment, mortgage, charge, pledge or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, consolidations or asset purchases;

"**TSX**" means the Toronto Stock Exchange;

"**Uncredited Balance**" has the meaning set forth in paragraph 3(f)(v);

"**Upfront Payments**" means, collectively the First Upfront Payment and the Second Upfront Payment and, if an Expansion Area Option has been exercised, includes any Additional Upfront Payment;

"**US Dollars**" and "**US $**" each mean lawful money of the United States of America in same day immediately available funds or, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due hereunder; and

"**US Prime**" means the prime business rate of interest applicable to obligations outstanding in US Dollars as quoted from time to time by MBL or its affiliates.

2. Agreement of Purchase and Sale.

Subject to the terms and conditions of this Agreement, from and after the execution and delivery of this Agreement and the payment of the First Upfront Payment pursuant hereto (the "**Closing**") MRDM shall sell to MBL and MBL shall purchase from MRDM, the Payable Au, free and clear of any and all Encumbrances, in consideration of those payments set forth in section 3. MRDM's obligation under this Agreement shall be to sell and deliver the Payable Au in a manner consistent with the terms of this Agreement.

3. Purchase and Payment.

(a) In consideration of the delivery and sale of the Payable Au as contemplated in this Agreement, MBL shall pay the Purchase Price to MRDM in the manner contemplated by this section 3.

(b) Prior to, and as a partial payment in advance for, the delivery of the Payable Au under this Agreement, MBL shall pay the Upfront Payments to MRDM, in cash by wire transfer to an account held by MRDM with a bank authorized to operate in the Brazilian foreign exchange market, for further credit into a bank account held by MRDM in Brazil, as follows:

(i) on the Closing Date, the First Upfront Payment, provided that the conditions set forth in section 6 have been and remain satisfied (or waived in writing by MBL); and

(ii) on the Second Upfront Payment Date, the Second Upfront Payment, provided that the conditions set forth in section 8 have been and remain satisfied (or waived in writing by MBL.

(c) During the Term, MBL shall make ongoing payments to MRDM in cash or by wire transfer for each ounce of Payable Au sold and delivered by MRDM to MBL under this Agreement pursuant to the provisions of section 14, at a price per ounce of Payable Au equal to the Final Instalment.

(d) Commencing on the First Review Date and annually on each anniversary thereof, the Fixed Price shall be increased by multiplying the then applicable Fixed Price by the Inflation Escalator.

(e) For the purposes of the Market Exchange and Foreign Capital Rules (*Regulamento do Mercado de Câmbio e Capitais Internacionais*) of the Central Bank of Brazil (*Banco Central do Brasil*), MRDM and MBL agree that each of the Upfront Payments to be made hereunder shall be treated as an advance receipt for exports (*recebimento antecipado de exportação*) in accordance with such rules.

(f) So long as any Uncredited Balance remains outstanding:

(i) the anticipated dates and quantities for delivery of the Payable Au pursuant to this Agreement shall be set out in the Anticipated Delivery Schedule to be maintained by MRDM;

(ii) the Anticipated Delivery Schedule shall be modified, restated and/or amended from time to time, as necessary to reflect all *bona fide* material changes to the anticipated dates and quantities for delivery of the Payable Au, based on actual deliveries to date, anticipated deliveries given the then current status of the development, construction and operation of the Project and any changes to the then approved LOMP, or as otherwise agreed in writing by the Parties;

(iii) whenever the Anticipated Delivery Schedule is so modified, restated and or amended, MRDM shall promptly make and/or update all filings then required with the Central Bank of Brazil (*Banco Central do Brasil*) with respect to such modification, restatement or amendment, including, without limitation, the ROF;

(iv) for purposes of subsection 3(e) and the Market Exchange and Foreign Capital Rules (*Regulamento do Mercado de Câmbio e Capitais Internacionais*) referred to therein, each delivery of Payable Au to MBL under this Agreement will be credited against the Upfront Payments paid

by MBL to MRDM hereunder in an amount equal to US $318.667 per ounce of Payable Au so delivered or on such other basis as the Parties may agree in writing; and

(v) MRDM shall keep a written record showing the amount of each delivery of Payable Au delivered to MBL hereunder, the amount credited against such Upfront Payments in respect of each such delivery and the remaining amount (the "**Uncredited Balance**") of such Upfront Payments in respect of which Payable Au is yet to be delivered.

(g) For certainty, and without limiting MBL's obligations under this section 3 with respect to payment of the Purchase Price for the Payable Au, MBL shall not be required to contribute any amounts in respect of capital expenditures or otherwise in respect of open pit mining operations within the AOI.

4. Term.

(a) The term of this Agreement shall commence on the Closing Date and subject to section 16, shall continue until the date that is 30 years after the Closing Date, subject to any extensions in accordance with section 32(b) (the "**Term**").

(b) Notwithstanding the foregoing, if Closing does not occur on or before the Closing Date by reason of any of the Closing Conditions set forth in sections 6 and 7 not having been satisfied (or waived by the applicable Party), MBL may terminate this Agreement on the provision of five Business Days notice to MRDM and CPN and for greater certainty and without limitation, MBL shall have no obligation whatsoever to advance any of the Upfront Payment.

5. Closing Date.

Closing shall take place at the offices of CPN at 10:00 a.m. (the "**Closing Time**") (Eastern time) on May 31, 2010 (the "**Closing Date**") or at such other place, in such other manner or on such earlier or later date or other time as the Parties may mutually agree, provided that all of the conditions set out in sections 6 and 7 have been satisfied or waived in writing by the applicable Party. It is anticipated that Closing shall occur within three Business Days of the satisfaction of the last of the First Upfront Payment Conditions. At the Closing Time, provided the Closing conditions for the benefit of MBL and MRDM have been satisfied or waived, as the case may be, MBL shall deliver the First Upfront Payment to MRDM.

6. Closing Conditions for the Benefit of MBL.

MBL shall not be obligated to enter into the Transaction and make the First Upfront Payment unless, at or before the Closing Time, each of the conditions listed below has been satisfied or waived in writing by MBL, it being understood that the said conditions are included for the exclusive benefit of MBL. MRDM and CPN shall take all such actions, steps and proceedings as are reasonably within their respective control as may be

necessary to ensure that the conditions listed below are fulfilled at or before the Closing Time.

(a) Each of CPN, MRDM and MBL shall have received any and all required consents or approvals, including without limitation, third Person consents and all governmental or regulatory consents in any applicable jurisdiction, including without limitation, the consent of the TSX, if applicable, with respect to the obligations of CPN and MRDM hereunder and under the other Purchase Documents and the same shall remain in full force and any and all applicable waiting periods under applicable legislation or otherwise shall have expired.

(b) MBL shall have received a favourable tax opinion from MBL's legal counsel and/or tax advisors relating to the proposed structure of the Transaction and its rights and obligations under this Agreement, which shall be in form and substance satisfactory to MBL. In addition, MBL shall have received a copy of the opinion referred to in section 7(d), which shall be in form and substance satisfactory to MBL, acting reasonably.

(c) MBL shall have received all such other assurances, consents, agreements, documents and instruments as may be reasonably required by MBL to enter into the Transaction and make the First Upfront Payment, all of which shall be in form and substance satisfactory to MBL.

(d) The First Upfront Payment Conditions shall have been and shall remain satisfied.

If any condition contained in this section 6 has not been fulfilled at or before the Closing Time or if any such condition is or becomes impossible to satisfy, if MBL is unwilling to waive the fulfillment of any such condition, this Agreement shall be terminated and each of the Parties shall be released from all of their obligations hereunder save and except for obligations arising under sections 24, 25, 31 and 33.

7. Closing Conditions for the Benefit of MRDM and CPN.

MRDM and CPN shall not be obligated to enter into the Transaction unless, at or before the Closing Time, each of the conditions listed below has been satisfied or waived in writing by MRDM or CPN, it being understood that the said conditions are included for the exclusive benefit of MRDM and CPN. MBL shall take all such actions, steps and proceedings as are reasonably within its control as may be necessary to ensure that the conditions listed below are fulfilled at or before the Closing Time.

(a) The representations and warranties of MBL contained in section 26 shall be true and correct, in all material respects, at the Closing.

(b) Each of MRDM, CPN and MBL shall have received any and all required consents or approvals, including without limitation, third Person consents and all governmental or regulatory consents in any applicable jurisdiction, including without limitation, the consent of the TSX, if applicable, with respect to the obligations of MRDM and CPN hereunder and under the other Purchase

Documents and the same shall remain in full force and any and all applicable waiting periods under applicable legislation or otherwise shall have expired.

(c) MRDM shall have received requisite approval from the Central Bank of Brazil (*Banco Central do Brasil*) with respect to the Transaction.

(d) MRDM shall have received a favourable withholding tax opinion from MRDM's legal counsel relating to the proposed structure of the Transaction and its rights and obligations under this Agreement, which shall be in form and substance satisfactory to MRDM.

(e) MRDM shall have received all such other assurances, consents, agreements, documents and instruments as may be reasonably required by MRDM to complete the Transaction, all of which shall be in form and substance satisfactory to MRDM, acting reasonably.

If any condition contained in this section 7 has not been fulfilled at or before the Closing Time or if any such condition is or becomes impossible to satisfy, then if MRDM and CPN are unwilling to waive the fulfillment of any such condition, this Agreement shall be terminated and each of the Parties shall be released from all of its obligations hereunder save and except for obligations arising under sections 24, 25, 31 and 33.

8. Second Upfront Payment Conditions.

MBL shall not be obligated to make the Second Upfront Payment unless, at or before the Second Upfront Payment Date, each of the Second Upfront Payment Conditions has been satisfied or waived in writing by MBL, it being understood that the said conditions are included for the exclusive benefit of MBL. MRDM and CPN shall take all such actions, steps and proceedings as are reasonably within their respective control as may be necessary to ensure that the Second Upfront Payment Conditions are fulfilled at or before the Second Upfront Payment Date.

9. Expansion Area Option.

(a) CPN and MRDM do hereby give and grant to MBL, for and on behalf of themselves and their respective affiliates, the sole, exclusive and irrevocable right and option during the Term to additionally purchase Payable Au from each Expansion Area (each, an "**Expansion Area Option**"). Each Expansion Area Option shall be exercisable in accordance with the terms and conditions of this section if:

(i) CPN and/or MRDM has received board approval for the development of an Expansion Area; and

(ii) a Technical Report has been prepared for the applicable Expansion Area,

(together, the "**Expansion Area Option Trigger**").

(b) CPN and MRDM shall provide MBL with (i) a notice that a Technical Report has been commissioned with respect to any potential Expansion Area within 5 Business Days of such Technical Report being commissioned and (ii) a copy of any Technical Report that is produced in relation to any potential Expansion Area within 5 Business Days of its delivery to CPN or MRDM.

(c) CPN and MRDM agree not to commence production of Au from any Expansion Area prior to giving MBL a Development Notice (hereinafter defined) in relation to the applicable Expansion Area, other than in connection with trial or test mining considered necessary in connection with the Technical Report, nor to do any act or thing or to omit to do any act or thing intended to delay triggering an Expansion Area Option or to delay or postpone MBL's rights under this section 9.

(d) CPN and MRDM shall provide MBL with written notice that an Expansion Area Option Trigger has occurred (each, a "**Development Notice**"), together with a copy of the Technical Report for the applicable Expansion Area. Each Development Notice shall set out the Additional Upfront Payment for the Payable Au produced from the applicable Expansion Area, determined in accordance with subsection 9(g) and the calculations with respect thereto.

(e) MBL shall have the right to exercise each Expansion Area Option by delivery to MRDM of a written notice of its intention to exercise (each, an "**Exercise Notice**") within 30 days of the date of the delivery to MBL of a Development Notice. If no Exercise Notice has been delivered to MRDM within such 30 day period, MBL shall have no further right to exercise the Expansion Area Option with respect to the Expansion Area to which such Development Notice relates unless both of the following conditions are met:

(i) MRDM and/or CPN have not, within 12 months of MBL's receipt of such Development Notice, obtained committed project financing and/or equity financing sufficient to complete the development, construction, start-up, commissioning and commencement of operation of such Expansion Area; and

(ii) a further Expansion Area Option Trigger occurs with respect to such Expansion Area.

(f) If MBL delivers an Exercise Notice, the Parties shall negotiate and enter into a binding agreement (the "**Expansion Agreement**"), either as an amendment to this Agreement or as a separate agreement having terms and conditions, in form and substance, similar to this Agreement, with respect to MBL's participation in the Expansion Area, subject to, *inter alia*, the matters set forth in paragraphs (i) through (iv) below. The Parties shall use commercially reasonable efforts to achieve the closing of the applicable Expansion Area Option within 60 days of the date of receipt by MRDM (pursuant to the terms hereof) of the applicable Exercise Notice, or such longer period as MBL may advise CPN and MRDM in writing that it requires to complete the Due Diligence Investigations using

commercially reasonable efforts or as may be required by the parties to settle the Expansion Agreement, provided that the following conditions have been satisfied or waived by MBL, such conditions being solely for the benefit of MBL:

(i) CPN and MRDM shall have permitted MBL to conduct the Due Diligence Investigations;

(ii) the Mortgages and the Security Agreements shall have been amended and supplemented in accordance with subsection 28(b), as applicable;

(iii) MBL shall be fully satisfied with the results of the Due Diligence Investigations, including without limitation, being satisfied that CPN and/or MRDM shall have received all requisite Permits and been granted all requisite Concessions in order to commence mining the applicable Expansion Area; and

(iv) MBL shall be satisfied that MRDM or its affiliates (if any such affiliates will be involved in operating the applicable Expansion Area) have all the corporate power and authority to commence mining the applicable Expansion Area.

Within such 60 day period or such aforementioned longer period, MBL shall advise CPN and MRDM whether such conditions have been satisfied or are to be waived. If the conditions have been satisfied or waived, MBL shall also notify CPN and MRDM in writing of the closing date which must be within the 60 day period or such aforementioned longer period and shall be no earlier than five Business Days after receipt by CPN and MRDM of the notice designating the date of closing. If MBL does not advise CPN and MRDM within such 60 day period or such aforementioned longer period, that the conditions set forth in this subsection 9(f) have been satisfied or waived by MBL, the applicable Expansion Area Option shall terminate and be of no further force or effect. CPN and/or MRDM shall thereafter be entitled to enter into other arrangements of any nature or kind whatsoever, to finance development and construction of the applicable Expansion Area, including without limitation, one or more Au stream agreements (subject to section 29 of this Agreement) and MBL shall no longer have any right to purchase Payable Au from such Expansion Area under this Agreement. For clarity and without limitation, MBL shall retain the Expansion Area Option with respect to all other Expansion Areas.

(g) Subject to the proviso below in this subsection 9(g) and to the requirements set out in subsection 9(h), to purchase the Payable Au from any Expansion Area, MBL shall be required to remit to MRDM an additional upfront payment (each, an "**Additional Upfront Payment**") equal to 6.25% of the aggregate of the capital expenditures estimated in the Technical Report to be required to construct and develop the Expansion Area, including reasonable contingencies noted therein incurred or required to be incurred, as outlined in the Technical Report with respect to the development and construction of the applicable Expansion

Area (collectively, the "**Expansion Capital Expenditures**"), multiplied by the Additional Upfront Payment Factor; provided that, if, at the time MBL exercises its Expansion Area Option with respect to such Expansion Area, MRDM has not delivered at least 80% of the Payable Au from the original AOI scheduled to be delivered to MBL at such time under the LOMP agreed at the time of Closing, MBL shall be entitled to defer payment of such Additional Upfront Payment until such time as the aggregate volume of Payable Au from the original AOI delivered to MBL is equal to 100% of the Payable Au from the original AOI scheduled to be delivered, as at such time, to MBL under the LOMP agreed at the time of Closing.

(h) If MBL exercises an Expansion Area Option and the conditions set forth in subsection 9(f) have been fulfilled to the satisfaction of MBL (or waived in whole or in part by MBL), on closing of the exercise of an Expansion Area Option, CPN and MRDM shall deliver to MBL an Expansion Certificate, and after CPN shall have provided proof to MBL, acting reasonably, that CPN and/or MRDM or their respective affiliates have sufficient financing, net of the Additional Upfront Payment (but only if MRDM is then entitled to receive the same), required to attain the Commencement of Commercial Operation of the applicable Expansion Area, the Parties will execute and deliver the Expansion Agreement and take such other actions and steps to give effect to the exercise of the Expansion Area Option and, subject to the proviso in subsection 9(g), MBL will pay the Additional Upfront Payment to CPN and MRDM by wire transfer, in immediately available funds.

(i) If MBL exercises an Expansion Area Option and CPN and/or MRDM have not expended an amount equal to the Expansion Capital Expenditures on the applicable Expansion Area, at the time of Commencement of Commercial Operation of the Expansion Area, MRDM and/or CPN shall, upon the Commencement of Commercial Operation of the applicable Expansion Area, adjust MBL's pro rata share of Expansion Capital Expenditures and remit to MBL its pro rata share of the unexpended portion thereof, to the extent payment of such amounts by MBL is not deferred pursuant to subsection 9(g).

(j) If, during the Term, within any Expansion Area in respect of which MBL has previously exercised its Expansion Area Option and made all required payments in respect of the same to the extent required hereunder, CPN and/or MRDM shall determine to proceed to develop and mine an additional mineable deposit (the "**Deposit**"), such Expansion Area shall be deemed to include the Deposit and MBL shall be entitled to complete the purchase of Payable Au from the Deposit by paying the Final Instalment for each delivery thereof throughout the remaining Term, in each case, without the requirement for any additional upfront payment or any further or other act or formality by any Party, unless, prior to the commencement of the development of the Deposit, the life of mine plan or plans for such Expansion Area and the Deposit indicate that not less than 65% of the ounces of Au projected to be produced from such Expansion Area are projected to

be produced from the Deposit, in which event, the provisions of section 9 shall apply with respect to the Deposit as if it were an additional Expansion Area.

(k) If for any reason, (including, without limitation, as a result of any change in the regulations issued by the Central Bank of Brazil), payment of the Additional Upfront Payment cannot be made to MRDM in a form or substance that is consistent with the payment of the Upfront Payments hereunder, or the Expansion Agreement cannot be entered into on terms and conditions in form and substance substantially similar to the terms of this Agreement, MRDM and CPN will enter into negotiations with MBL in good faith to find a mutually acceptable alternative structure or transaction to what is contemplated under this section 9 that achieves substantially the same economic outcomes and commercial benefits for each of MRDM, CPN and MBL as is contemplated by this section 9.

10. Completion Guarantee.

Notwithstanding any other provision of this Agreement, if during the period from July 1, 2013 to June 30, 2014, the AOI has not produced a minimum of 80,000 ounces of Refined Au (that is, 5,000 ounces of Payable Au to be delivered to MBL), then at the option of MBL, in its sole and unfettered discretion, upon five Business Days prior written notice to MRDM and CPN, MBL shall have the right to require MRDM and CPN, jointly and severally, to forthwith, without set-off, deduction or defalcation, refund to MBL an amount (the "**Completion Guarantee Refund Amount**") equal to that percentage of the Upfront Payment which is equal to the percentage of underproduction of Refined Au over such 12 month period compared with that which was projected for such 12 month period as set out in the LOMP agreed at the time of Closing.

Notwithstanding the foregoing, if any Completion Guarantee Refund Amount becomes due to MBL under this section, and at such time both CPN and MRDM are in violation or default of any debt covenant under the credit, debt or loan facility for the Project Debt, or the payment of such amounts by CPN and/or MRDM would each constitute a default under such credit, debt or loan facility, then MRDM and CPN shall have the right to defer payment of such Completion Guarantee Refund Amount to MBL until the later of the date upon which such violation or default of such credit, debt or loan facility has been remedied and the date on which the amount owing to MBL may be paid by CPN and/or MRDM without constituting a default under such credit, debt or loan facility. Until paid in full to MBL, the Completion Guarantee Refund Amount shall bear interest at the Default Rate and such amount together with interest shall be secured by the Security. In the event of any dispute between the Parties with respect to this section, either Party shall have the right to elect to have the matter settled in accordance with the dispute resolution procedures set forth in section 25.

11. Covenants of MRDM.

MRDM (as guaranteed by CPN) covenants and agrees to and in favour of MBL as follows and acknowledges and agrees that MBL is relying on such covenants in executing and delivering this Agreement:

(a) CPN and/or MRDM shall use the Upfront Payments only to fund capital expenditures and other expenditures which, in each case, are required to construct and develop the Project and are consistent with the Project Budget as at the Closing Date or any amended Project Budget that is acceptable to MBL; provided that, up to US $1 million of the First Upfront Payment may be used to fund any general and administrative or corporate overhead costs and expenses of CPN and/or MRDM that have been approved by MBL.

(b) MRDM shall at all times have a duly authorized officer approve all ongoing dealings between MRDM and MBL under this Agreement.

(c) Throughout the Term, MRDM shall continue to comply in all material respects, with respect to the Project, with the provisions of all applicable Laws and the terms of the Project Tenements and applicable Permits.

(d) MRDM and CPN shall perform (or cause to be performed) all mining operations and activities in respect of the Project in a commercially prudent manner and in accordance with good mining, processing, engineering and environmental practices, Environmental Laws and other applicable Laws. In addition, MRDM and CPN shall mine and process ore from the Project (or cause the same to be mined or processed) in a manner consistent with industry standards and practices as would be expected by a reasonably prudent party receiving the Payable Au.

(e) MRDM shall, from time to time, provide MBL with copies of all consultant's reports, technical reports or independent studies with respect to the Project, the AOI or any Expansion Area, in each case, promptly after the same become available. In addition, MRDM shall promptly advise MBL in writing if any such report or study reveals material differences from the technical parameters concerning the Project outlined in the Bankable Feasibility Study for the Project dated 15 November 2011.

(f) Commencing with the fiscal year of MRDM in which the commissioning, start-up and commencement of operation of the Project occurs, MRDM will provide to MBL:

(i) within 45 days of the end of each fiscal quarter of MRDM, the unaudited consolidated quarterly financial statements of MRDM; and

(ii) within 90 days of the end of each fiscal year of MRDM, the audited consolidated annual financial statements of MRDM.

(g) MRDM shall provide to MBL, within 90 days of the end of each fiscal year of MRDM, an annual statement of reserves and resources for the Project, which, for greater certainty, shall contain updated information regarding Au reserves and resources, including inferred Au resources, for the Project.

(h) MRDM shall provide MBL, on a timely basis, with any information reasonably requested by MBL in relation to MRDM's financial condition and the

development, construction or operation and production of the Project and the Au produced therefrom.

(i) MRDM shall at all times maintain a Debt to EBITDA Ratio of no greater than 1.5 to 1.0, to be measured quarterly in arrears commencing with the fourth full fiscal quarter following the commissioning, start-up and commencement of operation of the Project.

(j) MRDM and CPN shall (i) take all actions in due course to fulfill any and all conditions established by the relevant Official Bodies under each Permit; and (ii) not permit any of the Project Tenements, the other Concessions, the Licences or the Permits, in each case, which are relevant and material or would reasonably be expected to be relevant and material to the Project, to be cancelled, revoked or suspended, and each of MRDM and CPN will keep MBL informed of all material reporting and other requirements relating to any of the foregoing Project Tenements, Concessions, Licences or Permits, including without limitation, all such requirements relating to the filing of exploration reports, extension approvals and other reports and filings, including those relating to the conversion of any Exploration Licence into a Mining Concession.

(k) MRDM and CPN shall not dispose of assets that are or are likely to be or become material to the development, construction, or operation of the Project without the prior written consent of MBL, except:

(i) the disposal of output (other than Payable Au) in the ordinary course of business; and

(ii) the disposal of tangible personal property, in the ordinary course of business and in accordance with sound industry practice, that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business.

(l) MRDM and CPN shall ensure that before or at each date of delivery of Payable Au, MRDM has obtained the appropriate exporter registration (*registro de exportador*) with the Brazilian Foreign Trade Integrated System – SISCOMEX.

(m) MRDM and CPN shall ensure that all required filings, declarations, registrations and approvals with the Central Bank of Brazil (*Banco Central do Brasil*), including all filings in connection with any modification, restatement and/or amendment of the Anticipated Delivery Schedule pursuant to paragraph 3(f)(ii), are at all times during the Term duly filed, registered, complied with and obtained in a timely manner.

(n) MRDM and CPN shall, from time to time, execute and deliver, or shall cause to be executed and delivered, all such amendments to the Security and all supplemental mortgages, pledges, assignments and other security agreements as may be required to ensure that the Secured Assets (including any property and

assets of MRDM acquired, developed or constructed from time to time) are and remain subject to valid and enforceable Encumbrances having the priority contemplated under this Agreement (subject only to Permitted Encumbrances) in favour of MBL as continuing collateral security for the performance and payment of the obligations of MRDM to MBL hereunder and shall, at their expense, translate, register, file or record the Security in all offices where such registration, filing or recordation is necessary or of advantage for the creation, perfection and preserving of the security intended to be created thereby.

(o) MRDM shall not grant or permit to exist any security or Encumbrance over the Secured Assets or any of its other assets, in each case, without MBL's prior written consent, other than Permitted Encumbrances.

(p) MRDM (as guaranteed by CPN) shall ensure that all Payable Au delivered to MBL pursuant to the terms of this Agreement will be free and clear of all Encumbrances at the time the same is so delivered.

(q) Each of CPN and MRDM shall promptly give written notice to MBL as soon as it becomes aware of any of the following:

(i) a Default or MRDM Event of Default; and

(ii) a Material Adverse Change.

12. Covenants of CPN.

(a) CPN shall not reduce, directly or indirectly, its beneficial ownership interest in any of the other Guarantors or MRDM, and shall procure that the each of the Guarantors shall not reduce, directly or indirectly, its beneficial ownership interest in the other Guarantors and MRDM without the prior written consent of MBL, not to be unreasonably withheld; provided that MBL will be deemed to have acted reasonably in withholding its consent to any such reduction which would not preserve MBL's rights and remedies hereunder and under the other Purchase Documents on terms and conditions acceptable to MBL, acting reasonably.

(b) CPN shall provide to MBL, on a timely basis, with all material information provided by CPN to the TSX from time to time.

13. Monthly Reports and Annual Reports.

(a) Commencing on the Closing Date until the completion of the development and construction, and the commissioning, start-up and commencement of operation of the Project, MRDM shall deliver a Monthly Progress Report, on or before the fourteenth day of each calendar month, for the preceding month.

(b) Commencing on the Closing Date and during the Term, MRDM shall deliver to MBL an annual Project Budget on or before 30 days prior to the last day of each calendar year for the ensuing calendar year. MRDM shall provide MBL with at

least 15 Business Days prior written notice of any proposed amendments to any Project Budget, the Project Schedule or the LOMP (including the life of mine model included therein) prior to the same being implemented and shall represent and warrant to and in favour of MBL in such notice that any such proposed amendments will not have a material adverse effect on the net present value of the anticipated stream of Payable Au which MBL is entitled to purchase thereafter pursuant to the terms of this Agreement or result in a Material Adverse Change. MRDM shall periodically update the LOMP to reflect changes in the extent of the Au reserves at the Project. MRDM shall update the Project Schedule periodically to reflect changes to the status of the projected completion of the development and construction, and the commissioning, start-up and commencement of operation of the Project.

(c) During the Term, from and including the calendar month in which the commissioning, start-up and commencement of operation of the Project is achieved, MRDM shall deliver to MBL a Monthly Report on or before the seventh Business Day after the last day of each calendar month.

(d) During the Term, MRDM shall deliver to MBL an Annual Report, on or before 30 days after the last day of each calendar year.

(e) MBL shall have the right to dispute an Annual Report in accordance with the provisions of this section 13. If MBL disputes an Annual Report:

(i) MBL shall notify MRDM in writing within 90 days from the date of delivery of the applicable Annual Report that it disputes the accuracy of that Annual Report (or any part thereof) (the "**Annual Report Dispute Notice**");

(ii) MBL and MRDM shall have 30 days from the date the Annual Report Dispute Notice is delivered by MBL to resolve the dispute. If MBL and MRDM have not resolved the dispute within the 30 day period, MBL shall have the right to require MRDM to deliver a report prepared by an auditor with respect to the dispute in question (the "**Auditor's Report**");

(iii) if the Auditor's Report concludes that the actual number of ounces of Payable Au varies by five per cent or less from the number of ounces of Payable Au set out in the Annual Report, then the cost of the Auditor's Report shall be for the account of MBL;

(iv) if the Auditor's Report concludes that the number of ounces of Payable Au varies by more than five per cent from the number of ounces of Payable Au set out in the Annual Report, then the cost of the Auditor's Report shall be for the account of MRDM; and

(v) if either MBL or MRDM disputes the Auditor's Report and such dispute is not resolved between the Parties within ten days after the date of delivery

of the Auditor's Report, then such dispute shall be resolved by the dispute mechanism procedures set forth in section 25.

(f) If MRDM does not deliver a Monthly Report or an Annual Report as required pursuant to this section, MBL shall have the right to perform or to cause its representatives or agents to perform, at the cost and expense of MRDM, an audit of MRDM's books and records relevant to the production and delivery of Payable Au produced during the calendar month or calendar year in question (the "**MBL Audit**"). MRDM shall grant MBL or its representatives or agents access to all such books and records on a timely basis. In order to exercise this right, MBL must provide not less than seven days' written notice to MRDM of its intention to conduct the MBL Audit. If within seven days of receipt of such notice, MRDM delivers the applicable Monthly Report or Annual Report, as the case may be, then MBL shall have no right to perform the MBL Audit. If MRDM delivers the applicable Monthly Report or Annual Report, as the case may be, before the delivery of the MBL Audit, the applicable Monthly Report or Annual Report, as the case may be, shall be taken as final and conclusive, subject to the rights of MBL as set forth in subsection 13(e). Otherwise, absent any manifest or gross error in the MBL Audit, the MBL Audit shall be final and conclusive and MRDM shall not have the right to dispute its findings.

14. Delivery of Minerals, Payments and Documentation in respect of Off-take.

(a) During the Term, MRDM and/or CPN shall be a party to the Off-take Agreements and MRDM shall be responsible for delivering all Minerals that include Au to each Off-taker, in such quantity, quality, description and amounts and at such times and places as required under and in accordance with each Off-take Agreement. MRDM and CPN shall use their best efforts to ensure that all Minerals derived from the Project are processed in a prompt and efficient manner that is consistent with the terms of this Agreement. MRDM shall notify MBL in writing that a Lot is being delivered to an Off-taker at least one Business Day before the Lot leaves the premises of MRDM. MRDM shall promptly deliver to MBL once available and/or prepared, copies of all documents, certificates and instruments pertaining to each Lot, including without limitation, all invoices, credit notes, bills of lading, certificates indicating MRDM's provisional shipped moisture content and provisional shipped assays and any and all documentation prepared or produced by the Off-taker in respect of the Au, including without limitation, all analyses and assays.

(b) All Off-take Agreements maintained or entered into by MRDM and/or CPN shall be on arm's length commercial terms with Persons who are not Brazilian and are located outside of Brazil and on terms consistent with ordinary industry practices with respect to the payable adjustment factor and on terms which permit compliance with the other requirements of this section 14, including without limitation, the issuance and compliance with Standing Instructions. MBL shall have the right to review and approve proposed, existing or future Off-take Agreements and other purchase agreements and any amendments thereto, and

upon MBL's reasonable request, to review all other documentation issued pursuant to or in connection with or related to the calculation of Payable Au under all such agreements.

(c) All Deductions relating to each Lot shall be borne by MRDM and/or CPN, as applicable.

(d) All deliveries of Minerals shall be made free and clear of any and all withholdings or deductions for, or on account of any present or future Taxes imposed or levied on such delivery by or on behalf of any Official Body having power and jurisdiction to tax and for which MRDM and/or CPN, as applicable, is required in law to withhold or deduct and remit to such Official Body.

(e) MRDM shall not be required to deliver Refined Au from the Project to MBL, and MRDM's obligations to deliver Refined Au hereunder may be satisfied by delivery of any LBMA good delivery bars in the relevant quantity to the Bullion Account.

(f) MRDM acknowledges and agrees (as guaranteed by CPN) that it will provide an irrevocable standing instruction (the "**Standing Instruction**") to each Off-taker, in form and content acceptable to MBL, acting reasonably, to deliver the Payable Au to the Bullion Account, as agent for and on behalf of MRDM (the "**Standing Instruction Operation**"). Subject to section 17, MRDM (as guaranteed by CPN) shall use its reasonable commercial efforts to procure that each Off-taker delivers an acknowledgement to MBL (the "**Off-taker Acknowledgement**") of the Security held by MBL over the Secured Assets, that such Off-taker shall at all times act in accordance with the Standing Instruction and otherwise in form and content acceptable to MBL, acting reasonably. MRDM shall deliver to MBL a copy of the Standing Instruction as and when the same is delivered to each Off-taker as well as a copy of the Off-taker Acknowledgement as and when it shall be in receipt of the same. At the request of MRDM and in lieu of an Off-taker Acknowledgement, MBL will enter into a tripartite agreement with any Off-taker and the holder of the Project Debt with respect to deliveries of Minerals for processing and sale, on terms consistent with the Standing Instruction and the foregoing requirements for Off-taker Acknowledgements, and which tripartite agreement may recognize the priority of such holder's security over the Secured Assets (other than any Payable Au), provided such agreement recognizes MBL's right to purchase and receive the Payable Au prior to any other sale or other disposition of Refined Au.

(g) MRDM shall issue waybills (the "**MRDM Waybills**") to each Off-taker for the processing and sale of Minerals by such Off-taker (as export agent of MRDM). Provided that there is no MBL Event of Default, MRDM shall issue a letter to the Off-taker concurrently with the delivery of each MRDM Waybill reiterating the directions set out in the Standing Instruction in respect of the Lot(s) to which each such MRDM Waybill pertains (the "**MRDM Letters**"). During the Term, the MRDM Waybills shall relate to the Mineral content thereof with respect to each

Lot and shall contain all Deductions for and in respect of any and all Au pertaining to the Au contained in each Lot to which each MRDM Waybill relates.

(h) MBL shall have the right by written notice (the "**Delivery Dispute Notice**") to MRDM to dispute the amount of the Payable Au (a "**Payable Au Dispute**"), delivered to the Bullion Account, as being less than the amount to which it is entitled, based on the Monthly Report and/or the MRDM Waybills. The Delivery Dispute Notice shall include a certification of a senior officer of MBL stating among other things, the number of ounces of Payable Au delivered to the Bullion Account. If MBL and MRDM are unable to resolve any dispute with respect thereto, either Party shall have the right to elect to have the matter settled in accordance with the dispute resolution procedures set forth in section 25. Default Interest shall accrue daily on the undelivered amount of Payable Au from and including the date delivery was due to and excluding the date MBL receives the disputed Payable Au, to which it is entitled, and shall be payable monthly in arrears.

(i) MRDM shall issue an invoice to MBL (the "**MRDM Invoice**") for payments required to be made by MBL on account of the Payable Au at the same time as MRDM receives Refined Au from the Off-taker into MRDM's metal account for the applicable Lot(s) delivered to the Off-taker. MBL shall initiate a cash wire transfer payment of the Final Instalment to MRDM pursuant to the MRDM Invoice for and in respect of the Payable Au promptly and in any event no later than three Business Days following the end of a calendar week in which the Payable Au is delivered to the Bullion Account by the Off-taker (for and on behalf of MRDM) pursuant to the Standing Instruction. As soon as it is in receipt of the same, MBL shall provide to MRDM the tracking information with respect to any such wire transfer payment.

(j) MBL shall have the right by delivery of a written notice (the "**Invoice Dispute Notice**") to MRDM to dispute the MRDM Invoice as reflecting greater than the amount which MBL is obligated to pay. The Invoice Dispute Notice shall include a certification of a senior officer of MBL setting out its calculation of the Final Instalment pursuant to the MRDM Invoice in reasonable detail. If MBL and MRDM are unable to resolve any dispute with respect thereto, either Party shall have the right to elect to have the matter settled in accordance with the dispute resolution procedures set forth in section 25.

(k) Subject to subsection 14(n), if MBL does not initiate a cash wire transfer payment of the MRDM Invoice to MRDM within 10 Business Days after the calendar week in which the Payable Au (the "**Default Payable Au**") has been delivered to the Bullion Account, all as contemplated by subsection 14(i) (an "**MBL Event of Default**"), MRDM shall be entitled to deliver to the Off-taker a notice of Standing Instruction Divergence (the "**Standing Instruction Divergence Notice**"), on the 10th Business Day following the date MRDM gives notice to MBL of an MBL Event of Default. The Standing Instruction Divergence Notice shall include an irrevocable direction to and in favour of the Off-taker from MRDM that the

Retained Payable Au is not to be dealt with other than as contemplated in subsections 14(l) and 14(m). For greater certainty and without limitation, if MBL disputes that there has been an MBL Event of Default, MBL shall be entitled to submit the dispute to the dispute resolution procedures set forth in section 25. Default Interest shall accrue daily on the unpaid amount of the Final Instalment that is ultimately determined to be payable from and including the date that payment was due to and excluding the date that MRDM receives the disputed payment to which it is entitled, and shall be payable monthly in arrears.

(l) The Standing Instruction shall provide, among other things, that in the event there has been an MBL Event of Default, upon receipt of a Standing Instruction Divergence Notice from MRDM, the Off-taker shall not subsequently deliver Payable Au, as agent for and on behalf of MRDM to the Bullion Account (the "**Standing Instruction Divergence**"), but, subject to subsections 14(m) and 14(o), such Payable Au shall remain in the metals account of MRDM maintained with the Off-taker for a minimum period of three months (as contemplated by subsection 14(m)) (the "**Retained Payable Au**"). The retention of Retained Payable Au shall continue until the date that the Off-taker shall receive a Resumption Notice in accordance with subsection 14(o).

(m) If an MBL Event of Default occurs and is continuing for a period of three months, on the third Business Day after written notice has been delivered to MBL, MRDM shall be entitled to sell to an arm's length third party the Retained Payable Au by way of instruction to the Off-taker (which instruction shall be contemporaneously forwarded to MBL). MRDM shall be entitled to receive: (i) the Final Instalment in respect of the Retained Payable Au, (ii) the balance of the Final Instalment owing for the Default Payable Au, and (iii) Default Interest. MRDM (as guaranteed by CPN) shall pay the balance of any such sale proceeds received to MBL promptly and in any event no later than three Business Days following the date that MRDM receives the proceeds from the sale of the Retained Payable Au. Within such same three Business Day period, MRDM (as guaranteed by CPN) shall cause the Off-taker to provide to MBL an accounting of the sale of the Retained Payable Au.

(n) If MBL has delivered a Delivery Dispute Notice or an Invoice Dispute Notice to MRDM, until the matter has been resolved between the Parties or pursuant to the dispute resolution procedures set out in section 25, MBL shall not be considered to have committed an MBL Event of Default if MBL has:

(i) in the case of a Payable Au Dispute, initiated a cash wire transfer payment of the Final Instalment to MRDM in respect of the Payable Au received by MBL, if any, as certified in the Delivery Dispute Notice; or

(ii) in the case of an Invoice Dispute, initiated a cash wire transfer payment of the Final Instalment, as certified in the Invoice Dispute Notice, to MRDM in respect of the Payable Au received by MBL.

(o) Within one Business Day of MRDM receiving payment in full for the Default Payable Au, including Default Interest pursuant to subsection 14(k), MRDM (as guaranteed by CPN) covenants to give written notice to the Off-taker to resume delivery of the Payable Au to MBL under the Standing Instruction and to deliver any Retained Payable Au held in the MRDM metals accounts to the Bullion Account as agent for and on behalf of MRDM (the "**Resumption Notice**"). MBL shall make payment to MRDM for any Retained Payable Au in accordance with the provisions of subsection 14(i). MRDM and MBL agree to act in good faith with respect to the delivery of the Resumption Notice to the Off-taker and in such regard, MRDM (as guaranteed by CPN) agrees that upon the termination or other rectification of the MBL Event of Default, as provided in this subsection 14(o), MRDM shall promptly execute and deliver to the Off-taker and MBL any such Resumption Notice.

(p) MRDM (as guaranteed by CPN) hereby agrees to indemnify MBL and its directors, officers and employees harmless from and against any and all Losses incurred or suffered by any of them arising out of or in connection with or related to any breach or default of this section 14.

(q) MBL hereby agrees to indemnify MRDM and its officers and employees harmless from and against any and all Losses incurred or suffered by any of them arising out of or in connection with or related to any breach or default of this section 14.

15. Title, Risk of Loss and Insurance.

(a) Title to all Payable Au contained in each Lot shall pass from MRDM to MBL immediately upon the delivery of the Payable Au from MRDM or the Off-taker (for and on behalf of MRDM) to the Bullion Account.

(b) Risk of loss or damage to all Au contained in each Lot shall at all times remain with MRDM (as guaranteed by CPN) until risk of loss or damage with respect to such Lot passes to the applicable Off-taker in accordance with the terms of the Off-take Agreement to which such Off-taker is a party.

(c) Insurance in respect of each Lot shall be covered by and shall be the responsibility of MRDM up to and until the time that risk of loss or damage with respect to each such Lot passes to the applicable Off-taker in accordance with the terms of the applicable Off-take Agreement. MRDM shall acquire and maintain adequate insurance for and in respect of each Lot in accordance with the terms of the Off-take Agreements (and normal industry standards and practice) during the Term and shall deliver proof of such insurance to MBL (including insurance obtained by each Off-taker) upon the written request of MBL. Insurance in respect of each Lot shall be covered by and shall be the responsibility of the applicable Off-taker at the time that risk of loss or damage passes to such Off-taker.

(d) In the event of a partial or total loss of a shipment of Minerals before title to Payable Au has passed from MRDM to MBL, MRDM (as guaranteed by CPN)

shall deliver to MBL, in care of the Bullion Account, such number of ounces of Au (the "**Lost Au ounces**") equal to the Payable Au contained in the Lot which was lost, without set-off, deduction or defalcation, within 30 days of the date that the Lost Au ounces would have been delivered to the Bullion Account in the ordinary course. Final settlements received by MRDM from an Off-taker with respect to the Lost Au ounces shall be used for the purposes of such calculation provided that if no such settlements have been received, the MRDM Waybills shall be used for the purposes of such calculation. MRDM, at its option, may make arrangements to satisfy the obligation to deliver Lost Au ounces from its retained Au production or via the acquisition of Au from an affiliate or third Persons. If there shall be a dispute with respect to this section which MBL and MRDM are unable to resolve, either Party shall have the right to elect to have the matter settled in accordance with the dispute resolution procedures set forth in section 25.

16. MRDM Events of Default and Early Termination.

(a) The Parties (MRDM and CPN acting as one Party for the purposes of this section) may terminate this Agreement at any time by mutual written consent. In addition, MBL shall have the right to terminate this Agreement, effective upon ten days' prior written notice to MRDM and CPN, if any of the following shall occur (each, an "**MRDM Event of Default**"):

(i) MRDM fails to deliver any amount of Payable Au due under the terms of this Agreement for any reason other than any one or more of the following:

(1) an Act of God or Force Majeure;

(2) a temporary shut down of the Project due to a Material Adverse Change referred to in subsection (a) of the definition thereof, which is beyond the control of MRDM and CPN; and

(3) the continued operation of the Project becoming uneconomic due to a material decrease in the market price of Au, for so long as such continued operation remains uneconomic;

(ii) any of the representations and warranties in section 27 or in the Letter Agreement shall prove to have been incorrect or misleading in any material respect on and as of the date made and MBL notifies MRDM and/or CPN of the same or, if capable of rectification, the facts or circumstances which make such representation or warranty incorrect or misleading are not rectified and the representation or warranty remains incorrect or misleading more than 30 days after MBL notifies MRDM and/or CPN of the same;

(iii) each of the Security Agreements and the Mortgages, together with the legal opinions with respect thereto as required under this Agreement, are not duly executed, delivered and perfected, as applicable, within 90 days of the Closing Date or such later date as MBL may agree in writing, taking into account delays in the ordinary course associated with the process of registration, filing or recordation of such Security;

(iv) MRDM or CPN defaults in any material respect in the performance of any of its respective covenants or obligations contained in this Agreement (except for covenants or obligations which are otherwise dealt with in paragraphs 16(a)(i) through (iii) and (vi) through (viii), but including, for certainty, any covenant or obligation under subsection 11(c), the breach of which is not referred to in paragraph 16(a)(vii)) and, if such default is susceptible of rectification, the same is not rectified to the reasonable satisfaction of MBL within 30 days after written notice to MRDM and CPN, or if such default is not susceptible of rectification within 30 days, but is susceptible of rectification within a longer period of reasonable duration not exceeding a further 30 days, MRDM and CPN have not promptly commenced to rectify the default within such 30 day period, and thereafter proceed diligently to rectify same;

(v) MRDM or CPN breaches any representation and warranty or defaults on any of its respective covenants or obligations under any other Purchase Document, the breach or default of which, pursuant to such Purchase Document, expressly constitutes an MRDM Event of Default hereunder;

(vi) an Insolvency Event occurs with respect to MRDM, CPN or any other Guarantor;

(vii) (A) MRDM and/or CPN is in default of the provisions of subsection 11(c) and has received notice from DNPM, COPAM and/or SUPRANMN or another applicable Official Body with respect to any default under the terms and conditions of the Mining Concession, the Exploration Licences and/or the Licences and MRDM and/or CPN has not forthwith provided MBL with a copy of such notice and allowed MBL to intervene on a reasonable basis to ensure that none of the Mining Concession, the Exploration Licences and the Licences is cancelled, or (B) the Mining Concession, any of the Exploration Licences and/or any of the Licences is cancelled; provided that, expiry of any Exploration Licence at the conclusion of its term will not constitute an MRDM Event of Default under this paragraph; or

(viii) in the opinion of MBL, acting reasonably, any of the Purchase Documents shall cease to be valid and binding or to have the priority they were intended to have under this Agreement.

(b) Without prejudice to any other right or remedy MBL may have pursuant to the other provisions of this Agreement, under applicable Laws, at common law in equity or otherwise, if an MRDM Event of Default as set forth in subsection 16(a) occurs and is continuing, MBL shall have the right, upon written notice to MRDM and CPN, at its option, to demand payment of the NPV Payment (together with Default Interest from the date of such MRDM Event of Default until payment in full of such NPV Payment). Upon demand from MBL, which demand shall include a calculation of the NPV Payment, MRDM (as guaranteed by CPN) shall promptly pay the NPV Payment, together with accrued Default Interest, in cash by wire transfer, in immediately available funds, to a bank account designated by MBL. For greater certainty and without limitation, in the event MRDM (as guaranteed by CPN) is required to pay the NPV Payment to MBL, the obligation of MRDM to pay the NPV Payment and any Default Interest thereon will be secured by the Security.

(c) Notwithstanding the occurrence of any of the MRDM Events of Default set forth in subsection 16(a), MBL may, in its sole and unfettered discretion, waive any such MRDM Event of Default, however any such waiver will be effective only in the specific instance for the specific purpose for which it was given and will not be deemed to be a waiver of any other rights and remedies of MBL under this Agreement or the other Purchase Documents.

(d) Notwithstanding the termination of this Agreement in accordance with the terms hereof, the Parties agree to fulfil and perform all of their respective covenants and obligations that arise prior to the date of termination.

(e) The Parties hereby acknowledge that: (i) MBL will be damaged by an MRDM Event of Default; and (ii) any sums payable or retainable pursuant to this section 16 are in the nature of liquidated damages, are a genuine pre-estimate of such damages and not a penalty, and are fair and reasonable.

17. Off-take Agreements.

(a) During the Term, MRDM shall notify MBL in writing when it commences negotiations to enter into an Off-take Agreement or Off-take Agreements for the processing or refinement of Minerals containing Au, from time to time. MRDM shall provide MBL with the proposed terms and conditions of any Off-take Agreement and/or subsequent amendments to the material terms and conditions of any Off-take Agreement. Each Off-take Agreement shall be on arm's length commercial terms, consistent with normal industry standards and practice. CPN and MRDM shall not enter into any Off-take Agreement nor amend or modify any Off-take Agreement if the terms and conditions of any such Off-take Agreement pertaining to the sale and purchase of Au would disadvantage MBL, as determined by MBL acting reasonably. MRDM shall negotiate with MBL to determine acceptable terms and conditions for the Off-take Agreement and/or Off-take Agreement amendment prior to the execution and delivery thereof. Any new, amended or modified Off-take Agreement shall not be in derogation of the

Standing Instructions and MRDM (as guaranteed by CPN) shall procure that the Off-taker execute and deliver to MBL within three Business Days of the execution and delivery of any such Off-take Agreement, an Off-taker Acknowledgement.

(b) MRDM (as guaranteed by CPN) hereby agrees to indemnify and hold MBL and its directors, officers and employees harmless from and against any and all Losses incurred or suffered by any of them arising out of or in connection with or related to any breach or default of this section. This subsection 17(b) shall survive the termination of this Agreement.

18. Guarantee of MRDM's Obligations by CPN.

(a) CPN hereby absolutely, unconditionally and irrevocably guarantees the prompt and complete observance and performance of all the terms, covenants, conditions, provisions and indemnifications to be observed or performed by MRDM pursuant to this Agreement. CPN shall perform such terms, covenants, conditions, provisions and indemnifications upon the default or non-performance thereof by MRDM.

(b) CPN shall indemnify and save MBL and its directors, officers and employees harmless from and against any and all Losses incurred or suffered by any of them arising out of or in connection with or related to any breach or default of this section. This subsection 18(b) shall survive the termination of this Agreement.

(c) Subject to the provisions of subsection 18(d) and section 22, CPN shall not Transfer all or any part of its obligations set forth in this section without the prior written consent of MBL.

(d) CPN shall not consolidate, amalgamate with, or merge with or into, or transfer all or substantially all its assets to, or reorganize, reincorporate or reconstitute into or as another entity unless, at the time of such consolidation, amalgamation, merger, reorganization, reincorporation, reconstitution or transfer, the resulting, surviving or transferee entity agrees to assume in favour of MBL all the obligations of CPN under this Agreement.

(e) The obligations of CPN under this section are continuing, unconditional and absolute and without limitation, and will not be released, discharged, limited or otherwise affected by (and CPN hereby consents to or waives, as applicable, to the fullest extent permitted by applicable Law):

(i) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any obligations guaranteed pursuant to this section (collectively, the "**MRDM Guaranteed Obligations**"), security, Person or otherwise;

(ii) any modification or amendment of or supplement to the MRDM Guaranteed Obligations, including any increase or decrease in the amounts payable thereunder;

(iii) any release, non-perfection or invalidity of any direct or indirect security for any of the MRDM Guaranteed Obligations;

(iv) any winding-up, dissolution, insolvency, bankruptcy, reorganization or other similar proceeding affecting MRDM or any other Person or its or their property;

(v) the existence of any claim, set-off or other rights which CPN may have at any time against MRDM, MBL or any other Person;

(vi) any invalidity, illegality or unenforceability relating to or against MRDM or any provision of applicable Law or regulation purporting to prohibit the payment by CPN of any amount in respect of the MRDM Guaranteed Obligations;

(vii) any limitation, postponement, prohibition, subordination or other restriction on the rights of MBL to payment of the MRDM Guaranteed Obligations (except for any postponements contemplated by this Agreement);

(viii) any release, substitution or addition of any co-signer, endorser or other guarantor of the MRDM Guaranteed Obligations;

(ix) any defence arising by reason of any failure of MBL to make any presentment, demand for performance, notice of non-performance, protest or any other notice, including notice of acceptance of this Agreement, partial payment or non-payment of any of the MRDM Guaranteed Obligations or the existence, creation or incurring of new or additional MRDM Guaranteed Obligations;

(x) any defence arising by reason of any failure of MBL to proceed against MRDM or any other Person, to proceed against, apply or exhaust any security held from MRDM or any other Person for the MRDM Guaranteed Obligations or to pursue any other remedy in the power of MBL whatsoever;

(xi) any law which provides that the obligation of a guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligation;

(xii) any defence arising by reason of any incapacity, lack of authority or other defence of MRDM or any other Person, or by reason of the cessation from any cause whatsoever of the liability of MRDM or any other Person in

respect of any of the MRDM Guaranteed Obligations, except as a result of the payment in full of the MRDM Guaranteed Obligations, or by reason of any act or omission of MBL or others which directly or indirectly results in the discharge or release of MRDM or any other Person or all or any part of the MRDM Guaranteed Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise;

(xiii) any defence arising by reason of any failure by MBL to obtain, perfect or maintain a perfected or prior (or any) security interest or Encumbrance upon any property of MRDM or any other Person, or by reason of any interest of MBL in any property, whether as owner thereof or the holder of a security interest or Encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by MBL of any right to recourse or collateral;

(xiv) any defence arising by reason of the failure of MBL to marshal any property;

(xv) any dealing whatsoever with MRDM or any other Person or any security;

(xvi) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against MRDM or any other Person, including any discharge of, or bar against collecting, any of the MRDM Guaranteed Obligations, in or as a result of any such proceeding; or

(xvii) any other act or omission to act or delay of any kind by MRDM, MBL or any other Person or any other circumstance whatsoever, whether similar or dissimilar to the foregoing, which might, but for the provisions of this subsection 18(e), constitute a legal or equitable discharge, limitation or reduction of the obligations of CPN hereunder (other than the payment or performance in full of all of the MRDM Guaranteed Obligations). To the extent permitted by applicable Law, the foregoing provisions of this subsection 18(e) apply (and the waivers set out therein will be effective) even if the effect of any action (or failure to take action) by MBL is to destroy or diminish any subrogation rights of CPN or any rights of CPN to proceed against MRDM for reimbursement or to recover any contribution from any other guarantor or any other right or remedy of CPN.

(f) MBL shall not be bound to exhaust its recourse against MRDM or any other Persons or to realize on any securities it may hold in respect of the MRDM Guaranteed Obligations before being entitled to payment or performance from CPN under this section and CPN hereby renounces all benefits of discussion and division.

19. Books; Records; Inspections.

MRDM shall keep true, complete and accurate books and records of all of its operations and activities with respect to the Project, including the processing of Minerals therefrom and the transportation of Minerals, prepared in accordance with Accounting Principles, consistently applied. Subject to the confidentiality provisions of this Agreement and in addition to the provisions of subsection 13(f), MBL and its authorized representatives shall be entitled to perform audits or other reviews and examinations of the books and records of MRDM relevant to the delivery of Minerals pursuant to this Agreement to confirm compliance by MRDM with the terms of this Agreement. MBL shall diligently complete any audit or other examination permitted hereunder. For greater certainty and without limitation, MBL shall have access to all documents provided by the Off-taker to MRDM or by MRDM to an Off-taker, as contemplated under the Off-take Agreements or which otherwise relate to the Minerals vis a vis the Off-taker and that are, in any manner, relevant to the calculation of Payable Au or the delivery and credit in respect thereof, in each instance. The expenses of any audit or other examination permitted in this section shall be paid by MBL, unless the results of such audit or other examination permitted in this section, disclose a discrepancy in calculations made by MRDM of equal to or greater than five percent, in which event the reasonable costs of such audit or other examination shall be paid by MRDM. MRDM shall contemporaneously furnish to MBL copies of all reports provided to the relevant Official Bodies in accordance with applicable Law.

20. Conduct of Mining Operations, etc.

(a) Subject to subsection 20(e), all decisions concerning methods, the extent, times, procedures and techniques of any processing operations related to the Project and materials to be introduced on or to the Project shall be made by MRDM in its sole and absolute discretion, subject to the provisions of section 11.

(b) MBL has no contractual rights relating to the development or operation of any of MRDM's operations, including without limitation, the Project or any of its properties and, except as contemplated in section 9, MBL shall not be required to contribute to any capital or expenditures in respect of operations at the Project. Except as provided in this Agreement, the Security Agreement and the Mortgages, MBL has no right, title or interest in and to the Project.

(c) Save and except as provided in section 10 and subsection 16(b), MBL is not entitled to any form or type of compensation or payment from MRDM if MRDM discontinues or ceases operations from the Project. Save and except as provided in section 10 and paragraph 16(a)(i), this Agreement shall in no way be construed or considered a guarantee as to the delivery of any amount of Payable Au from the AOI on an annual basis or over the life of the Project.

(d) During the Term, MRDM shall perform or cause to be performed all operations and activities, including production, processing and delivery operations and activities, in respect of the Project in accordance with the currently approved LOMP and otherwise in a commercially prudent manner and in accordance with

good processing, engineering and environmental practices. For greater certainty and without limitation, both short term and long term mine planning and operations shall be carried out with prices for Au that are consistent with industry practices (i.e. near spot prices for short term planning and operations and long-term expected prices for long-term planning).

(e) At reasonable times and with MRDM's prior consent (which shall not be unreasonably withheld or delayed), at the sole risk and expense of MBL, during the Term, MBL shall have a right of access by its representatives to the Project and any mill, smelter, concentrator or other processing facility owned or operated by MRDM, CPN and/or their respective affiliates and that is used to process Minerals for the purpose of enabling MBL to monitor compliance by MRDM and/or CPN with the terms of this Agreement.

(f) MRDM shall ensure that all Au is produced from the Project in a prompt and timely manner. If MRDM wishes to commingle the Minerals produced from the Project with other Minerals, the same shall be subject to the prior written approval of MBL, acting reasonably, provided that MBL is satisfied that it shall not be disadvantaged as a result of such commingling and further provided that a method is agreed upon by MBL and MRDM to determine the quantum of Refined Au produced from the Project.

21. Covenant Regarding Corporate Existence.

Each of MRDM and CPN shall at all times during the Term do and cause to be done all things necessary to maintain its respective corporate existence. MRDM (as guaranteed by CPN) shall at all times during the Term do all things necessary to maintain the Project in good standing including paying all Taxes owing in respect thereof. During the Term, MRDM (as guaranteed by CPN) shall not abandon any of the mining rights forming a part of the Project unless MRDM provides evidence satisfactory to MBL, acting reasonably, that it is not economical, as at the date of determination, to produce Minerals from the applicable mining rights forming a part of the Project that MRDM proposes to abandon.

22. Restricted Transfer Rights of MRDM.

During the Term, MRDM may not Transfer, in whole or in part: (i) the Project; or (ii) its rights and obligations under this Agreement; in each case, unless the following conditions are satisfied and, upon such conditions being satisfied in respect of such Transfer (other than a Transfer under subsection 22(d) below), each of MRDM and CPN (as contemplated in subsection 18(c)) shall be released from its obligations under this section:

(a) MRDM shall provide MBL with at least ten Business Days prior written notice of its intent to Transfer;

(b) any purchaser, transferee or assignee shall have, in the opinion of MBL, acting reasonably, the financial, operational and technical capability to produce similar amounts of Au from the AOI and to observe and perform the covenants, agreements and obligations of MRDM and CPN on a consolidated basis under this Agreement, and shall otherwise be acceptable to MBL, acting reasonably;

(c) any purchaser, transferee or assignee agrees in writing in favour of MBL to be bound by the terms of this Agreement, including without limitation, this section; and

(d) any transferee that is a mortgagee, chargeholder or encumbrancer (including, for certainty, any lender or holder of Project Debt and, if applicable, their agents) agrees in writing in favour of MBL to be bound by and subject to the terms of this Agreement in the event it takes possession of or forecloses on all or part of the Project or any of the mining operations carried on by MRDM on or in respect of the Project and undertakes to obtain an agreement in writing in favour of MBL from any subsequent purchaser or transferee of such mortgagee, chargeholder or encumbrancer that such subsequent purchaser or transferee will be bound by the terms of this Agreement, including without limitation, this section.

23. Transfer Rights of MBL.

During the Term, MBL shall have the right to Transfer, in whole or in part, its rights and obligations under this Agreement, upon the provision of ten Business Days prior written notice to MRDM, whereupon MBL shall be released from its obligations under this Agreement.

24. Confidentiality.

(a) Subject to subsection 24(b), neither MBL nor MRDM and CPN, (MRDM and CPN acting as one Party for the purposes of this section) shall, without the express written consent of the other Party (which consent shall not be unreasonably withheld or delayed), disclose any non-public information in respect of the terms of this Agreement or otherwise received under or in conjunction with this Agreement, other than to its affiliates or its and its affiliates' respective employees, agents, bankers and/or consultants and/or requisite regulatory authorities in connection with the procurement of consents and approvals contemplated hereunder. Neither Party shall issue any press releases concerning the terms of this Agreement without the consent of the other Party after the other Party has first reviewed the terms of such press release. Each Party agrees to reveal such information only to its affiliates or its and its affiliates' respective employees, agents, bankers and/or consultants who need to know, who are informed of the confidential nature of the information and who agree to be bound by the terms of this section 24 or are subject to confidentiality obligations substantially the same as those set out in this section 24. In addition, neither Party shall use any such information for its own use or benefit except for the purpose of enforcing its rights under this Agreement.

(b) Notwithstanding the foregoing: (i) each Party shall be entitled to file a copy of this Agreement under its profile on SEDAR (subject to such redactions as may be mutually agreed to by the Parties); and (ii) each Party may disclose information obtained under this Agreement if required to do so for compliance with applicable Laws, rules, regulations or orders of any Official Body or stock exchange having jurisdiction over such Party or to allow a current or potential *bona fide* provider of finance to conduct due diligence provided that the other Party shall be given the right to review and object to the data or information to be disclosed prior to any public release subject to any reasonable changes proposed by such other Party.

25. Arbitration.

(a) In the event of a dispute in relation to this Agreement, including without limitation, the existence, validity, performance, breach or termination thereof or any matter arising therefrom, including whether any matter is subject to arbitration, the Parties agree to negotiate diligently and in good faith in an attempt to resolve such dispute. For the purposes of this section, MRDM and CPN act as one Party.

Failing resolution satisfactory to either Party, either Party may request that the dispute be resolved by binding arbitration, conducted in English, in Toronto, Ontario. *The Arbitration Act* 1991 (Ontario), as may be amended from time to time, shall apply to such proceedings.

(b) To demand arbitration, either Party (the "**Demanding Party**") shall give written notice (the "**Arbitration Dispute Notice**") to the other Party (the "**Responding Party**"), which Arbitration Dispute Notice shall toll the running of any applicable limitations of actions by law or under this Agreement. The Arbitration Dispute Notice shall specify the nature of the allegation and issues in dispute, the amount or value involved (if applicable) and the remedy requested. Within 15 Business Days of receipt of the Arbitration Dispute Notice, the Responding Party shall answer the demand in writing, responding to the allegations and issues that are disputed.

(c) The Demanding Party and the Responding Party shall each select one qualified arbitrator within five Business Days of the Responding Party's answer. Each of the arbitrators shall be a disinterested person qualified by experience to hear and determine the issues to be arbitrated. The arbitrators so chosen shall select a neutral arbitrator within five Business Days of their selection.

(d) No later than 15 Business Days after hearing the representations and evidence of the Parties, the arbitrators shall make their majority determination in writing and shall deliver one copy to each of the Parties. The written decision of the arbitrators shall be final and binding upon the Parties in respect of all matters relating to the arbitration, the procedure, the conduct of the Parties during the proceedings and the final determination of the issues in the arbitration. There shall be no appeal from the determination of the arbitrators to any court. The

decision rendered by the arbitrators may be entered into any court for enforcement purposes.

(e) The arbitrators may determine all questions of law and jurisdiction (including questions as to whether or not a dispute is arbitratable) and all matters of procedure relating to the arbitration.

(f) A dispute of the Parties shall not constitute an Act of God or Force Majeure.

(g) The arbitrators shall have the right to grant legal and equitable relief and to award costs (including legal fees and the costs of arbitration) and interest. The costs of any arbitration shall be borne by the Parties in the manner specified by the arbitrators in their majority determination. The arbitrators may make an interim order, including injunctive relief and other provisional, protective or conservatory measures, as well as orders seeking assistance from a court in taking or compelling evidence or preserving and producing documents regarding the subject matter of the dispute.

(h) All papers, notices or process pertaining to an arbitration hereunder may be served on a Party as provided in this Agreement.

(i) The Parties agree to treat as confidential information, in accordance with the provisions of section 24, the following: the existence of the arbitral proceedings; written notices, pleadings and correspondence in relation to the arbitration; reports, summaries, witness statements and other documents prepared in respect of the arbitration; documents exchanged for the purposes of the arbitration; and the contents of any award or ruling made in respect of the arbitration. Notwithstanding the foregoing part of this section, a Party may disclose such confidential information in judicial proceedings to enforce, nullify, modify or correct an award or ruling and as permitted under section 24.

26. Representations and Warranties of MBL.

MBL, acknowledging that MRDM and CPN are entering into this Agreement in reliance thereon, hereby represents and warrants to MRDM and CPN as follows:

(a) MBL is a corporation duly and validly existing under the laws of its governing jurisdiction.

(b) MBL has the requisite corporate power and capacity to enter into this Agreement and to perform its obligations hereunder. MBL has received all requisite approvals with respect to the execution and delivery of this Agreement.

(c) This Agreement has been duly and validly executed and delivered by MBL and constitutes a legal, valid and binding obligation of MBL enforceable against MBL in accordance with its terms.

(d) MBL has not made an assignment for the benefit of creditors, nor is MBL the voluntary or involuntary subject of any proceedings under any bankruptcy or insolvency law, no receiver or receiver/manager has been appointed for all or any substantial part of the properties or business of MBL and its corporate existence has not been terminated by voluntary or involuntary dissolution or winding up (other than by way of amalgamation or reorganization) and MBL is not now aware of any circumstance which, with notice or the passage of time, or both, would give rise to any of the foregoing.

27. Representations and Warranties of MRDM and CPN.

MRDM and CPN acknowledging that MBL is entering into this Agreement in reliance thereon, hereby jointly and severally represent and warrant to MBL as follows:

(a) Each of MRDM and CPN is a corporation duly and validly existing under the laws of its governing jurisdiction and each of MRDM and CPN is up to date in respect of all filings required by law or by any Official Body. It is acknowledged that it is intended that MRDM will be converted from a "Sociedade Limitada" (or limited liability company) to a "Sociedade Anônima" (or joint stock corporation). Provided that MBL receives confirmation from MBL's legal counsel, immediately prior to such conversion that all documentation that needs to be executed and registered following such conversion has been prepared and agreed between MBL and MRDM, so as to ensure that MBL's rights under the Purchase Documents are not prejudiced and MRDM's obligations under the Purchase Documents are not affected, MBL will consent to the conversion. Without in any way limiting this sub-section 27(a), MRDM shall procure that the quota pledge granted over 100% of the quotas issued by MRDM shall be converted to a share pledge granted over 100% of the shares issued by MRDM in favour of Macquarie ("**New Share Pledge**") and shall ensure that the New Share Pledge is registered in MRDM's registered share register simultaneously with the execution of the corporate documentation of MRDM providing for this conversion. Failure to comply with this sub-section 27(a) shall constitute an MRDM Event of Default.

(b) Each of MRDM and CPN has the requisite corporate power and capacity to enter into this Agreement and to perform its respective obligations hereunder. Each of MRDM and CPN has received all requisite board approvals with respect to the execution and delivery of this Agreement.

(c) This Agreement has been duly and validly executed and delivered by each of MRDM and CPN and constitutes a legal, valid and binding obligation of each of MRDM and CPN enforceable against each of MRDM and CPN in accordance with its terms.

(d) No Insolvency Event has occurred with respect to MRDM, CPN or any of the other Guarantors, and neither MRDM nor CPN is now aware of any circumstance which, with notice or the passage of time, or both, would give rise to any such event.

(e) Neither MRDM, nor CPN, nor any of their affiliates has created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, any Person may have or be entitled to any Encumbrance on or in respect of the Project, the Secured Assets or any part thereof except for Permitted Encumbrances.

(f) Other than: (i) the Net Smelter Royalty of 1% payable to Mineração Brilhante Ltda.; (ii) the CFEM (Financial Compensation for the Exploitation of Mineral Resources) of 1% of the net sales of mineral products payable to the Brazilian Federal government; and (iii) under the terms of the Sale and Purchase Agreement, no Person has any agreement, option, right of first refusal or right, title or interest or right capable of becoming an agreement, option, right of first refusal or right, title or interest, in or to the Project, or any of the Au therein, thereon or thereunder or derived therefrom or any shares of MRDM or the Guarantors (other than CPN).

(g) MRDM has all necessary corporate power to own the mining rights forming a part of the Project and MRDM is in material compliance with all material applicable Laws and licences, registrations, permits, consents and qualifications to which the mining rights forming a part of the Project are subject.

(h) MRDM has sufficient right, title or interest in and to the Project, including without limitation, access rights thereto, in order for MRDM to perform its obligations and enter into and complete the Transaction subject to the terms and conditions contained in this Agreement.

(i) MRDM has and will deliver to MBL an undivided 100% legal and beneficial good, valid, marketable and exclusive ownership title in and to, and actual and exclusive possession of Payable Au free and clear of any and all Encumbrances.

(j) Each of MRDM and CPN has provided to MBL all material information in its respective control or possession with respect to the Project, and corporate matters pertaining to MRDM and CPN.

(k) CPN is the indirect owner of 100% of the issued and outstanding shares of MRDM, MRDM is owned 99.9999% by OLC Holdings and 0.0001% by OLV Co-op. OLC Holdings is owned 100% by OLV Co-Op. OLV Co-Op is owned 99.9998% by CPN and 0.0002% by OLC Brazil. OLC Brazil is owned 100% by CPN;

(l) All information (including the information in the Schedules to this Agreement) heretofore supplied to MBL by or on behalf of CPN or MRDM is, with respect to factual matters, true, correct and complete in all material respects and is, with respect to projections, forecasts and other matters being the subject of opinion, believed on reasonable grounds to be true, correct and complete in all material respects and, to the extent based upon assumptions, such assumptions are believed in good faith, after due inquiry, to be reasonable in the circumstances.

28. Security, etc.

(a) MRDM covenants and agrees that from and after Closing, at its own sole cost and expense, MRDM shall do all such acts and things as shall be required to register, file and record the Security Agreements and the Mortgages, and any amended or supplemental Security granted pursuant to section 11(n), with each relevant Official Body as required to preserve, protect and perfect the security constituted thereby under applicable Law with the priority contemplated under this Agreement. MRDM shall forthwith provide MBL with evidence of such registration, filing and recordation. Without limiting this section 28, MRDM shall be in breach of this section and this Agreement if MRDM has not provided the said evidence with respect to the initial Security Agreements and Mortgages to MBL within ninety (90) days of the Closing Date or such longer period as MBL may agree in writing, taking into account delays in the ordinary course associated with the process for registration of the initial Security. MRDM and CPN shall amend and renew such registrations, filings and recordations from time to time as and when required to keep them in full force and effect or to preserve the priority established by any prior registration, filing or recordation thereof, except any change in such priority as contemplated in section 22(d) or 28(b), and shall send evidence of any such registrations, filings and recordations to MBL. MRDM and CPN shall provide their written consent or signature to any documents or things necessary to accomplish such registration, recordation and notice.

(b) The Security shall be limited to the Secured Assets and shall secure all of the obligations of MRDM under this Agreement and the other Purchase Documents. MRDM shall amend or supplement the Security Agreements and the Mortgages (including by granting additional mortgages and pledges to MBL) from time to time in order to ensure that any Project Tenements acquired by MRDM after Closing are mortgaged and/or pledged in favour of MBL as security for the obligations of MRDM under this Agreement, and shall register, file and record the same in accordance with subsection 28(a) above. MBL will allow any subsequent charge on the Secured Assets (other than the Payable Au) provided that such subsequent charge is in favour of the holder of Project Debt or the purchaser under the Sale and Purchase Agreement and satisfies the terms and conditions of section 22 and also provided that the holder of such subsequent charge enters into an intercreditor agreement (an "**Intercreditor Agreement**") with MBL on terms and conditions satisfactory to MBL, acting reasonably. It is intended that the Security will secure the obligations of MRDM hereunder and under the other Purchase Documents and the obligations of MRDM to the purchaser under the Sale and Purchase Agreement and the Transaction Documents (as defined in the Sale and Purchase Agreement) on a pari passu basis, and MBL, MRDM and CPN will enter into an Intercreditor Agreement with such purchaser to (among other things) give effect to the foregoing. MBL agrees to subordinate the Security to the security securing the Project Debt (provided that the purchaser under the Sale and Purchase Agreement agrees to the same subordination) on terms and conditions to be set forth in the Intercreditor Agreement and which will be

acceptable to MBL, acting reasonably, and will include, among other things, the following provisions:

(i) so long as MBL elects not to demand payment of the NPV Payment under subsection 16(b) hereof, upon any enforcement by such holder of its security for the Project Debt, including pursuant to or in connection with any proceedings in respect of an Insolvency Event, such holder shall ensure that any purchaser or transferee of the Secured Assets, including any purchaser or transferee pursuant to a public auction or private sale requested, consented to or acquiesced in by such holder, agrees to be bound by the terms of this Agreement with respect to the obligation to sell and deliver the Payable Au from the AOI to MBL for the Final Instalment for a period equal to the then remaining Term, and such holder shall take any and all actions, steps and proceedings as may be required to ensure its compliance with its obligations under this paragraph 28(b)(i); and

(ii) a right, exercisable by MBL upon and following the acceleration of the Project Debt, to purchase the Project Debt from the holder thereof.

Such Intercreditor Agreement shall also provide that any transferee or assignee of the subsequent charge shall be bound by the terms and conditions of the Intercreditor Agreement.

(c) Neither MRDM nor CPN shall amend, supplement, waive, restate, supersede, terminate, cancel or release or otherwise consent to a departure from the provisions of the Security Agreement or the Mortgages, without the prior written consent of MBL, such consent not to be unreasonably withheld.

29. Future Gold Purchase Transactions.

MRDM and CPN hereby grant to and in favour of MBL a right of first refusal over any future Au purchase agreements, Au royalty agreements or similar agreements or arrangements (which, for certainty, excludes Au Hedging Agreements) proposed to be entered into by MRDM or CPN during the Term in respect of the Project, whether within or outside of the AOI. Furthermore, MRDM and CPN shall not enter into any Au purchase agreements, Au royalty agreements or similar agreements or arrangements (which, for certainty, excludes Au Hedging Agreements) with respect to the Project, whether within or outside of the AOI, without the prior written consent of MBL.

30. Indemnity of MBL.

MBL shall indemnify and save CPN and MRDM, without duplication, and their respective directors, officers, employees and agents harmless from and against any and all actual Losses suffered or incurred by them that arise out of or relate to any failure of MBL to timely and fully perform or cause to be performed all of the covenants and obligations to be observed or performed by MBL pursuant to this Agreement.

31. Indemnity of MRDM.

MRDM (as guaranteed by CPN) shall indemnify and save MBL and its directors, officers, employees and agents harmless from and against any and all actual Losses suffered or incurred by them, that arise out of or relate to any failure of MRDM and/or CPN to timely and fully perform or cause to be performed all of the covenants and obligations to be observed or performed by MRDM and/or CPN pursuant to this Agreement.

32. Force Majeure.

(a) Neither of the Parties (MRDM and CPN being treated as one Party for the purposes of this section) will be liable for a breach of its obligations under this Agreement because of an event out of its control, such as acts of god or force majeure (each of which is referred to as an "**Act of God or Force Majeure**"), including without limitation, fire, storm, flood, explosion, war, disturbance, strike, legal or illegal stoppages, difficulty accessing the Project because the surface owners refuse or third Persons that claim rights to the surface area or any other situation for which the Person that has the right to the benefit of this section is not responsible for the impossibility of continuing as agreed in this Agreement. For greater certainty and without limitation, an event of force majeure under the Off-take Agreements, which excuses performance by the Off-taker thereunder, shall, to the extent applicable, constitute an Act of God or Force Majeure under this Agreement.

(b) The Term of this Agreement will be extended for a period equal to (i) the delay caused by an event derived from an Act of God or Force Majeure under the terms of subsection 32(a), (ii) the length of any temporary shut down of the Project described in subparagraph 16(a)(i)(2), and (iii) the length of any suspension of the Project in the circumstances described in subparagraph 16(a)(i)(3).

(c) The Party in the position described in subsection 32(a) will take all measures necessary to eliminate the negative effects of any event caused by an Act of God or Force Majeure, and if and to the extent possible, shall comply with its obligations appropriately. Notwithstanding the above, nothing herein implies that the Party must resolve a labour dispute hurriedly or that the Party is forced to challenge the validity of any rule, law, regulation or order from any Official Body in order to comply with its obligations within the term established.

33. General Provisions.

(a) Each Party shall execute all such further instruments and documents and shall take all such further actions as may be necessary to effectuate the Transaction in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

(b) In the event the Closing does not occur and/or the First Upfront Payment Conditions are not satisfied or waived on or prior to May 31, 2010, or such later date as MBL may agree in writing, all of the out-of-pocket costs and expenses (including reasonable legal fees, expenses and disbursements of MBL's legal counsel in Canada, Brazil, Barbados and the United States of America) shall be paid by MRDM (as guaranteed by CPN), promptly upon demand for payment therefor by MBL, and MRDM and CPN shall bear their own costs and expenses incurred in connection with the proposed Transaction. In any other event, each Party will bear its own costs and expenses incurred in connection with the Transaction, subject to any specific provision of the Purchase Documents that requires MRDM and/or CPN to take a certain action or step, which, if taken by MBL after MRDM and/or CPN has failed to do so in accordance herewith, will be at the cost and expense of MRDM (as guaranteed by CPN) and shall be paid by MRDM (as guaranteed by CPN), promptly upon demand for payment therefor by MBL.

(c) Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership or other partnership relationship between MRDM and CPN as one Party and MBL as a second Party.

(d) This Agreement shall be governed by and construed under the laws of the Province of Ontario and the federal laws of Canada applicable therein, provided that matters governing the Project and/or the Security Agreement and/or the Mortgages shall be referable to the laws of Brazil.

(e) The Parties hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Ontario in regard to legal proceedings relating to this Agreement. For the purpose of all such legal proceedings, the courts of the Province of Ontario shall have jurisdiction to entertain any action arising under this Agreement. Notwithstanding the foregoing, nothing in this subsection 33(e) shall be construed nor operate to limit the right of any Party to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

(f) Time is of the essence of this Agreement.

(g) All references in this Agreement to currency or to "$", unless otherwise expressly indicated, shall be to US Dollars.

(h) If any provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of this Agreement which shall be construed as if this Agreement had been executed without the invalid portion.

(i) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered by hand or transmitted by facsimile transmission addressed to:

If to MRDM and/or CPN, to:

Carpathian Gold Inc.
365 Bay St. Suite 500
Toronto, Ontario M5H 2V1

Attention: President and Chief Executive Officer
Facsimile No.: (416) 260 2243

If to MBL, to:

Macquarie Bank Limited
1 Martin Place
Sydney, NSW 2000

Attention: Executive Director, Metals & Energy Capital Division
Facsimile No. +61 (2) 8232 3590

with a copy to:

Macquarie Metals and Energy Capital (Canada) Ltd.
Suite 2400, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2B5

Attention: Mr. Chris Adams
Facsimile No.: (604) 605 1679

Any notice given in accordance with this section, if transmitted by facsimile transmission, shall be deemed to have been received on the next Business Day following transmission or, if delivered by hand, shall be deemed to have been received when delivered.

(j) This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties. The failure by any Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision unless such waiver is acknowledged in writing, nor shall such failure affect the validity of this Agreement or any part thereof or the right of a Party to enforce each and every provision. No waiver or breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

(k) Following the execution and delivery of this Agreement, if there shall occur any change in laws relating to Taxes or other circumstances, each of MBL, MRDM and CPN will cooperate reasonably with the other Party (MRDM and CPN being treated as a one Party in this subsection 33(k)) in implementing any proposed adjustments to the structure of this Agreement, provided that such adjustments have no material adverse impact on the non-proposing Party.

(l) Each of MRDM and CPN shall pay all Taxes (whether liability for such Taxes is that of CPN, MRDM or MBL under applicable Law) which arise from any payment or delivery made or received by it hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Purchase Document. Further, MRDM and/or CPN shall not transfer, whether directly or indirectly, to MBL the economic burden of any Taxes paid, due or to be deducted from any amounts payable under this Agreement or any other Purchase Document, including, but not limited to, Taxes on foreign exchange transactions and Taxes withheld at source. For the avoidance of doubt, if applicable law determines that any Taxes are to be deducted from any payment or delivery made by MRDM and/or CPN to MBL pursuant to this Agreement or any other Purchase Document, MRDM and CPN shall adjust the payable amounts so that MBL receives the payments abroad free of any Brazilian Taxes.

(m) If MRDM and/or CPN fails to pay to the relevant Official Body when due any Taxes owing by it in accordance with subsection 33(l), then MRDM and CPN shall jointly and severally indemnify and save harmless MBL for the full amount of any such Taxes (including any Taxes imposed by any jurisdiction on amounts payable under this subsection) paid by MBL and any liability (including penalties, interest and expense) arising from such failure or with respect thereto, whether or not such Taxes were correctly or legally asserted. Payment under this indemnity shall be made within 30 days from the date MBL makes written demand therefor. A certificate as to the amount of such Taxes paid by MBL submitted by MBL to MRDM and/or CPN shall be conclusive evidence, absent manifest error, of the amount thereof.

(n) This Agreement may be executed in one or more counterparts and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(o) This Agreement shall enure to the benefit of and shall be binding on and shall be enforceable by the Parties and their respective, successors and permitted assigns.

(p) The Parties have expressly required that this Agreement and all notices relating hereto be drafted in English.

(q) This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, among the Parties with respect to the subject matter hereof.

(r) The Parties may agree to enter into other financial instruments or agreements to supplement the pricing in this Agreement.

34. Initial Guarantors and Replacement Guarantors.

(a) CPN has requested MBL's consent to a reorganization of the corporate ownership structure of CPN and its subsidiaries including that:

(i) OLC and MVF cease to have a direct beneficial ownership interest in MRDM;

(ii) MRDM is owned as to 99.9999% by OLC Holdings and 0.0001% by OLV Co-Op. OLC Holdings is owned 100% by OLV Co-Op. OLV Co-Op is owned 99.9998% by CPN and 0.0002% by OLC Brazil. OLC Brazil is owned 100% by CPN; and

(iii) OLC and MVF be released by MBL from the Guarantees that they provided to MBL with respect to the obligations of MRDM and CPN under this Agreement.

(b) MBL consents to the matters outlined in sub-paragraph (a) above, subject to the condition that:

(i) OLC Holdings, OLV Co-Op and OLC Brazil each provide a Guarantee to MBL within 60 days after "Closing" occurs under the Sale and Purchase Agreement, and in any event prior to MBL providing the release contemplated by sub-paragraph 35(a)(iii); and

(ii) CPN procures that, unless MBL provides its prior written consent otherwise:

(1) MRDM is owned 99.9999% by OLC Holdings and 0.0001% by OLV Co-Op;

(2) OLC Holdings is owned 100% by OLV Co-Op;

(3) OLV Co-Op is owned 99.9998% by CPN and 0.0002% by OLC Brazil; and

(4) OLC Brazil is owned 100% by CPN.

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

CARPATHIAN GOLD INC.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

MINERAÇÃO RIACHO DOS MACHADOS LTDA.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

MACQUARIE BANK LIMITED

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

Witnesses (as to all signatures):

____
Name:
ID:

____
Name:
ID:

SCHEDULE A

DESCRIPTIONS OF MINING CONCESSION, EXPLORATION LICENCES AND AOI

DNPM Nº	LEGAL RIGHT	STATUS	HECTARES	ISSUE DATE	EXPIRY DATE	AOI
831.005/1982	MRDM	Mining Concession	1,000.00	03-18-1992	N/A	**Yes**
833.478/2006	MRDM	Exploration Licence	1,612.33	04-04-2008	05-24-2014	No
833.479/2006	MRDM	Exploration Licence	1,963.10	04-04-2008	05-24-2014	**Yes**
833.480/2006	MRDM	Exploration Licence	1,940.37	04-04-2008	04-04-2011	**Yes**
834.013/2006	MRDM	Exploration Licence	812.88	04-16-2008	05-24-2014	No
834.014/2006	MRDM	Exploration Licence	1,980.00	04-04-2008	05-24-2014	No
834.015/2006	MRDM	Exploration Licence	1,921.76	04-04-2008	05-24-2014	**Yes**
834.016/2006	MRDM	Exploration Licence	1,988.40	04-04-2008	05-24-2014	**Yes**
834.017/2006	MRDM	Exploration Licence	785.00	04-04-2008	05-24-2014	**Yes**
834.018/2006	MRDM	Exploration Licence	1,981.86	04-04-2008	05-24-2014	No
834.019/2006	MRDM	Exploration Licence	1,894.50	04-04-2008	05-24-2014	No
834.020/2006	MRDM	Exploration Licence	1,998.50	04-04-2008	05-24-2014	No
834.021/2006	MRDM	Exploration Licence	1,994.00	04-04-2008	05-24-2014	No
831.869/2008	MRDM	Exploration Licence	116.72	12-22-2009	12-22-2012	No
832.689/2009	MRDM	Exploration Licence	1443.53	06-01-2010	06-01-2013	No
831.632/2010	MRDM	Exploration Licence	718.39	04-20-2011	04-20-2014	No
831.631/2010	MRDM	Exploration Licence	1999.77	04-20-2011	04-20-2014	No
831.630/2010	MRDM	Exploration Licence	1999.71	04-20-2011	04-20-2014	No
831.341/2012	MRDM	Application for Exploration Licence	1,464.13	N/A	N/A	No

SCHEDULE B

THE PROJECT

Description of Property, Plant and Equipment
Ore Processing Plant including but not limited to: • Crushing system including grizzly, primary-secondary and tertiary crusher with associated conveyor belts and storage bins; • Grinding system including ball mill; • Cyclones and Hydrocyclones; and • All associated equipment and parts with respect to the Ore Processing plant
Carbon-In-Leach ("CIL") circuit including but not limited to: • CIL Tanks; • Screens and pumps; and • All associated equipment and parts with respect to the CIL circuit
Adsorption, Desorption and Recovery ("ADR") Plant including but not limited to: • Carbon transfer systems, desorption columns, tanks, filtration systems and all associated equipment and parts; • Electrowinning cells; • Carbon regeneration plant; and • All associated equipment and parts with respect to the ADR plant
Tailings Disposal System and all related equipment and parts
Fixed and Mobile equipment for: • Plant; • Mine; • Infrastructure; and • Office
Ancillary Facilities including but not limited to: • Laboratory; • Offices; and • Camp and accommodation
Power transformers, transmission infrastructure and related equipment and parts
All inventory, spares and servicing equipment

<u>Description of Material Contracts</u>

- Any agreement or agreements in respect of the engineering, procurement, development, construction, commission, re-commissioning, start-up and/or initial operation of the Project or any part thereof, including, without limitation, the Project site and the property, plant and equipment referred to above.

SCHEDULE C

ANTICIPATED DELIVERY SCHEDULE

Delivery Volume (ozs)	Delivery Date (on or before)	Upfront Payment (to be matched with ROF)
3,096.01	December 31, 2013	$986,598
6,320.66	December 31, 2014	$2,014,188
6,649.45	December 31, 2015	$2,118,962
6,564.99	December 31, 2016	$2,092,047
6,257.75	December 31, 2017	$1,994,140
6,326.11	December 31, 2018	$2,015,924
6,580.29	December 31, 2019	$2,096,923
4,318.90	December 31, 2020	$1,376,292
956.88	June 30, 2021	$304,926
47,071.04		$15,000,000

SCHEDULE D

PROJECT MAPS

This is **Exhibit "E"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

Execution version

PROJECT FACILITY FOR
RIACHO DOS MACHADOS GOLD MINE PROJECT

PROJECT FACILITY AGREEMENT

Between

MINERAÇÃO RIACHO DOS MACHADOS LTDA.,
as Borrower

and

ORE-LEAVE CAPITAL (BRAZIL) LIMITED,
OLV COÖPERATIE U.A.,
OLC HOLDINGS BV and
CARPATHIAN GOLD INC.,
as Guarantors

and

MACQUARIE BANK LIMITED,
as Administrative Agent

and

MACQUARIE BANK LIMITED,
as Collateral Agent

and

The Lenders

and

The Hedge Providers

Dated: January 11, 2013

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PROJECT FACILITY AGREEMENT

THIS AGREEMENT is made as of January 11, 2013.

BETWEEN:

MINERAÇÃO RIACHO DOS MACHADOS LTDA., a corporation organized and subsisting under the laws of Brazil

(the "**Borrower**")

AND:

ORE-LEAVE CAPITAL (BRAZIL) LIMITED, a corporation organized and subsisting under the laws of Barbados, **OLV COÖPERATIE U.A.**, a holding co-operative organized and subsisting under the laws of the Netherlands, **OLC HOLDINGS BV**, a limited liability corporation organized and subsisting under the laws of the Netherlands, and **CARPATHIAN GOLD INC.**, a corporation organized and subsisting under the laws of Canada

(collectively, the "**Guarantors**" and each, a "**Guarantor**")

AND:

MACQUARIE BANK LIMITED, in its capacity as administrative agent for the Lenders and Hedge Providers

(the "**Agent**")

AND:

MACQUARIE BANK LIMITED, in its capacity as collateral agent for the Creditors

(the "**Collateral Agent**")

AND:

The financial institutions listed in Schedule A, Part I as Lenders

(the "**Lenders**")

AND:

The financial institutions listed in Schedule A, Part II as Hedge Providers

(the "**Hedge Providers**")

WHEREAS the Borrower has requested the Project Facility to finance in part the construction and operation of a gold mine at Riacho dos Machados in the northern region of Minas Gerais State, Brazil, and the Lenders have agreed to provide the Project Facility to the Borrower in the form of a pre-export financing on the terms and conditions herein set forth;

AND WHEREAS the Borrower has requested that the Hedge Providers provide the Initial Hedging Program and other Hedging Arrangements from time to time in connection with the Project;

AND WHEREAS the Lenders and the Hedge Providers wish the Agent to act on their behalf with regard to certain matters associated with the Project Facility and the Hedging Arrangements;

AND WHEREAS the Agent, the Lenders and the Hedge Providers wish the Collateral Agent to act on their behalf with regard to certain matters associated with the Project Facility and the Hedging Arrangements, including as collateral agent under the Security;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.01 **Definitions**

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Account Bank**" means the bank or banks approved by the Agent to establish and maintain the Project Accounts;

"**Accounting Principles**" means, in relation to any Person at any time and as applicable:

(a) accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants as in effect on the date hereof, applied on a basis consistent with the most recent audited financial statements of such Person and its consolidated Subsidiaries (except for changes approved by the auditors of such Person); or

(b) international financial reporting standards, approved by the International Accounting Standards Board ("**IASB**") or any successor, adopted by such Person, as at the date on which any calculation or determination is required to be made, in accordance with the international financial reporting standards and, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financial reporting standards;

"**Additional Amount**" has the meaning set out in Section 14.02(3);

"**Adjustment Time**" means the time of occurrence of the last event necessary (including the delivery of a demand for payment) to ensure that all Secured Obligations are thereafter due and payable;

"**Advance**" means an advance of funds as a pre-export payment ("*recebimento antecipado de exportação*") made by the Lenders or by any one or more of them to the Borrower under this Agreement;

"**Affected Advance**" has the meaning set out in Section 14.03;

"**Affiliate**" or "**affiliate**" means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person; and, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of shares or other economic interests, the holding of voting rights or contractual rights or otherwise;

"**Agent's Branch**" means the main branch of the Agent in Sydney, Australia or such other branch as the Agent may from time to time designate by notice to the Borrower and the Lenders;

"**Agreement**" means this project facility agreement (including the Schedules hereto) and all amendments made hereto in accordance with the provisions hereof;

"**Annual Corporate Budget**" has the meaning set forth in Section 10.01(5)(d);

"**Annual Project Budget**" has the meaning set forth in Section 10.01(5)(e);

"**Applicable Laws**" or "**applicable law**" means, in relation to any Person, transaction or event:

(a) all applicable provisions of laws, statutes, rules and regulations from time to time in effect of any Official Body; and

(b) all Permits to which the Person is a party or by which it or its property is bound or having application to the transaction or event;

"**Applicable Margin**" means:

(a) for Tranche 1, (i) prior to the Project Completion Date, [*agreement redacted – proprietary structure*] per annum, and (ii) on and following the Project Completion Date, [*agreement redacted – proprietary structure*] per annum (the "**Tranche 1 Applicable Margin**"); and

(b) for Tranche 2, (i) prior to the Project Completion Date, [*agreement redacted – proprietary structure*] per annum, and (ii) on and following the Project Completion Date, [*agreement redacted – proprietary structure*] per annum (the "**Tranche 2 Applicable Margin**");

"**Authorized Officer**" means:

(a) in respect of a Loan Party, any director or attorney, the president, chief financial officer or company secretary, or any person from time to time authorized by directors' resolution (a certified copy of which is delivered to the Agent) or nominated by the Loan Party by a written notice to the Agent, as an authorized officer to sign notices or documents on its behalf in connection with any of the Finance Documents, such certified copy or notice to be accompanied by specimen signatures of those persons so appointed; and

(b) in respect of any third party, a director, a secretary or an officer whose title contains the word "director", "manager" or "executive", or any person performing the functions of any of them, or any person from time to time nominated as an Authorized Officer by such third party;

"**Availability Period**" means, if the applicable Conditions Precedent to the first Drawdown under the Project Facility have been satisfied and such first Drawdown has been requested and made by no later than January 31, 2013 (or any later date agreed to by the Lenders in writing in their sole discretion), the period commencing on the date all applicable Conditions Precedent have been satisfied (or waived in writing by the Lenders) and expiring on June 30, 2013, or on such earlier date on which the Commitments may be terminated pursuant to the terms of this Agreement; provided, that:

(a) if the last day of the Availability Period is not a Banking Day, the Availability Period shall end on the immediately preceding Banking Day;

(b) amounts will only be available under Tranche 1 once Tranche 2 has been fully drawn; and

(c) if the applicable Conditions Precedent to the first Drawdown under the Project Facility have not been satisfied or such first Drawdown has not been requested and made on or before January 31, 2013 (or any later date agreed to by the Lenders in writing in their sole discretion), there shall be no Availability Period hereunder and the Commitments of the Lenders shall be immediately and irrevocably cancelled;

"**Available Funding**" means the available and undrawn Commitments, if any, and the uncommitted credit balance, if any, in the Proceeds Accounts (that is, the aggregate of the amounts standing to the credit of the Proceeds Accounts, which, as at the date of determination, have not been allocated, designated or set aside for the payment of any Project Costs, other than the Costs to Complete as at such date);

"**Bankable Feasibility Study**" means the bankable feasibility study for the Project prepared by Tecnomin Projetos e Consultoria Ltda., NCL Brasil Ltda., Golder Associates Brasil Consultoria Services Ltd., M2 Environmental and Consulting Services Ltd., Lawrence Consulting Ltd. and John A Wells Metallurgical Consultant dated May 20, 2011 (effective date of April 6, 2011) as amended November 15, 2011, which includes (but is not limited to), the sampling, ore reserves, mine design, metallurgical testwork, process design, equipment selection, expenditure schedule, capital costs and operating costs, together with any updates to such study that are agreed to in writing by the Majority Creditors;

"**Bankable Ore Reserve Model**" means the filed NI 43 101 compliant, revised reserve estimation model incorporating all new drill hole data acquired in the 2010 drilling program for the Project, which is to be used in the LOMP and Annual Project Budget and is to be satisfactory to the Majority Creditors, as the same may be amended in accordance with Section 10.03(17)(b);

"**Banking Day**" means:

(a) for the purpose of determining the London Gold Price, a day on which the London bullion or metal dealers (as the case may be) are trading and banks are generally open for business in London, England, Sydney, Australia and Toronto, Ontario;

(b) for the purpose of determining when any payment is to be made, a day on which banks and foreign exchange markets are open for business in the place where the payment is to be made; and

(c) for any other purpose, a day on which banks are generally open for business in Toronto, Ontario, Sydney, Australia and São Paulo, SP, Brazil, but does not in any event include a Saturday or a Sunday;

"**Board of Directors**" means the administrators of the Borrower as per the registered and consolidated charter of the Borrower;

"**Borrower**" means Mineração Riacho dos Machados Ltda., a limited liability quota company incorporated pursuant to the laws of Brazil;

"**Brazilian Real**" "**BRL**" and "**R$**" mean the lawful money of the Federative Republic of Brazil;

"**Calculation Date**" means:

(a) March 31, June 30, September 30 and December 31 each year; and

(b) such other date on or about which the Financial Covenants are to be calculated as required by the Lenders from time to time under Section 10.04;

"**Canadian Dollars**" and "**Cdn.$**" mean the lawful money of Canada;

"**Capital Expenditures**" means all improvements and additions to fixed or capital assets, including land, property improvements, buildings and equipment, which, in accordance with Accounting Principles, are capitalized on the balance sheet of the Relevant Persons;

"**Cash Flow Available For Debt Service**" or "**CFADS**" means (as the case may be):

(a) in relation to a future period, revenue for such period from Project Production (as estimated or projected in the LOMP and adopting the Price Determination), including both hedge and spot gold sales, less:

(i) operating costs of the Project;

(ii) developing and sustaining Capital Expenditures for the Project;

(iii) any government and third party royalties in respect of Project Production;

(iv) Taxes in relation to the Project;

(v) any head office and discretionary expenditure, and

for such period, in each case as estimated or projected for such period in the LOMP and/or the Annual Project Budget and approved by the Majority Creditors (sometimes referred to as the "**CFADS (Forecast)**"); and

(b) in relation to a prior period, actual revenue received for such period from Project Production, including both hedge and spot gold sales, less:

(i) operating costs of the Project;

(ii) developing and sustaining Capital Expenditures for the Project;

(iii) any government and third party royalties in respect of Project Production;

(iv) Taxes in relation to the Project; and

(v) any head office and discretionary expenditure,

actually paid or prepaid by the Borrower for such period (sometimes referred to as the "**CFADS (Historical)**");

"**Change of Control**" means the occurrence of any event pursuant to which any Person that is not a Loan Party (or any group of such Persons acting in concert) acquires control of the Borrower or any other Loan Party. For purposes of this definition, "control" means, with respect to any Person:

(a) the power (whether by way of ownership of Equity Securities, proxy, contract, agency or otherwise) to (i) cast, or control the casting of, more than 25% of votes eligible to be cast at a duly called general meeting of that Person's shareholders, quotaholders, members, partners or governing body, as applicable, (ii) appoint or remove a majority of the members of the governing body of that Person, or (iii) give directions with respect to the operating and financial policies of that Person with which the directors, managers and officers of that Person are obliged to comply; or

(b) beneficially owning or holding more than 25% of the issued Equity Securities of that Person (excluding from the denominator of that calculation any Equity Securities that carry no right to participate beyond a specified amount in a distribution of either profits or capital),

and "**acting in concert**" means, a group of Persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of Equity Securities in another Person by any of them, either directly or indirectly, to obtain or consolidate control over such other Person;

"**Closing Date**" means the date upon which this Agreement has been executed and delivered by all parties hereto and each of the Conditions Precedent to the first Drawdown under the Project Facility have been satisfied or waived by the Lenders, provided that such date shall not be later than January 31, 2013;

"**Collateral**" means all property in which the Collateral Agent on behalf of the Creditors holds a Lien to secure any of the Secured Obligations;

"**Collateral Agency Agreement**" has the meaning set forth in Section 11.01(a);

"**Commitment**" means the commitment by each Lender to provide the amount of US Dollars set forth opposite its name in Part I of Schedule A annexed hereto, subject to any reduction in accordance with the provisions hereof and "**Commitments**" means the aggregate of such commitments;

"**Commitment Fees**" has the meaning set out in Section 5.03(a);

"**Compliance Certificate**" means a certificate of the Borrower signed on its behalf by an Authorized Officer, substantially in the form annexed hereto as Schedule F, to be given by the Borrower to the Agent and the Creditors pursuant hereto;

"**Conditions Precedent**" means the conditions precedent set forth in Section 3.01;

"**Construction Agreement**" means the agreement dated May 9, 2012 between the Borrower and the Project Engineer concerning the Project and provides for the management of construction and design consultation in relation to the Project;

"**COPAM**" means the State Council of the Environment (*Conselho Estadual de Política Ambiental*) of Minas Gerais State, the deliberative body of the State Secretariat of Environment and Sustainable Development (*Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável*) of Minas Gerais State;

"**Costs to Complete**" means an estimate contained in each Drawdown Notice and Monthly Report, prepared by the Borrower and approved by the Agent based on the Bankable Feasibility Study, the LOMP and such reports as the Agent may have requested from any Independent Consultants, of the aggregate of the following:

(a) the remaining Project Costs which will be required to achieve Engineering Completion;

(b) the estimated operating costs for the Project;

(c) the estimated working capital costs for the Project;

(d) the estimated interest and fees payable by the Borrower (including interest and fees payable in connection with the Project Facility),

in each case, to be made, paid, deducted, provided or incurred on and after the date of determination and up to the date that Engineering Completion is expected to be achieved, less:

(e) proceeds of Project Production estimated to be received on and after the date of determination and up to the date that Engineering Completion is expected to be achieved;

"**CPN**" means Carpathian Gold Inc., a corporation organized and subsisting under the laws of Canada;

"**CPN Shares**" means common shares in the capital of CPN;

"**Creditors**" means, collectively, as the context admits, each of the Lenders, the Hedge Providers, the Agent, in its capacity as administrative agent of the Lenders and Hedge Providers, and the Collateral Agent, in its capacity as collateral agent in respect of the Security;

"**Current Ratio**" means, at any particular time, the ratio of:

(a) the amounts which would, in accordance with Accounting Principles, be classified on the consolidated balance sheet of CPN at such time as current assets, including (for greater certainty) the aggregate of the cash balances in the Proceeds Accounts and the Operating Account at such time, but excluding (i) unrealized gains under Hedging Arrangements, and (ii) the credit balance of the Debt Service Reserve Account; to

(b) the amounts which would, in accordance with Accounting Principles, be classified on the consolidated balance sheet of CPN at such time as current liabilities, excluding liabilities in respect of (i) principal payments under the Project Facility, (ii) unrealized losses under Hedging Arrangements, and (iii) deferred revenue for the purposes of accounting in connection with the GP;

"**Debt to EBITDA Ratio**" means, at any time, with respect to the Loan Parties and all other Affiliates on a consolidated basis, the ratio of (a) Indebtedness at such time, to (b) EBITDA for the four most recently completed fiscal quarters; provided that, for the purpose of determining EBITDA for the first three full fiscal quarters following the Project Completion Date:

(i) for the first full fiscal quarter following the Project Completion Date, EBITDA will be calculated as the EBITDA for such fiscal quarter times four;

(ii) for the second full fiscal quarter following the Project Completion Date, EBITDA will be calculated as the EBITDA for such fiscal quarter and the preceding fiscal quarter, times two; and

(iii) for the third full fiscal quarter following the Project Completion Date, EBITDA will be calculated as EBITDA for such fiscal quarter and the two preceding fiscal quarters, times four-thirds;

"**Debt Service Coverage Ratio**" (or "**DSCR**") means, for a Fiscal Quarter, one of the following ratios, as applicable:

(a) if on a forward-looking basis (as detailed in the LOMP and adopting the Price Determination), the CFADS (Forecast) for each of the Fiscal Quarters immediately following the Calculation Date, divided by the scheduled debt service (principal, interest and fees) for the Project Facility for each such Fiscal Quarter (sometimes referred to as the "**DSCR (Forecast)**"); and

(b) if on an historical basis, the CFADS (Historical) for each Fiscal Quarter up to and including the Fiscal Quarter ending on the Calculation Date, divided by the aggregate of the debt service (principal, interest and fees) paid or payable in respect of the Project Facility for each such Fiscal Quarter (sometimes referred to as the **"DSCR (Historical)**");

"**Debt Service Reserve Account**" or "**DSRA**" has the meaning set forth in Section 12.01(4);

"**Debt Service Reserve Requirement**" means, at any time, an amount equal to the next three (3) months' interest and principal payments under the Project Facility;

"**Depreciation Expense**" means, for any period with respect to any Person, depreciation, amortization, depletion and other like reductions to income of such Person for such period not involving any outlay of cash;

"**Discount Rate**" means at any time, the sum of:

(a) the Reference Rate for a 90 day Interest Period; and

(b) the weighted average of the Tranche 1 Applicable Margin and the Tranche 2 Applicable Margin, based on the amounts actually drawn and outstanding under each tranche relative to the total Principal Outstanding;

"**DNPM**" means Departamento Nacional de Produção Mineral of the Federative Republic of Brazil;

"**Drawdown**" means the making of an Advance hereunder;

"**Drawdown Date**" means, in relation to any particular Drawdown, the date, determined in accordance with the provisions of this Agreement, on which a Drawdown is made by the Borrower pursuant to the provisions hereof and which shall be a Banking Day;

"**Drawdown Notice**" means a notice substantially in the form annexed hereto as Schedule C to be given to the Agent by the Borrower pursuant to Section 2.05;

"**Earthworks Agreement**" means the service agreements entered into between the Borrower and Engefort Obras Industriais Terraplanagem e Pavimentação Ltda. dated 15 May 2012, as amended 26 September 2012, and dated 12 November 2012, in each case, relating to land removal, grading, drainage, construction of the tailings dam and civil engineering works for the Project;

"**EBITDA**" means, with respect to any Person for any period, the Net Income of such Person for such period plus, without duplication and to the extent reflected as a charge in the statement of net income included in the financial statements of such Person:

(a) all amounts deducted in the calculation thereof in respect of Depreciation Expense, and current and deferred taxes, net losses of subsidiaries and any other losses incurred in respect of investments that are accounted for on an equity basis;

(b) all losses (including actual and unrealized losses) on Hedging Arrangements;

(c) Interest Expense; and

(d) any extraordinary, non-recurring or unusual expenses or losses (including, whether or not otherwise includable as a separate item in such statement of net income, losses on sales outside of the ordinary course of business or on sale leaseback transactions);

less, without duplication and to the extent reflected as a credit in such statement of net income,

(e) any reduction of deferred taxes;

(f) amounts included in the calculation thereof in respect of net profits of subsidiaries and any other profits in respect of investments that are accounted for on an equity basis;

(g) all gains (including actual and unrealized gains) on Hedging Arrangements; and

(h) any extraordinary, non-recurring or unusual income or gains (including, whether or not otherwise includable as a separate item in such statement of net income, gains on sales outside of the ordinary course of business or on sale lease back transactions);

"**Eligible Financial Institution**" means any financial institution that is not a tax resident of a Low Cost Jurisdiction;

"**Engineering Completion**" means and shall have occurred when the conditions set forth in Part I of Schedule L have been met to the satisfaction of the Agent;

"**Engineering Completion Certificate**" means a certificate (together with all attachments thereto) duly executed in one or more counterparts by the Independent Engineer and an Authorized Officer of the Borrower (and confirmed by the Agent as having been completed in a manner which is responsive to the terms thereof), in a form and substance satisfactory to the Agent;

"**Environmental Claims**" means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, inspections or other similar proceedings relating in any way to any Environmental Laws or to any permit issued under any such Environmental Laws including, without limitation:

(a) any claim by an Official Body for enforcement, clean-up, removal, response, remedial or other actions or damages pursuant to any Environmental Laws; and

(b) any claim by a Person seeking damages, contribution, indemnification, cost recovery, compensation or injunctive or other relief resulting from or relating to Hazardous Materials, including any Release thereof, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment;

"**Environmental Laws**" means all Applicable Laws with respect to the environment or environmental or public health and safety matters contained in statutes, regulations, rules, ordinances, orders, judgments, approvals, notices, permits or policies, guidelines or directives having the force of law relating to the Project Tenements, the Project and the intended uses thereof, including all Applicable Laws pertaining to the reporting, licensing, permitting, transportation, storage, disposal, investigation or remediation of Releases, or threatened Releases, of Hazardous Materials into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of Hazardous Materials, including (as applicable) the applicable requirements of mining law of any applicable jurisdiction, the following Applicable Laws and their respective regulations, official standards and interpretations:

(a) Federal Law No. 4771/1965;

(b) Federal Law No. 6938/1981;

(c) Federal Law No. 9433/1997;

(d) Federal Law No. 9985/2000;

(e) Federal Law No. 12305/2010;

(f) Federal Decree No. 97632/1989;

(g) Federal Decree No. 4340/2002;

(h) Federal Decree No. 7404/2010;

(i) Resolution No. 1/1986 issued by the National Council of the Environment - CONAMA;

(j) CONAMA Resolution No. 237/1997;

(k) CONAMA Resolution No. 357/2002;

(l) CONAMA Resolution No. 303/2002;

(m) State Law (Minas Gerais) No. 14309/2002; and

(n) Normative Ruling No. 74/2004, issued by the State Council of Environmental Policy – COPAM;

"**Environmental Management Plan**" means the environmental management plan entitled "Plano de Controle Ambiental - PCA" prepared by or on behalf of the Borrower, filed with SUPRAM-NM on August 24, 2010 for the construction, operational and closure phases of the Project;

"**Equipment Purchase Agreement**" means the equipment purchase agreement dated for reference August 19, 2011 between the Borrower, Sotreq C.V. and Sotreq S.A. for the supply of mining and related mechanical equipment to the Project;

"**Equity Contributions**" means any proceeds received after the date hereof by the Borrower from the issue and sale from treasury of its quotas and/or warrants and/or options to purchase its quotas or proceeds from such other form of financing as is acceptable to the Lenders;

"**Equity Gap**" means, at any time, the difference between the Costs to Complete and the Available Funding;

"**Equity Securities**" means, with respect to any Person, (i) shares of capital stock of (or other ownership or profit interests in) such Person, (ii) warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, (iii) securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or other acquisition from such Person of such shares (or such other interests), and (iv) other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), in each case, whether voting or non-voting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination;

"**Equivalent Amount**" means, on any date, (i) the equivalent amount in Brazilian Reais or US Dollars, as the case maybe, after giving effect to a conversion of a specified amount of Brazilian Reais to US Dollars or of US Dollars to Brazilian Reais, as the case may be, or (ii) the equivalent amount in any other currency, after giving effect to a conversion of a specified amount of US Dollars to such other currency, in each case, at the spot rate quoted for wholesale transactions by the Agent at the Agent's Branch at approximately noon (Sydney time) on that date in accordance with its normal practice;

"**Event of Default**" means any of the events described in Section 13.01 or referred to elsewhere in any Finance Document as an Event of Default under this Agreement;

"**Exploration Licences**" means the exploration licences (*Autorização de Pesquisa*) within and comprising part of the Project from time to time, including, without limitation, those listed on Schedule G annexed hereto, and includes any application for an exploration licence and any filing, extension, renewal, amendment, modification, restatement, amendment and restatement and replacement of any of the same;

"**Export Proceeds Account**" means the account described in Section 12.01(1)(a);

"**Export Repayment Schedules**" means the structured export repayment schedules (to repay the pre-export payments in US Dollars from the proceeds of exports of Product) for the Project Facility set out in Schedule B hereto, as such structured export repayment schedules may be revised (if applicable) by the Lenders from time to time upon any change to the LOMP (given that the initial export repayment schedules are based on projected production of Product under the initial LOMP);

"**Final Maturity Date**" means March 31, 2017, being the last Repayment Date;

"**Finance Documents**" means, collectively:

(a) this Agreement;

(b) Drawdown Notices and Rollover Notices;

(c) all promissory notes evidencing any of the Secured Obligations;

(d) all Hedging Arrangements between the Borrower and the Hedge Providers;

(e) the Security, including for certainty, the Tripartite Agreements;

(f) the Collateral Agency and Intercreditor Agreement;

(g) any document or agreement entered into or provided under or in connection with any of the foregoing;

(h) any undertaking by or to a party or its lawyers under or in relation to any of the foregoing; and

(i) any other document which the Collateral Agent and the Borrower or the Agent and the Borrower agree is a Finance Document;

"**Financial Assistance**" means, with respect to any Person and without duplication, any loan, guarantee, indemnity, assurance, acceptance or extension of credit, loan purchase, share purchase, equity or capital contribution or investment, or any other form of direct or indirect financial assistance or support of any other Person or any obligation (contingent or otherwise) primarily for the purpose of enabling another Person to (i) incur or pay any Indebtedness, (ii) comply with agreements relating thereto, or (iii) otherwise assure or protect creditors of the other Person against loss in respect of Indebtedness of the other Person, and includes any guarantee of or indemnity in respect of the Indebtedness of another Person and any absolute or contingent obligation to (directly or indirectly):

(a) advance or supply funds for the payment or purchase of any Indebtedness of any other Person;

(b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Indebtedness or to assure the holder thereof against loss;

(c) guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other Person from, for or against any losses, liabilities or damages in respect of Indebtedness;

(d) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof to the Borrower or any Subsidiary thereof; or

(e) make an advance, loan or other extension of credit to or to make any subscription for equity, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another Person;

and, in each case, the amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, or all Indebtedness of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is the determinable amount;

"**Financial Completion**" means and shall have occurred when the conditions set forth in Part II of Schedule L have been met to the satisfaction of the Agent;

"**Financial Covenants**" means, collectively, the covenants set forth in Section 10.04;

"**Fiscal Quarter**" means the three month period ending on December 31, 2012, each succeeding three month period ending March 31, June 30, September 30 and December 31 of each Fiscal Year, and the period ending on the Final Maturity Date which commenced on the day immediately following the last day of the preceding Fiscal Quarter; provided that, where used in the context of a Calculation Date which does not coincide with the end of any such three month period, it means the three month period ended that immediately precedes such Calculation Date;

"**Fiscal Year**" means the fiscal year of the Borrower or CPN, as the case may be, which commences on January 1 and ends on December 31 of each year;

"**Force Majeure**" means any of the following events which prevents or materially impairs the construction or operation of the Project: acts of God, earthquakes, tidal waves, hurricanes, landslides, windstorms, severe weather conditions, floods, explosions, fires, vandalism, wars (whether declared or not), armed conflicts (whether internal or international), riots, insurrections, rebellions, civil commotions, sabotage, blockades, embargoes, epidemics, strikes or other labour disruptions, or any other event or cause, whether similar or dissimilar to the foregoing, beyond the control of the Loan Parties and which the Loan Parties could not reasonably have protected themselves against taking all steps;

"**Fuel Supply Agreement**" means (a) the fuel supply agreement to be entered into between the Borrower and Ipiranga Produtos de Petróleo S/A with respect to the provision of diesel fuels to the Project and (b) any other fuel supply agreement with a term greater than 12 months with respect to the provision of diesel or gasoline fuels to the Project which may be entered into by any of the Loan Parties, with a counterparty and which must be in a form and substance, in each case, acceptable to the Majority Creditors;

"**General Security Agreement**" means the security agreement to be granted by each Loan Party, other than CPN and the Borrower, in favour of the Collateral Agent for the benefit of the Creditors, in form and substance satisfactory to the Collateral Agent;

"**Gold Call Options**" means the American style call options granted by CPN to MBL on or about the date of this Agreement as consideration for MBL's commitment to underwrite the Project Loan Facility, [*agreement redacted – proprietary structure*];

"**GP**" means the gold purchase arrangements established pursuant to the GPA and the SPA;

"GPA" means the purchase agreement dated as of May 4, 2010 among CPN, as guarantor, the Borrower, as seller, and MBL, as purchaser, with respect to the purchase of a percentage of the Project Production (defined as "Payable Au" under such agreement) by MBL from the Borrower from the Project, as amended and restated pursuant to a Second Amending Agreement made between the Borrower, MBL and CPN dated October 25, 2012;

"**GP Security**" means the guarantees and security that secures the obligations under the GPA and the SPA, including, without limitation, the following:

(a) the guarantee and indemnity granted by CPN in favour of MBL with respect to, inter alia, the GPA and the SPA;

(b) the guarantee and indemnity granted by OLC Brazil in favour of MBL with respect to, inter alia, the GPA and the SPA;

(c) the guarantee and indemnity granted by OLV Co-op in favour of MBL with respect to, inter alia, the GPA and the SPA;

(d) the guarantee and indemnity granted by OLC Holdings in favour of MBL with respect to, inter alia, the GPA and the SPA;

(e) the pledge granted by the Borrower in favour of MBL to secure its obligations under, inter alia, the GPA and the SPA with respect to the pledge of the Project Tenements that are Mining Rights;

(f) the mortgage granted by the Borrower in favour of MBL to secure its obligations under, inter alia, the GPA and the SPA with respect to the mortgage of the Lands owned by the Borrower in relation to the Project; and

(g) such other security to be granted by the Borrower so as to ensure that the obligations of the Borrower under the GPA and the SPA are secured by security on the assets of the Borrower that is equivalent to the Security granted by the Borrower securing the Secured Obligations hereunder;

provided that the parties intend for the GP Security to be subject in all respects to the terms and conditions of the Collateral Agency Agreement;

"**GPA Upfront Payment**" means the aggregate US$15,000,000 "upfront payment" to be paid by MBL to the Borrower pursuant to the GPA, which has been paid in full by MBL to the Borrower as at the date hereof;

"**Guarantee**" means any agreement by which any Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person or otherwise assures any creditor of such other Person against loss, and shall include, without limitation, any contingent liability under any letter of credit or similar document or instrument. The amount of any guarantee shall be calculated for all purposes herein at the maximum amount of credit available to the guaranteed entity in respect of the obligation covered by the guarantee, whether or not such credit is utilized in the maximum amount available;

"**Guarantors**" means CPN, OLC Brazil, OLV Co-op, and OLC Holdings; provided that CPN shall cease to be a Guarantor in accordance with the provisions of Section 11.03 upon, and in respect of the period following, Project Completion;

"**Hazardous Materials**" means any (i) radioactive material, (ii) explosive, (iii) substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it will adversely affect its use by any individual or by any animal, fish or plant, (iv) solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that endangers the health, safety or welfare of individual persons or the health of animal life, interferes with normal enjoyment of life or property or causes damage to plant life or to property, (v) petroleum or petroleum product, (vi) toxic substance or other contaminant, including cyanide, (vii) substance, sound, vibration, ray, change in temperature, or radiation, in each case, declared to be hazardous or toxic under any Applicable Law now or hereafter enacted or promulgated by any Official Body having jurisdiction over any of the Loan Parties or their respective properties, assets or interests, including any substance, sound, vibration, ray, change in temperature or radiation which would be considered a hazardous substance under any Environmental Law to which the relevant Loan Party is subject, and (viii) other substance which is or may become hazardous, dangerous or toxic to individual persons or property;

"**Hedging Arrangement**" means any agreement, option or arrangement designed to protect a Person against fluctuations in:

(a) interest rates;

(b) currency exchange rates; or

(c) precious metals or commodity prices,

and for greater certainty shall include any 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 forward transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross currency rate swap transaction, currency option, credit derivative or any other similar transaction or agreement evidencing such transaction (including any option with respect to any of these transactions), any transaction referred to in clause (a) or (b) of the definition of "Specified Transaction" contained in section 14 of the 2002 ISDA Master Agreement published by International Swaps and Derivatives Association, Inc., and any combination of any of the aforesaid transactions, in each case whether entered into before, contemporaneously with or after this Agreement, and whether or not designated on its face as giving rise to Hedging Obligations as herein defined, and (for greater certainty) including the Initial Hedging Program, and each long form confirmation and ISDA master agreement (including the schedules to it and all confirmations of all transactions governed by it), entered into between the Borrower and a Hedge Provider;

"**Hedging Obligations**" means, in respect of Hedging Arrangements between the Borrower and the Hedge Providers, the aggregate (without duplication) at the relevant time, whether or not due at such time, of:

(a) the net marked-to-market obligations of the Borrower under all Hedging Arrangements; and

(b) the net amount owing or deliverable by the Borrower to each Hedge Provider under all Hedging Arrangements,

in each case, as calculated by each Hedge Provider;

"**Indebtedness**" means, with respect to any Person, indebtedness of such Person and its Subsidiaries which would, in accordance with Accounting Principles, be classified upon a consolidated balance sheet (and the notes thereto) of such Person as liabilities (absolute or contingent) of such Person and its Subsidiaries and, whether or not so classified, shall include (without duplication):

(a) indebtedness of such Person and its Subsidiaries for borrowed money;

(b) obligations of such Person and its Subsidiaries arising pursuant or in relation to (i) bankers' acceptances (including payment and reimbursement obligations in respect thereof), or (ii) letters of credit and letters of guarantee supporting obligations which would otherwise constitute Indebtedness within the meaning of this definition or indemnities issued in connection therewith;

(c) obligations of such Person and its Subsidiaries with respect to drawings under all other letters of credit and letters of guarantee;

(d) obligations of such Person and its Subsidiaries under Guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the indebtedness or other obligations of any other Person which would otherwise constitute Indebtedness within the meaning of this definition and all Financial Assistance including endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business);

(e) all indebtedness of such Person and its Subsidiaries representing the deferred purchase price of any property to the extent that such indebtedness is or remains unpaid after the expiry of the customary time period for payment, and (ii) all obligations of such Person and its Subsidiaries created or arising under any conditional sales agreement (or other title retention agreement) or capital lease;

(f) the amount for which any shares in the capital of any such Person that is a body corporate (including any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for any such shares, including options, warrants, conversion or exchange privileges or similar rights) may be redeemed if the holders of such shares are entitled at such time

to require such Person to redeem such shares, or if such Person is otherwise obligated at such time to redeem such shares, in each case whether on notice or otherwise;

(g) the Hedging Obligations of such Person under any Hedging Arrangement; and

(h) the amount of any continuing investment or collateralization in connection with a factoring or securitization of receivables or any other asset (regardless of the form of such continuing investment or collateralization, factoring or securitization, and including any capital contribution, but not including the proceeds received for any asset that is the subject of such factoring or securitization) or other form of credit enhancement or recourse made or required to be made in connection with such factoring or securitization and regardless of the form of such recourse arising under such factoring or securitization;

but shall exclude each of the following, determined (as required) in accordance with Accounting Principles:

(i) accrued interest not yet due and payable;

(ii) taxes payable and future taxes; and

(iii) such other similar liabilities as may be agreed by the Lenders from time to time;

"**Indemnified Taxes**" includes any Taxes imposed, levied or otherwise charged by any government authority, including interest, additions to Tax or penalties applicable thereto, but excludes (a) Taxes iinposed on any Creditor's income, and franchise or similar Taxes imposed on it, by any jurisdiction or political subdivision where it is organized, conducts business or maintains its lending office, and (b) Taxes that would not have been imposed but for a connection (other than a connection arising solely as a result of the transactions contemplated by this Agreement or any other Finance Document) between any Creditor and the jurisdiction imposing the Tax;

"**Independent Consultant**" means any independent or other expert appointed by the Creditors to advise and report to the Agent and the other Creditors on such matters as they may require in connection with the Finance Documents, the Borrower, its business or operations, the Project Documents, the Required Insurance, the Mineral Rights or the Project;

"**Independent Engineer**" means such Independent Consultant as is retained by the Creditors with the consent of the Borrower, such consent not to be unreasonably withheld or delayed; provided that such consent shall not be required (i) with respect to the Independent Consultant retained to consider Engineering Completion, or (ii) at any time when an Event of Default or Potential Event of Default shall have occurred and be subsisting;

"**Initial Au Hedging Program**" means the initial gold production Hedging Arrangements between the Borrower and the Hedge Providers comprised of the unmargined hedging of a minimum of [*agreement redacted – proprietary structure*] of gold production over the first five (5) years of production from the Project, based on the LOMP, by way of forward sale contracts with a minimum forward price at least equal to [*agreement redacted – proprietary structure*], and involving hedging or other price participating or downside protection hedging structures satisfactory to the Lenders, and as agreed by the Hedge Providers and the Borrower;

"**Initial BRL Hedging Program**" means the initial currency Hedging Arrangements between the Borrower and the Hedge Providers in respect of:

(a) not less than [*agreement redacted – proprietary structure*] of operating costs for the Project hedged at or above the rate of exchange for US $/BRL agreed between the Borrower and the Hedge Providers; and

(b) not less than [*agreement redacted – proprietary structure*]of capital costs for the Project, or such other amount in BRL equal to Capital Expenditures as set out in the Annual Project Budget, hedged at or above the rate of exchange for US $/BRL agreed between the Borrower and the Hedge Providers;

provided that such initial currency Hedging Arrangements will have a settlement profile that matches the LOMP, and in each case, will involve hedging or other price participating or downside protection hedging structures satisfactory to the Lenders, and as agreed by the Hedge Providers and the Borrower;

"**Initial Hedging Programs**" means, collectively, the Initial Au Hedging Program and the Initial BRL Hedging Program;

"**Insurable Property**" means such of the Collateral which is of an insurable nature;

"**Intellectual Property**" means any and all intellectual and industrial property, whether recorded or not and regardless of form or method of recording (and including all documents, records, maps, plans, photographs, drawings, reports, computer tapes and disks and other physical means for the storage or recall of all or any part thereof), including all works in which copyright subsists or may subsist (such as computer software), data bases (whether or not protected by copyright), designs, documentation, manuals, specifications, industrial designs, trade secrets, confidential information, ideas, concepts, know-how, trade marks, service marks, trade names, domain names, discoveries, inventions, formulae, recipes, product formulations, processes and processing methods, technology and techniques, improvements and modifications, integrated circuit topographies and mask works (and including, for certainty, mining, processing and engineering and other drawings, computer data bases and software technology, results of drilling programs, assays and all other technical, geological, production and commercial information, feasibility, metallurgical and other studies, safety information, mining, survey and engineering data, designs and specifications), and "**Intellectual Property Rights**" includes all intellectual and industrial and other proprietary rights in any Intellectual Property;

"**Interest Expense**" means, with respect to any Person for any period, without duplication, the aggregate amount of interest and other financing charges expensed by such Person on account of such period with respect to Indebtedness, including interest, discount financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees and charges payable with respect to letters of credit, letters of guarantee and bankers' acceptance financing, standby fees, the interest component of capital leases and net payments (if any) pursuant to interest rate Hedging Arrangements, but excluding any amount, such as amortization of debt discount and expenses, that would qualify as Depreciation Expense and the amount reflected in Net Income for such period in respect of gains (or losses) attributable to translation of Indebtedness from one currency to another currency, all as determined on a consolidated basis in accordance with applicable Accounting Principles;

"**Interest Payment Date**" means, with respect to each Advance, the last day of each applicable Interest Period and, if any Interest Period is longer than 90 days, the last Banking Day of each 90 day period during such Interest Period;

"**Interest Period**" means, with respect to each Advance, the period selected by the Borrower and being of 30, 60, 90 or 180 days duration, or such other period as may be agreed by the Lenders subject to availability to all of the Lenders, commencing on the Drawdown Date, or the applicable Rollover Date, as the case may be; provided that in any case the last day of each Interest Period shall be also the first day of the next Interest Period and further provided that the last day of each Interest Period shall be a Banking Day and if the last day of an Interest Period selected by the Borrower is not a Banking Day the Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next following the last day of the Interest Period otherwise selected unless such next following Banking Day falls in the next calendar month in which event the Borrower shall be deemed to have selected an Interest Period the last

day of which is the last Banking Day of the current calendar month and further provided that the last Interest Period hereunder shall expire on or prior to the Final Maturity Date;

"**Investment**" means all loans, advances, capital contributions and transfers of assets, and all purchases and other acquisitions for consideration of cash or evidences of indebtedness, capital stock or other securities;

"**ISDA Master Agreement**" has the meaning set out in Section 3.01(1)(e);

"**Judgment Conversion Date**" has the meaning set out in Section 17.06(1);

"**Lands**" means, with respect to the Project, all right, title or interest of the Borrower or any of its affiliates in real property, including without limitation, all right, title or interest in the real property described in the table and map attached as Schedule H to this Agreement, as well as and including, all surface rights, easements, tenements, rights of use, rights of access, rights of way and leasehold interests, in each case, comprising or relating to the Project, and all buildings, erections, structures, improvements and fixtures thereon, together with any interest therein hereinafter acquired by the Borrower or any of its affiliates;

"**Lands Access Agreements**" means:

(a) Purchase and Sale of Rural Property Agreement between the Borrower, Ataíde Pereira dos Santos and Odilia Gomes Rodrigues, dated 15 September 2010, regarding the transfer of title and possession of the rural property of Córrego Mumbuca, registered under N. 7.126, book 02, page 01 of the Real Estate Register of Porteirinha, State of Minas Gerais;

(b) Public Deed of Assignment and Transfer of Inheritance Rights between the Borrower, Madalena Pereira da Silva and others, dated 25 May 2010, regarding possession rights over a rural property located in the site of Ouro Fino, Municipality of Riacho dos Machados, State of Minas Gerais, as described in the Sale Deed of Unoccupied Government Lands granted to Ramiro José Pereira and registered at page 33, book 603, of the Board of Land Heritage of the Public Rural Foundation of the State of Minas Gerais – "RURALMINAS";

(c) Public Deed of Assignment and Transfer of Inheritance Rights between the Borrower, Francisca Silva and others dated 25 May 2010, regarding possession rights over a rural property located in the site of Ouro Fino, in the Municipality of Riacho dos Machados, State of Minas Gerais, as described in the Sale Deed of Unoccupied Government Lands granted to João Pereira da Silva and registered at page 43, book 791, of the Board of Land Heritage of RURALMINAS;

(d) Public Deed of Assignment and Transfer of Inheritance Rights, between the Borrower, Madalena Pereira da Silva and others, dated 25 May 2010, regarding possession rights over a rural property located in the site of Ouro Fino, in the Municipality of Riacho dos Machados, State of Minas Gerais, as described in the Sale Deed of Unoccupied Government Lands granted to José Pereira da Silva and registered at page 18, book 587, of the Board of Land Heritage of RURALMINAS;

(e) Public Deed of Assignment and Transfer of Inheritance Rights, between the Borrower, Luzia Alves da Silva and others, dated 25 May 2010, regarding possession rights over a rural property located in the site of Ouro Fino, in the Municipality of Riacho dos Machados, State of Minas Gerais, as described in the Sale Deed of Unoccupied Government Lands granted to Antônio Gomes Silva and registered at page 67, book 589, of the Board of Land Heritage of RURALMINAS;and

(f) Public Deed of Assignment and Transfer of Possession Rights between the Borrower, Luzia Francisca Silva Soares and Antonio Soares Barbosa, dated 25 May 2010, regarding the possession of a rural property located in the site of Ouro Fino, Municipality of Riacho dos Machados, State of Minas Gerais.

"**LBMA**" means the London Bullion Market Association (or any successor association or body);

"**Lenders' Counsel**" means (i) in Canada, the firm of Blake, Cassels & Graydon LLP, (ii) in Brazil, the firm of Pinheiro Neto Advogados, (iii) in the Netherlands, the firm of Clifford Chance LLP or, in each case, such other firm of legal counsel as the Agent may from time to time designate;

"**LI**" means the Installation Licence (*Licença de Instalação*) with respect to the Project issued by COPAM on November 21, 2011 to permit the Borrower to commence construction of the Project;

"**Licences**" means, collectively, the LP, the LI and the LO, and includes any extensions, renewals, amendments, modifications, restatements, amendment and restatements and replacements of any of the same;

"**Lien**" means a mortgage, security interest, pledge, deed of trust, encumbrance, lien, fiduciary property (*propriedade fiduciária*), option, royalty (including Net Smelter Royalties), tax lien, statutory lien, mechanics' lien, materialmen's lien or charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of or agreement to give any fixed or floating charge over property in the applicable jurisdiction);

"**Life of Mine**" means the period over which the LOMP has been prepared, as amended from time to time in accordance with the Finance Documents;

"**LO**" means the Operations Licence (*Licença de Operação*) with respect to the Project to be issued by COPAM and/or SUPRAM-NM to permit the Borrower to commence operations thereat;

"**Loan Life Coverage Ratio**" (or "**LLCR**") means (adopting the Price Determination) (a) the net present value (using the Discount Rate as at the applicable Calculation Date) of the CFADS (Forecast) over the remaining term of the Project Facility on a forward looking basis (as detailed in the LOMP) at the relevant Calculation Date, divided by (b) the Principal Outstanding (excluding, for this purpose, any principal outstanding under Tranche 2 in excess of US$10,000,000), less any positive balance in the DSRA up to a maximum amount equal to the aggregate principal repayments payable on the next Repayment Date;

"**Loan Parties**" means, collectively, the Borrower and Guarantors, and will continue to include CPN after it is no longer a Guarantor pursuant to the terms hereof;

"**LOMP**" means the base case, life of mine plan and cash flow accepted as such by the Creditors pursuant to Section 3.01(1)(o), as the same may be amended or updated with the prior written approval of, or as required by the Agent upon the instructions of, the Majority Creditors in accordance with Section 10.01(7)(b);

"**London Gold Fixing**" means a gold price fixing meeting among the members for the time being of the LBMA;

"**London Gold Price**" means, on any day, the fixing price per ounce of gold (in US $) as announced at the afternoon London Gold Fixing for such day and which appears on the relevant Reuters Screen Page on such day (which on the date hereof is Reuters Screen Page GOFO); provided that:

(a) if the afternoon London Gold Fixing shall not have occurred for that day, the London Gold Price for such day shall be the fixing price per ounce (in US $) as announced at the morning London Gold Fixing for such day; or

(b) if the morning London Gold Fixing shall not have occurred for such day, the London Gold Price for such day shall be the publicly quoted price per ounce (in US $) on such other accessible

international gold market (allowing for physical delivery of such gold) as may be reasonably selected by the Agent; or

(c) in the event the Agent shall have been unable to select any other such international gold market, then the London Gold Price for such day shall mean such price as the Agent, acting upon the instructions of the Majority Creditors, shall reasonably determine,

provided further that, in the event that such day is not a Banking Day, then the London Gold Price shall be the London Gold Price on the immediately preceding Banking Day;

"**Low Cost Jurisdiction**" means a tax jurisdiction that does not tax income or has a maximum income tax rate lower than 20%;

"**LP**" means the Preliminary Licence (*Licença Prévia*) with respect to the Project issued by COPAM on June 2, 2010 to permit the Borrower to carry out the necessary detailed planning and environmental studies relating thereto;

"**Majority Lenders**" means, at any given time, the Lenders to which at least [*agreement redacted – proprietary structure*] in the aggregate of all Advances are outstanding or, if the Project Facility has not been drawn down, the Lenders the Commitments of which are in the aggregate at least [*agreement redacted – proprietary structure*] of the Project Facility, [*agreement redacted – proprietary structure*] of all the Lenders at any given time;

"**Majority Creditors**" means, at any given time, the Creditors to which at least [*agreement redacted – proprietary structure*] in the aggregate of all Advances and Hedging Obligations are outstanding or, if the Project Facility has not been drawn down, the Creditors the Commitments of which, and/or the Hedging Obligations to which, as the case may be, are at least [*agreement redacted – proprietary structure*] in the aggregate of the sum of all Commitments under the Project Facility and all Hedging Obligations at such time, [*agreement redacted – proprietary structure*] of all the Lenders and all outstanding Hedging Obligations at any given time;

"**Material Adverse Event**" means an event (including a series of related or unrelated events) which, in the opinion of the Majority Creditors, has, or could be expected to have, a material adverse effect on:

(a) the business, assets, liabilities (contingent or otherwise), operations, results of operations, property, condition (financial or otherwise), ownership or board membership of any of the Loan Parties;

(b) the ability of the Loan Parties to perform their obligations (including the Secured Obligations);

(c) the viability (whether technical, environmental or economic), ongoing operations or value of the Project;

(d) the rights and remedies of the Creditors under any Finance Document, any Project Document, or any related document, instrument or agreement;

(e) the value of the Collateral taken as a whole, the Collateral Agent's Liens on the Collateral or the perfection or priority of the Liens provided for in the Security; or

(f) Permits relating to the Project;

"**Maximum Permitted Equity Gap**" means, subject to Section 10.01(26), [*agreement redacted – proprietary structure*];

"**MBL**" means Macquarie Bank Limited, ABN 46 008 583 542;

"**MB Royalty**" has the meaning set out in paragraph (k) of the definition of Permitted Liens in this Section 1.01;

"**Metals Account**" means the account described in Section 12.01(2);

"**Metso Agreement**" means the agreements entered into between the Borrower and Metso Brasil Indústria e Comércio Ltda. dated 15 June 2012 and 27 September 2012 relating to the installation and ramp up of the mill and the supply of conveyor belts and other ancillary equipment for the processing plant at the Project;

"**Mineral Rights**" means, with respect to the Project:

(a) the Mining Concession;

(b) the Exploration Licences;

(c) all other mineral licences, tenures, tenements and other material interests in the Project, including all exploration permits, exploitation concessions and any gaps or fractions between such permits or concessions relating to the Project, whether constituted or in the process of being constituted, and held by or for the benefit of the Borrower or its affiliates, and any other permits or concessions or rights thereto (including any future right) located within the areas covered by the aforesaid permits or concessions and owned directly or indirectly by the Borrower or its affiliates or otherwise for the benefit thereof;

(d) all registered and non-registered concessions and other rights held by or contracted to the Borrower or its affiliates to remove or divert from its natural source and to use water granted by any Persons to the Borrower or its affiliates in respect of or in connection with the Project, and all rights and approvals related thereto, such as rights and approvals to access water and to locate equipment and other hydrological works necessary to access and transport water in respect of or in connection with the Project;

(e) any present or future renewal, extension, modification, substitution, amalgamation or variation of any of the above (whether extending over the same or a greater or lesser area);

(f) any present or future application for or interest in any of the above, which confers or which, when granted, will confer the same or similar rights; and

(g) any other present or future interest held by or on behalf of the Borrower or any of its affiliates in minerals, ores and mines, whether on or under land, necessary for the Borrower to develop and operate the Project;

"**Minimum Account Balance**" means a minimum aggregate balance in the Proceeds Accounts and the Operating Account equivalent to [*agreement redacted – proprietary structure*] as set out in the then current Annual Project Budget;

"**Mining Concession**" means:

(a) the mining concession (*Concessão de Lavra*) identified on Schedule G annexed hereto as being within and comprising part of the Project, as issued by the DNPM and held by the Borrower for the conduct of mining operations at the Project; and

(b) any future mining concession(s) (*Concessão de Lavra*) relating to or comprising part of the Project, as may be issued by the DNPM or other relevant Official Body and held by the Borrower or any of its affiliates for the conduct of mining operations at the Project, including any future mining concession issued with respect to the surface area or land that is the subject of any Exploration Licence,

and, in each case, includes any application for a mining concession, and any extension, renewal, expansion, amendment, modification, restatement, amendment and restatement and replacement of any of the same;

"**Mining Laws**" means the collection of rules that establish the rights, obligations and proceedings relating to the acquisition, exploitation and uses of mineral substances in Brazil, including:

(a) the Brazilian Federal Constitution of 1998;

(b) Constitutional Amendment Nr. 6 dated 16 August 1995;

(c) Brazilian Mining Code issued by Decree-Law Nr. 227 dated 28 February 1967, as amended;

(d) Decree Nr. 62,934 dated 2 July 1968;

(e) Federal Law Nr. 9,314 dated 14 November 1996, as amended;

(f) Federal Decree 97,507 dated 13 February 1989, as amended; and

(g) as well as all decrees, ordinances and rulings issued from time to time by the Ministry of Mines and Energy or by the DNPM relating to mining activities in Brazil, including the exploitation, licensing, assignment, trade, export and import of minerals;

"**Net Export Proceeds**" means, in respect of a particular Fiscal Quarter, the actual revenues from Project Production during such Fiscal Quarter, less payments during such Fiscal Quarter of the nature contemplated by Sections 12.01(8)(a) through (e), inclusive;

"**Net Income**" means, with respect to any Person for any period, the net revenue of such Person for such period on a consolidated basis, less all expenses and other charges not otherwise deducted in computing such net revenue for such period, determined in accordance with applicable Accounting Principles, but excluding extraordinary items as determined in accordance with such Accounting Principles, earnings resulting from any reappraisal, revaluation or other write-up of assets and gains arising from the repurchase of any equity security of such Person or any subsidiary;

"**Net Smelter Royalty**" means a production royalty based on a percentage of net smelter returns from production mined, recovered and removed from the Project Tenements, where the net smelter return is determined as the proceeds of sale received by the Borrower for sales of all such production (or deemed proceeds for retained production or production sold or transferred to affiliates) less the Borrower's costs of sales, transportation, processing and extraction;

"**NI 43-101**" means National Instrument 43-101 (*Standards of Disclosure for Mineral Projects*) issued by the Canadian Securities Administrators (including its Companion Policy 43-101 CP and Form 43-101F1 Technical Report);

"**Non-Funding Lender**" has the meaning set out in Section 16.02(2);

"**Officer's Certificate**" means a certificate signed by any one of the President, the Vice-President, or the Chief Financial Officer of the Borrower;

"**Official Body**" means any government (including any federal, provincial, state, territorial, municipal or local government) or political subdivision or any agency, authority, bureau, regulatory or administrative authority, central bank, monetary authority, commission, department or instrumentality thereof, the registry of titles and deeds (*Cartório de Registro de Títulos e Documentos*), the real estate registry (*Cartório de Registro de Imóveis*), the DNPM, COPAM (and SUPRAM-NM), the Toronto Stock Exchange or any other public securities exchange, or any court, tribunal, judicial entity, or arbitrator, whether foreign or domestic, having jurisdiction with respect to a specified Person, property, transaction, event or matter;

"**Offshore Buyer**" has the meaning set forth in Section 7.01(1);

"**OLC Brazil**" means Ore-Leave Capital (Brazil) Limited, a corporation organized and subsisting under the laws of Barbados;

"**OLC Holdings**" means OLC Holdings BV, a limited liability corporation organized and subsisting under the laws of the Netherlands;

"**OLV Co-op**" means OLV Coöperatie U.A., a holding co-operative organized and subsisting under the laws of the Netherlands;

"**Operating Account**" has the meaning set forth in Section 12.01(3);

"**Other Taxes**" has the meaning set forth in Section 5.02(2);

"**ounce**" means a troy ounce;

"**Outside Completion Date**" means June 30, 2013, or such later date as may be agreed to in writing by the Agent acting upon the instructions of the Majority Creditors;

"**Permits**" means:

(a) the Licences; and

(b) any other permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, authorization under the Registration as Exporter, franchise, privilege, grant, waiver, exemption and other similar concession or by law, rule or regulation (whether or not having the force of law) of, by or from any Official Body, including, without limitation, those set out in Schedule I; provided that, where such permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other similar concession or by law, rule or regulation does not have the force of law, it shall comprise a Permit only to the extent that a prudent owner of an asset or operator of a business similar to that owned or operated by the relevant Person would consider it necessary or advisable to comply with same;

"**Permitted Disposition**" means a sale, disposition or parting of possession by any of the Loan Parties of the following:

(a) Project Production which is sold or disposed of for fair value on arm's length commercial terms in the ordinary course of business;

(b) Project Production delivered to MBL in accordance with the GPA or the SPA;

(c) assets which have become worn-out, obsolete or redundant, provided that the fair value of all such assets, together with the fair value of assets disposed pursuant to paragraph (e) below, does not exceed [*agreement redacted – proprietary structure*] in aggregate (or the Equivalent Amount in any other currency) in any rolling 12-month period;

(d) assets which are to be contemporaneously replaced by assets of comparable or superior value, type and quality that perform substantially similar functions, provided that the fair value of such assets which are to be so replaced does not exceed [*agreement redacted – proprietary structure*] in aggregate (or the Equivalent Amount in any other currency) in any rolling 12-month period and the proceeds of disposal are used to acquire such replacement assets; or

(e) other assets or property having an aggregate fair value, together with assets disposed pursuant to paragraph (c) above, not exceeding [*agreement redacted – proprietary structure*] in aggregate (or the Equivalent Amount in any other currency) in any rolling 12-month period,

in each case, provided that the proceeds of such sale, disposition or parting of possession are deposited into the relevant Proceeds Account in accordance with Section 12.01(7), pending any further dealing in accordance with the terms of this Agreement;

"**Permitted Indebtedness**" means any of the following:

(a) Indebtedness under this Agreement;

(b) Indebtedness under the GPA and the SPA;

(c) Indebtedness comprised of amounts owing to trade creditors and accruals in the ordinary course of business, in each case, on terms of payment up to, and outstanding less than, 90 days; provided that the aggregate of such Indebtedness for the Loan Parties, collectively, shall not exceed US [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency), subject to applicable holdbacks where amounts payable are in dispute or services performed or goods delivered are the subject of a dispute on grounds satisfactory to the Majority Creditors;

(d) Indebtedness comprised of amounts owing to trade creditors and accruals in the ordinary course of business, in each case, on terms of payment greater than 90 days; provided that the aggregate of such Indebtedness for the Loan Parties, collectively, shall not exceed [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency), excluding amounts in respect of Permitted Liens and subject to applicable holdbacks where amounts payable are in dispute or services performed or goods delivered are the subject of a dispute on grounds satisfactory to the Majority Creditors;

(e) the Initial Hedging Program and other Hedging Arrangements with the Hedge Providers, to the extent permitted under Section 10.01(16);

(f) subject to Section 10.01(11), any Subordinated Intercompany Debt, provided that the proceeds thereof are used by the borrower of such Indebtedness to fund the Project; and

(g) Indebtedness under capital leases and Purchase Money Liens entered into in the ordinary course of business; provided that the aggregate of such Indebtedness for the Loan Parties, collectively, does not exceed [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency) at any time and from time to time;

"**Permitted Liens**" means (i) in respect of the Borrower, as set out below in paragraphs (a) through (o), inclusive, and (ii) in respect of each Loan Party other than the Borrower, as set out below in paragraphs (a), (b), (c) and (f):

(a) the Liens set out in Schedule J with respect to such Loan Party;

(b) the Liens created by or arising under the Finance Documents;

(c) the lien for taxes and assessments not at the time overdue and liens securing workers' compensation assessments and the lien for specified taxes and assessments, which are overdue but the validity of which is being contested at the time in good faith by appropriate proceedings and for which adequate reserves in accordance with Accounting Principles shall have been set aside;

(d) cash or governmental obligations deposited in the ordinary course of business in connection with contracts, bids or tenders, surety or appeal bonds or costs of litigation (when required by law);

(e) liens or claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens arising in the ordinary course of business which relate to obligations not at the time overdue;

(f) statutory liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;

(g) security given in the ordinary course of business to a public utility or any Official Body when required by such utility or Official Body in connection with the operations of the Borrower;

(h) easements, rights of way and servitudes which in the opinion of Lenders' Counsel will not in the aggregate materially impair the use of the land concerned for the purpose for which it is held or used by the Borrower;

(i) a banker's lien arising by operation of law or practice over money deposited with a banker in the ordinary course of its business;

(j) the Liens of the GP Security, the particulars of which are described in Schedule J; subject always to the Collateral Agency Agreement entered into as contemplated in Section 11.03(3);

(k) in respect of Project Production, (i) the Net Smelter Royalty of 1% payable to Mineração Brilhante Ltda. (the "**MB Royalty**") and (ii) the GP;

(l) title defects or irregularities which in the opinion of Lenders' Counsel in the aggregate will not materially impair the use of the Project for the purposes for which it is held by the Borrower or materially affect the Security;

(m) all rights reserved to or vested in any Official Body by the terms of any Mineral Rights held by the Borrower or to require annual or other periodic payments as a condition of the continuance thereof or to distrain against or to obtain a lien on any property or assets of the Borrower in the event of failure to make such annual or other periodic payments;

(n) Liens in respect of Permitted Indebtedness referred to in paragraph (g) of the definition thereof; and

(o) such other Liens as are required for the operation of the Project and approved in writing by the Collateral Agent;

"**Person**" means an individual, corporation, partnership, trust, other legal entity, unincorporated association or a government or political subdivision (including territorial representatives) thereof;

"**Pledge of Accounts Receivable**" means the pledge of book debts and accounts receivable granted by the Borrower in favour of the Collateral Agent for the benefit of the Creditors, in form and substance satisfactory to the Collateral Agent;

"**Potential Event of Default**" means an event which, with the giving of notice, lapse of time, fulfilment of any condition or any combination of the foregoing, would give rise to an Event of Default;

"**Power Supply Agreement**" means any power supply agreement with respect to the provision of electricity to the Project which may be entered into by any of the Loan Parties, with a counterparty having a term of greater than 12 months and which will be in form and substance, in each case, acceptable to the Majority Creditors;

"**Power Supply Infrastructure Agreements**" means (a) the agreement dated 19 March 2012 between the Borrower and Proel Engenharia Ltda., for the design of the power substations related to the Project, and

(b) the agreement dated 27 February 2012 between the Borrower and PGV Services, for the construction of a transmission line for the supply of electricity to the Project;

"**Pre-strip Contract Operator**" means Afonso Mineração e Logistica or any other pre-strip operator of the Project appointed by the Borrower with the prior approval of all the Lenders;

"**Pre-Strip Mining Agreement**" means an agreement dated 5 September 2012 between the Borrower and the Pre-strip Contract Operator providing for the mining of waste material at the Project;

"**Price Determination**" means, [*agreement redacted – proprietary structure*];

"**Principal Outstanding**" means, at the relevant time, the aggregate principal amount of all outstanding Advances under the Project Facility;

"**Proceeds Accounts**" means the Export Proceeds Account and the USD Proceeds Account;

"**Product**" means, without limitation, all ore, minerals, concentrate, dore bar and refined metals produced by or derived from the Project;

"**Project**" means the project to develop and construct the Riacho dos Machados gold mine located near the town of Riacho dos Machados in the northern region of Minas Gerais State, Brazil in such form as it may take from time to time and to bring it into production in accordance with the LOMP and the Bankable Feasibility Study, and includes the Project Assets;

"**Project Accounts**" means the Proceeds Accounts, the Metals Account, the Operating Account, and the Debt Service Reserve Account;

"**Project Agreements**" has the meaning set forth in paragraph (b) of the definition of Project Documents;

"**Project Area**" means the surface and sub-surface areas comprised of the Mineral Rights and the Lands, including each location where the Borrower has a right of access to or entry upon for the purposes of the Project, or where (in accordance with the Project Documents or otherwise) any Project Assets are or are intended to be constructed, located or maintained;

"**Project Assets**" means all property and interests in property of any kind now or in the future owned, held or acquired by the Borrower or any other Loan Party in connection with the Project, including:

(a) all right, title and interest of the Borrower in and pursuant to the Project Documents;

(b) the Project Tenements;

(c) all Permits;

(d) all mines, buildings, improvements, structures, systems, fixtures, plant, machinery, tools and other personal property at any time acquired, leased or held and used or intended for use in connection with or incidental to the mining or extraction of the applicable Product and all associated facilities and infrastructure;

(e) all treatment facilities;

(f) all storage facilities;

(g) all raw materials and work in progress;

(h) transport systems, conveyor systems, pipelines, change rooms, messing facilities, first aid centres, residential buildings, offices and workshops;

(i) all stockpiling and loading systems, power generating facilities and transmission lines, water supply plants and distribution systems and environmental control and monitoring apparatus;

(j) all accommodation and community facilities (on site or off site);

(k) all Required Insurance;

(l) all gold and other minerals (in whatever form) located in or upon the Mineral Rights;

(m) all Product, Project Production, inventories and ore reserves and resources of the Project;

(n) the Project Accounts;

(o) all accounts, receipts and monies (whether of capital or income, and including insurance proceeds and proceeds of expropriation or eminent domain) derived or otherwise received by the Borrower or any Guarantor from or in connection with the Project or the sale of Project Production; and

(p) all Intellectual Property Rights applicable to the Project;

"**Project Costs**" means, for any period, the aggregate of all Capital Expenditures and other costs pursuant to an Annual Project Budget scheduled to be or actually paid or incurred (as the case may be) by or on behalf of the Loan Parties during such period for or in respect of designing, constructing, developing, equipping, installing and completing the Project and rendering the Project operational in accordance with the LOMP;

"**Project Completion**" means and shall have occurred upon the occurrence of both Engineering Completion and Financial Completion in accordance with this Agreement;

"**Project Completion Date**" means the date which is the last day of the month in which Project Completion occurs;

"**Project Documents**" means the following instruments, contracts and agreements which are now existing or are entered into in the future, with any Official Body or any other Person:

(a) each Permit which is issued to or held by or on behalf or for the benefit of the Borrower in connection with the construction, development, operation, completion or management of the Project or the production, transportation or sale of Product therefrom, or by or on behalf or for the benefit of the Borrower in connection with the Borrower's business or premises; and

(b) each material instrument, contract, agreement or other document executed from time to time by or on behalf or for the benefit of the Borrower with respect to the Permits, the construction, development, operation, completion or management of the Project or the production, transportation, refining or sale of Product therefrom (the "**Project Agreements**") including, without limitation those set out in Schedule I;

"**Project Engineer**" means CRA Minérios e Metais Ltda., an affiliate of Conestoga-Rovers and Associates, or any other engineering firm appointed by the Borrower for the procurement and management of the construction of the Project on terms satisfactory to the Creditors;

"**Project Facility**" means the non-revolving pre-export credit facility (*recebimento antecipado de exportação*) in the maximum principal amount of up to US$90,000,000, to be made available to the

Borrower by the Lenders in two tranches (Tranche 1 and Tranche 2) in accordance with the provisions hereof, subject to any reduction or cancellation in accordance with the provisions hereof;

"**Project Life Coverage Ratio**" or "**PLCR**" means (adopting the Price Determination) (a) the net present value (using the Discount Rate as at the applicable Calculation Date) of CFADS (Forecast) for the remaining Life of Mine on a forward looking basis (as detailed in the LOMP) at the relevant Calculation Date, divided by (b) the Principal Outstanding (excluding for this purpose, any principal outstanding under Tranche 2 in excess of US$10,000,000), less any positive balance in the DSRA up to a maximum amount equal to the aggregate principal repayments payable on the next Repayment Date;

"**Project Production**" means all saleable Products in whatever form produced from the Project;

"**Project Ratios**" means the Project ratios described in Section 10.04(1);

"**Project Tenements**" means, collectively:

(a) the Mineral Rights; and

(b) the Lands;

"**Proven and Probable Reserves**" means, at any date, "Proven Mineral Reserves" and "Probable Mineral Reserves" of gold at the Project, as determined and calculated in accordance with the standards set forth in NI 43-101; and the terms "**Proven Mineral Reserves**" and "**Probable Mineral Reserves**" as used in this definition shall have the meanings incorporated by reference in NI 43-101);

"**Purchase Money Lien**" means a Lien created or assumed by the Borrower securing Indebtedness incurred to finance the unpaid acquisition price (including any installation costs or costs of construction) of property provided that (i) such Lien is created substantially concurrently with the acquisition of such property, (ii) such Lien does not at any time encumber any property other than the property and the proceeds thereof financed or refinanced (to the extent the principal amount is not increased) by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased subsequent to such acquisition, and (iv) the principal amount of Indebtedness secured by any such Lien at no time exceeds 100% of the original purchase price of such property at the time it was acquired, and any Lien replacing any such Lien;

"**Quarter End**" means March 31, June 30, September 30 and December 31 of each year;

"**Rateable Portion**" as regards any Lender means, with regard to any amount of money, the product obtained by multiplying that amount by the quotient obtained by dividing (i) the Commitment of that Lender at that time by (ii) the aggregate of all Commitments of all Lenders at that time;

"**Rateable Share**" and "**Rateably**" means, at any date of determination, the proportion that the amount in US Dollars of the Secured Obligations outstanding to any Creditor bears to the aggregate amount in US Dollars of all Secured Obligations, as determined by the Agent as at the Adjustment Time;

"**Reference Rate**" means, in relation to an Interest Period, a rate per annum equal to the rate which is quoted as the US $ LIBOR rate shown at approximately 11:00 am (London time) on Reuters' Screen LIBOR01 page (or any replacement page therefor) on the day which is two Banking Days before such Interest Period, for a term equal to or approximately equal to the duration of the Interest Period (or, if such Interest Period is subject to marginal adjustment, for a term equal to the duration of the Interest Period prior to such adjustment); provided that, if no such rate is quoted, such rate shall be:

(a) the arithmetic mean (rounded upward to the nearest three decimal places) of the offered rates advised to the Agent at approximately 11:00 a.m. (London time) for deposits in US $ for a term equal to or approximately equal to the duration of the Interest Period (or, if such Interest Period is

subject to marginal adjustment, for a term equal to the duration of the Interest Period prior to such adjustment) by any four major banks active in US $ in the London interbank market and selected by the Agent (provided that, if fewer than four quotations are received, the Agent may rely on the quotations so received if not less than two); or

(b) if fewer than two quotations are received from the banks in London in accordance with paragraph (a) above, the arithmetic mean (rounded upward to the nearest three decimal places) of the offered rates advised to the Agent at approximately 11:00 a.m. (New York time) for deposits in US $ for a term equal to or approximately equal to the duration of the Interest Period (or, if that Interest Period is subject to marginal adjustment, for a term equal to the duration of the Interest Period prior to such adjustment) by a major bank or banks in New York, New York selected by the Agent,

provided that the Reference Rate will never be less than zero (0%) percent per annum;

"**Refined Gold**" means gold constituting good delivery to, and complying with the specifications of the London Bullion Market Association with an assayed fineness of not less than 0.995 fine;

"**Refinery**" means the refining facility or facilities designated for such purpose in a Refining Agreement;

"**Refining Agreement**" means any agreement relating to the refining of Project Production into Refined Gold which may be entered into by any of the Loan Parties, which will be in form and substance acceptable to the Creditors;

"**Registration as Exporter** (*Registro de Exportador*)" has the meaning given to it in Rule (*Portaria*) No. 35, dated 24 November 2006 issued by the Foreign Commerce Secretariat (*Secretaria de Comércio Exterior – SECEX*) of the Industry and Foreign Commerce Ministry (*Ministério do Desenvolvimento, Indústria e Comércio Exterior – MDIC*).

"**Release**" includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping, or permitting any of the foregoing to occur;

"**Relevant Person**" is a several reference to each Loan Party and any affiliate of a Loan Party;

"**Repayment Date**" means each date specified in the first column of the applicable Export Repayment Schedule for repayment of any part of the Principal Outstanding;

"**Repayment Notice**" means a notice substantially in the form annexed hereto as Schedule D to be given to the Agent by the Borrower pursuant to Section 7.02;

"**Required Initial Equity Contribution**" means the sum of [*agreement redacted – proprietary structure*] being the total amount of equity contributions, GPA Upfront Payments and the SPA Purchase Price which, as a condition precedent to the Drawdowns under the Project Facility, must have either been: (a) spent on Project Costs; or (b) deposited into the USD Proceeds Account;

"**Required Insurance**" means the insurances required to be taken out or maintained by, or on behalf or for the benefit of, the Loan Parties to comply with the provisions of the Finance Documents, the Project Documents and Applicable Laws;

"**Reserve Tail**" means the recoverable Proven and Probable Reserves of gold in the LOMP that remain to be mined and processed at the latest of the Final Maturity Date and the latest maturity of any Hedging Arrangement between the Borrower and any Hedge Provider, compared to the total recoverable Proven and Probable Reserves of gold (as stated in the most current board-approved LOMP that has been approved in writing by the Majority Creditors), expressed as a percentage;

"**Restricted Payment**", in respect of any Loan Party, means:

(a) any dividend or distribution (in cash, property or obligations) on any shares of any class of capital stock of, or on any other ownership interest of, such Loan Party (now or hereafter outstanding) or on any warrants, options or other rights with respect to any shares of any class of capital stock of, or other ownership interest (now or hereafter outstanding) in, such Loan Party;

(b) the application of any of such Loan Party's funds, property or assets to the purchase, redemption or other retirement of any shares of any class of capital stock of, or on any other ownership interest in, such Loan Party (now or hereafter outstanding), or any warrants, options or other rights with respect to any shares of any class of capital stock of, or other ownership interest in, such Loan Party (now or hereafter outstanding);

(c) the repayment, redemption, purchase or other defeasance or discharge of any indebtedness owing to, or making of any other payment to, any affiliate (including all Subordinated Intercompany Debt); or

(d) any deposit for any of the foregoing purposes or other discharge of any indebtedness incurred by any affiliate,

but will not, in any event, include the payment of any amount by the Borrower or any other Loan Party in respect of a repayment or refund of all or any part of any GPA Upfront Payment due and payable to MBL pursuant to and in accordance with the terms of the GPA;

"**ROF**" means *Registro de Operação Financeira*, an electronic registration identified by a number by or on behalf of the Borrower prior to the remittance of the proceeds of a Drawdown to the Operating Account, through SISBACEN, authorizing the Borrower to (a) enter into the relevant foreign exchange contract for the inflow of funds into Brazil as pre-export payments ("*recebimento antecipado de exportação*") and (b) register the Export Repayment Schedules after disbursement of those Drawdowns to allow the Borrower to proceed with the respective export repayments (to repay the pre-export payments in US Dollars), and to make payments in US Dollars with respect to interest, fees and expenses;

"**Rollover**" means a rollover of an Advance;

"**Rollover Date**" means the date of commencement of a new Interest Period applicable to an Advance;

"**Rollover Notice**" means a notice substantially in the form annexed hereto as Schedule E to be given to the Agent by the Borrower pursuant to Section 2.09;

"**Rovina Valley Project**" has the meaning set forth in Section 9.01(6);

"**Royalty**" or "**Royalties**" means all amounts payable as a share of the product or profit from property and includes without limitation the statutory royalty payable to the relevant states, municipalities, Federal District (*Compensação Financeira pela Exploração Mineral*) and to any landholders, production payments, minimum royalties, Net Smelter Royalties, overriding royalties, and royalty bonuses;

"**Sales Agreement**" means any contract, agreement or arrangement for sale, transfer or other disposal of Product, or any contract, agreement or arrangement for any agency for sale, exchange, transfer or other disposal of Product;

"**Secured Obligations**" means any and all Indebtedness, liabilities and obligations of the Loan Parties to the Creditors (in any capacity) under or by reason of:

(a) any Finance Document; or

(b) any other transaction, matter or event associated with any Finance Document (other than the GPs and related transactions),

including whether the same are liquidated or unliquidated, are present, prospective or contingent, are in existence before or come into existence upon or after the date of this Agreement, relate to the payment of money or the performance or omission of any act associated with any Finance Document or accrue as a result of any Event of Default and irrespective of (i) whether any Loan Party is liable or obligated solely, or jointly or jointly and severally with another Person therefor, (ii) the circumstances in which any Creditor comes to be owed any such Indebtedness, liability or obligation or the same comes to be secured by any Finance Document, including pursuant to any assignment of any Indebtedness, liability or obligation or of any Finance Document, or (iii) the capacity in which any Loan Party comes to owe, or any Creditor comes to be owed, any such Indebtedness, liability or obligation;

"**Security**" has the meaning set forth in Section 11.01(b);

"**Securities Laws**" means the securities legislation in each of the provinces of Canada and the rules and regulations made thereunder, the orders and policy statements of the securities commissions or other securities regulatory authorities in such jurisdictions, and the rules, regulations and policies of the TSX;

"**Securities Pledge Agreement**" means each share, unit or quota pledge agreement to be entered into between the Collateral Agent, on behalf of the Creditors, and each of CPN, OLC Brazil, OLV Co-op, and OLC Holdings, as pledgors, concerning the pledge of their respective Equity Interest of OLC Brazil, OLV Co-op, OLC Holdings and the Borrower, in form and substance satisfactory to the Collateral Agent;

"**SISBACEN**" means the *Sistema de Dados do Banco Central do Brasil – SISBACEN*, the data system of the Central Bank of Brazil;

"SPA" means the sale and purchase agreement dated as of 25 October, 2012 among CPN, as guarantor, the Borrower, as seller, and MBL, as purchaser, with respect to the purchase of the "Acquisition Right" (as defined under the SPA) by MBL from the Borrower in consideration for the payment by MBL to the Borrower of the SPA Purchase Price**;**

"**SPA Purchase Price**" means the "Purchase Price for the Acquisition Right" (as that term is defined under the SPA) payable by MBL to the Borrower under the terms of the SPA in consideration for the purchase of the "Acquisition Right" (as that term is defined under the SPA).

"**Subordinated Intercompany Debt**" means any indebtedness of any Loan Party owing to an affiliate thereof for borrowed money which is subordinate to such Loan Party's indebtedness under the Finance Documents pursuant to a subordination agreement in form and substance satisfactory to the Collateral Agent;

"**Subsidiary**" means, with respect to any Person:

(a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by such Person or one or more of its Subsidiaries, or such Person and one or more of its Subsidiaries;

(b) any partnership of which, at the time, such Person, or one or more of its Subsidiaries, or such Person and one or more of its Subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated)

thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or

(c) any other Person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by such Person, or one or more of its Subsidiaries, or such Person and one or more of its Subsidiaries;

"**Successor Agent**" has the meaning set out in Section 16.11;

"**SUPRAM-NM**" means the Regional Superintendent of the Environment and Sustainable Development (*Superintendência Regional de Meio Ambiente e Desenvolvimento Sustentável*) of the North of Minas Gerais State;

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, compulsory loans, withholdings, assessments, fees or other charges imposed by any Official Body (together with any interest, additions to tax or penalties, charges or fees applicable thereto), and includes all present or future stamp or documentary taxes, goods and services taxes, value added or analogous taxes, or any other excise, intangible, mortgage, recording, or property taxes, charges or similar levies arising from any payment made hereunder or under any other Finance Document or from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Agreement or any other Finance Document;

"**Taxing Authorities**" means any Official Body that has the power to impose Taxes upon the Borrower or any of the Collateral;

"**Total Costs to Complete**" means at any date the Project Costs incurred to that date plus the Costs to Complete for that same date;

"**Tranche 1**" means the first tranche of the Project Facility in the amount of US $65,000,000;

"**Tranche 2**" means the second tranche of the Project Facility in the amount of US $25,000,000;

"**Tripartite Agreements**" means each of the following:

(a) the Tripartite Agreement – Construction Agreement to be entered into between the Borrower, the Collateral Agent and the Project Engineer;

(b) the Tripartite Agreement – Power Supply Agreement to be entered into between the Borrower, the Collateral Agent and the applicable counterparty thereto;

(c) the Tripartite Agreement – Fuel Supply Agreement to be entered into between the Borrower, the Collateral Agent and the relevant counterparty in respect of each Fuel Supply Agreement referred to in clause (b) of the definition thereof; and

(d) the Tripartite Agreement – Refining Agreement to be entered into between the Borrower, the Collateral Agent and the relevant counterparty in respect of each Refining Agreement;

"**TSX**" means the Toronto Stock Exchange;

"**Undrawn Commitments**" means, at the relevant time, the Commitments of all Lenders less the aggregate of the Principal Outstanding at that time;

"**US Dollars**" and "**US $**" each mean lawful money of the United States of America in same day immediately available funds or, if such funds are not available, the form of money of the United States of

America that is customarily used in the settlement of international banking transactions on the day payment is due hereunder;

"**US Prime Rate**" means the prime business rate of interest applicable to obligations outstanding in US Dollars as quoted from time to time by the Agent or its affiliates;

"**USD Proceeds Account**" means the account described in Section 12.01(1)(b);

"**Warrants**" means the 20,000,000 American style call warrants issued by CPN to MBL on or about the date of this Agreement as consideration for MBL's commitment to underwrite the Project Loan Facility, each such warrant by its terms entitling the holder to purchase one CPN Share at an exercise price of Cdn. $0.40 for a period of 36 months from their date of issue, subject to customary anti-dilution and other provisions as set forth in the certificate representing such warrants; and

"**Warrant Shares**" means the CPN Shares issuable upon the exercise of the Warrants.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**this Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 **Number**

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing Persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

1.04 **Certain Phrases, etc.**

In any Finance Document (i) the words "**including**" and "**includes**" mean "including (or includes) without limitation", (ii) the phrases "**the aggregate of**", "**the total of**", "**the sum of**", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of", and (iii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to (or until) but excluding".

1.05 **Accounting Principles/Accounting Changes**

(1) All accounting determinations required to be made pursuant hereto, including all calculations for the purposes of determining compliance with the financial ratios and financial covenants contained in this Agreement, unless expressly otherwise provided herein, shall be made on a basis consistent with Accounting Principles as they exist on the date of this Agreement.

(2) In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Agent agree to enter into good faith negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Agent and the Majority Creditors, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

"Accounting Changes" refers to changes in Accounting Principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and in all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

1.06 **Per Annum Calculations**

Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest "per annum" or a similar expression is used, such interest shall be calculated on the basis of a calendar year of 360 days.

1.07 ***Interest Act* (Canada)**

For the purposes of this Agreement, whenever interest to be paid hereunder is to be calculated on the basis of a year of 360 days, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360.

1.08 **Maximum Rate Permitted by Law**

No interest or fee to be paid hereunder shall be paid at a rate exceeding the maximum rate permitted by applicable law. In the event that such interest or fee exceeds such maximum rate, such interest or fees shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under applicable law.

1.09 **Schedules**

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule A – Lenders and Commitments
Schedule B – Export Repayment Schedules
Schedule C – Drawdown Notice
Schedule D – Repayment Notice
Schedule E – Rollover Notice
Schedule F - Form of Compliance Certificate
Schedule G – Mineral Rights
Schedule H – Lands
Schedule I – List of Project Documents
Schedule J – Indebtedness, Liabilities and Liens
Schedule K – Litigation, Environmental and other Disclosed Matters
Schedule L – Completion Tests
Schedule M – Corporate Structure

1.10 **Consent of All Lenders/All Creditors**

Unless otherwise stated, wherever in this Agreement reference is made to any form of consent or approval of:

(a) "the Lenders", or a similar expression is used, such reference or expression shall be taken to mean consent of all the Lenders; or

(b) "the Creditors", or a similar expression is used, such reference or expression shall be taken to mean consent of all the Creditors.

1.11 **Obligation of Creditors to act reasonably**

Unless the contrary intention appears in this Agreement, if the Agent or the Collateral Agent consults the Creditors or any of them to seek instructions in connection with a matter in respect of which the Agent or Collateral Agent is required under this Agreement to act reasonably or not to unreasonably withhold or delay consent or approval, each Creditor must act in the same manner in giving instructions to the Agent or the Collateral Agent. If the Agent or Collateral Agent receives such instructions, it may rely on them and has no duty to consider whether a Creditor has acted reasonably.

If a provision of this Agreement requires any Creditor to act reasonably in giving instructions to the Agent or Collateral Agent, the Agent or Collateral Agent may rely on those instructions and has no duty to consider whether a Creditor has acted reasonably.

ARTICLE 2
THE PROJECT FACILITY

2.01 **The Project Facility**

Subject to the terms and conditions hereof, during the Availability Period, each of the Lenders shall make available such Lender's Rateable Portion of the Project Facility.

2.02 **Manner of Borrowing; Availability**

The Borrower may, during the Availability Period, make Drawdowns in US Dollars under the Project Facility; provided that, until such time as (a) the Equity Gap is reduced to zero and (b) all relevant Security and other Finance Documents contemplated in Section 3.01(1)(d) have been fully registered in Brazil and the Creditors have received confirmation of the same from Lenders' Counsel, the Borrower will not make any Drawdowns under the Project Facility in excess of US $65,000,000. The Project Facility is a non-revolving facility in the form of a pre-export financing ("*recebimento antecipado de exportação*"). Any amounts repaid shall, pursuant to Section 2.10, permanently reduce the amount available under the Project Facility.

2.03 **Purpose**

The Project Facility is being made available to enable the Borrower to finance in part the costs of the construction, development and operation of the Project as detailed in the Bankable Feasibility Study and the LOMP, and ultimately enable the future export of Product by the Borrower. The Borrower shall use the Project Facility for the purpose of:

(a) paying Project Costs as detailed in the Bankable Feasibility Study and the LOMP for the purpose of financing production and export of Product to persons located outside of Brazil;

(b) funding the payment of interest, all costs associated with the establishment of the Project Facility, including legal fees, stamp duty and all fees and other amounts payable to the Creditors in connection with the Project Facility;

(c) providing working capital for the Project as contemplated in the LOMP and the Annual Project Budget; and

(d) paying all costs associated with the export of Product,

and for no other purpose without the prior written consent of the Lenders.

2.04 **Drawdown Requirements and Restrictions**

(1) Drawdowns under the Project Facility shall be subject to the following restrictions:

(a) Drawdowns may only be made during the Availability Period;

(b) each of the Conditions Precedent set out in Section 3.01 shall have been satisfied or waived by the Lenders;

(c) each Drawdown shall be in a minimum principal amount of US$5,000,000 and in multiples of US$500,000 for amounts in excess thereof;

(d) Drawdowns may only be made upon the Agent's prior favourable determination with respect to the matters referred to in Section 14.01;

(e) all Drawdown Notices with respect to a Drawdown must be signed by an Authorized Officer of the Borrower and shall:

(i) specify the purposes for which the relevant Advance is to be applied, which purposes must comply with Section 2.03;

(ii) specify the requested Drawdown Date, which must be a Banking Day during the Availability Period;

(iii) specify each of the following:

(A) the amount of the proposed Advance in US Dollars;

(B) the bank account to which the proceeds of the Advance are to be paid (which shall be the USD Proceeds Account unless otherwise specified by the Borrower and approved by the Lenders) or other payments instructions acceptable to the Lenders; and

(C) the initial Interest Period in respect of the proposed Advance;

(iv) include a detailed written description (which may be set out in an exhibit to the Drawdown Notice) of each of the following:

(A) the Project Costs incurred to the requested Drawdown Date;

(B) the percentage of work completed in respect of the Project as at the requested Drawdown Date;

(C) the estimated Engineering Completion Date; and

(D) the estimated Costs to Complete in order to obtain Engineering Completion (and the estimated Project Completion Date) by the Outside Completion Date; and

(v) written confirmation (which may, in whole or in part, be set out in the exhibit referred to in Section 2.04(1)(e)(iv) above) that:

(A) as at the date of the requested Drawdown, the estimated Costs to Complete described in Section 2.04(1)(e)(iv)(D) above do not exceed the aggregate of the Available Funding plus the Maximum Permitted Equity Gap;

(B) the estimated Project Completion Date is not later than the Outside Completion Date;

(C) the representations and warranties set forth in Section 9.01 are true and accurate

in all material respects; and

(D) no event has occurred which constitutes an Event of Default or Potential Event of Default nor will the requested Drawdown result in the occurrence of any such event; and

(f) if there are preserved or perfected Liens against the Project Tenements or other Project Assets or if the Agent or the Lenders shall have received any notice of any Liens against the Project Tenements or other Project Assets, then no further Drawdowns under the Project Facility shall be permitted unless the Lenders are satisfied that the amount of any such Liens is immaterial to the Lenders.

(2) In respect of any proposed Drawdown under the Project Facility, the Creditors will have the option to have the Costs to Complete, implementation schedule and progress of construction and development reviewed, at the Borrower's cost and expense, by an Independent Consultant selected by the Creditors.

(3) Each Creditor acknowledges and agrees that each Drawdown will be a pre-export payment ("*recebimento antecipado de exportação*") in accordance with the regulations issued by the Central Bank of Brazil. Promptly, and in no event later than 10 (ten) Business Days, after the conversion of the proceeds of a Drawdown into Brazilian Reais and the transfer of such converted proceeds into the Operating Account, the Borrower shall provide to the Agent evidence satisfactory to the Agent and Lenders' Counsel in Brazil that all necessary registrations have been made with the Central Bank of Brazil in respect of the anticipated Export Repayment Schedule for those proceeds.

2.05 **Notice Periods for Drawdowns and Rollovers**

(1) The Borrower may at any time during the Availability Period make a Drawdown under the Project Facility by delivering a Drawdown Notice with respect to an Advance to the Agent not later than 12:00 p.m. (Toronto time) two Banking Days prior to the proposed Drawdown Date or such later date as may be agreed by the Agent.

(2) The Borrower may at any time prior to the Final Maturity Date make a Rollover under the Project Facility by delivering a Rollover Notice with respect to an Advance to the Agent not later than 12:00 p.m. (Toronto time) three Banking Days prior to the proposed Rollover Date or such later date as may be agreed by the Agent.

2.06 **Agent's Obligations with Respect to Advances**

Upon receipt of a Drawdown Notice or Rollover Notice with respect to an Advance, the Agent shall forthwith notify the Lenders of the proposed Drawdown Date or Rollover Date, of each Lender's Rateable Portion of such Advance and, if applicable, the account of the Agent to which each Lender's Rateable Portion is to be credited.

2.07 **Lenders' and Agent's Obligations with Respect to Advances**

Each Lender shall, prior to 10:00 a.m. (Toronto time) on the Drawdown Date specified by the Borrower in the Drawdown Notice with respect to an Advance, credit the Agent's account specified in the Agent's notice given under Section 2.06 with such Lender's Rateable Portion of such Advance and by 5:00 p.m. (Toronto time) on the same date the Agent shall make available the full amount of the amounts so credited to the Borrower. If any Lender (a "**Non-Funding Lender**") fails to credit the Agent's account with such Non-Funding Lender's Rateable Portion of such Advance contemplated in such Agent's notice at the time and on the date specified in such notice of the Borrower and herein, for any reason, then subject to the terms and conditions hereof, the Agent shall be entitled to receive interest from such Lender at the U.S. Prime Rate plus 2% per annum on the amounts which the Agent makes available on behalf of such Non-Funding Lender to the Borrower for such period as such Non-Funding Lender fails to so perform.

2.08 **Irrevocability**

A Drawdown Notice or Rollover Notice given by the Borrower hereunder shall be irrevocable and shall oblige the Borrower to take the action contemplated on the date specified therein. If the Borrower fails to take any action contemplated on the date specified in any such notice, for any reason (including the occurrence of an Event of Default or Potential Event of Default) the Borrower shall, following demand by the Agent, pay the amount (if any) by which (a) the interest which would have been payable on the amount the Borrower failed to borrow had such amount been borrowed and outstanding for the period specified in the notice exceeds (b) the interest which would have been recoverable by the Lenders by placing such unborrowed amount on deposit in the relevant markets for the period specified in such notice. Any Lender entitled to be paid any such amounts shall deliver a certificate to the Borrower and the Agent certifying as to such amounts and, in the absence of manifest error, such certificate shall be conclusive and binding for all purposes.

2.09 **Rollovers; Selection of Interest Periods**

At or before 12:00 p.m. (Toronto time) three Banking Days prior to the expiration of each Interest Period of each Advance, the Borrower shall, unless it has delivered a Repayment Notice pursuant to Section 7.02 with respect to the aggregate amount of such Advance, deliver a Rollover Notice to the Agent selecting the next Interest Period applicable to the Advance, which new Interest Period shall commence on and include the last day of such prior Interest Period. If the Borrower fails to deliver a Rollover Notice to the Agent as herein provided, and provided that no Event of Default or Potential Event of Default has occurred that is subsisting, the Borrower shall be deemed to have given a timely Rollover Notice to the Agent pursuant to this Section 2.09 selecting such next Interest Period applicable to such Advance as determined by the Agent.

2.10 **Reduction of Project Facility**

The Project Facility shall be reduced permanently by each of the following events and in each of the following amounts:

(a) the payment of amounts pursuant to Sections 6.01, 7.01 and 7.02;

(b) at the Borrower's election, made upon not less than three Banking Days prior written notice, to cancel the whole or any part (subject to a minimum amount of US $1,000,000 and in integral multiples of US $250,000 for amounts in addition thereto) of the Undrawn Commitment; provided that such cancellation shall only take effect if, in the opinion of the Creditors (in consultation with the Independent Engineer) such funding is not required to achieve Engineering Completion (and the Project Completion Date) by the Outside Completion Date; and

(c) on the day immediately following the last day of the Availability Period, by the amount, if any, of the Project Facility which has not been drawn down hereunder on or prior to such last day.

If the Project Facility is so reduced, the Commitments of each of the Lenders shall be reduced *pro rata* in the same proportion that the amount of the reduction in the Project Facility bears to the amount of the Project Facility in effect immediately prior to such reduction and the subsequent repayments under the Export Repayment Schedules required pursuant to Section 7.01(1)(a) will be reduced by the amounts of such reduction, first in respect of scheduled export repayments under Tranche 2 and then in respect of scheduled export repayments under Tranche 1, in each case in inverse order of maturity.

ARTICLE 3
CONDITIONS PRECEDENT

3.01 **Conditions Precedent to First Drawdown**

(1) On or before the first Drawdown under the Project Facility hereunder the following conditions precedent shall be satisfied by the Loan Parties and to the satisfaction of all of the Creditors:

(a) each Loan Party shall have delivered to the Agent (i) certified copies of its constating documents, by-laws, certificate of incorporation or registration with the respective public registry of commerce of each Loan Party, and a certificate of status or good standing (or equivalent), (ii) a certified copy of a resolution of the directors (and, if and to the extent required, a certified copy of a resolution of the shareholders or quotaholders) of such Loan Party authorizing the Initial Hedging Programs, the borrowings, guarantees, indemnities and other transactions contemplated hereunder and under the Initial Hedging Programs, the execution and delivery of each Finance Document to which it is a party, a person or persons to sign notices, certificates or other documents in connection with such Finance Documents, the Initial Hedging Programs and the Project Facility on its behalf, and the observance and performance by it of all of its obligations under each Finance Document to which it is a party, and (iii) a certificate of incumbency of the officers of each Loan Party, which certificate of incumbency is in form and substance satisfactory to all Creditors;

(b) the Agent shall have received (i) a copy of the most recent annual audited consolidated financial statements of CPN and any more recent quarterly unaudited consolidated financial statements of CPN, (ii) a copy of the most recent audited (or unaudited, as available) unconsolidated financial statements for each of the other Loan Parties, and (iii) an officer's certificate from each Loan Party confirming that there has been no material adverse change to its condition (financial or otherwise) or its assets since the date of the most recent financial statements provided in respect of each such Loan Party;

(c) the Agent shall have received (i) a certified, board-approved Annual Project Budget covering the period from January 1, 2013 to December 31, 2013, inclusive, and (ii) a certified, board-approved Annual Corporate Budget for CPN for the period from January 1, 2013 to December 31, 2013, in each case, in form and substance satisfactory to the Creditors;

(d) the Security and each other Finance Document shall have been executed and delivered, all filings or recordings necessary or desirable in connection therewith shall have been made, and all stamp taxes, fees, duties or similar amounts in respect of all Finance Documents shall have been paid by the Loan Parties to the applicable Official Bodies; provided that, in recognition of the potentially lengthy period of time required for completion of registration of all relevant Security and other Finance Documents in Brazil, the Lenders will permit Drawdowns once the following conditions have been satisfied:

(i) all registrations of all relevant Security outside Brazil have been completed and such Security has been fully registered;

(ii) all relevant Security and other Finance Documents have been appropriately submitted, filed or lodged for registration in Brazil and all necessary steps have been taken by the Loan Parties, including without limitation, the payment of any fees and Taxes required in respect of such registrations, to complete the registration process; and

(iii) the Security over the Operating Account has been fully registered or otherwise perfected, as determined by Lenders' Counsel;

provided however, that the Tripartite Agreements may be entered into following the Closing Date in accordance with and subject to Section 3.01(3)(b);

(e) the Borrower shall have executed and delivered a master agreement with applicable annexes, schedules and definitions (each, an "**ISDA Master Agreement**") with each Hedge Provider in the International Swap Dealers Association, Inc.'s standard forms, with such modifications thereto as may be required by each such Hedge Provider in accordance with its standard practices, and such ISDA Master Agreement will govern all Hedging Arrangements between the Borrower and such Hedge Provider, including the Initial Hedging Programs, together with a short form confirmation

in respect of each such further Hedging Arrangement;

(f) the Creditors shall have received favourable opinions of Fraser Milner Casgrain LLP, Chancery Chambers, Heussen and Veirano Advogados, Canadian, Barbadian, Dutch and Brazilian legal counsel, respectively, to the Loan Parties, each of which shall be in form and substance acceptable to all the Creditors, confirming:

(i) the enforceability (under the applicable governing law) of each Loan Party's obligations under this Agreement and each of the Finance Documents to which it is a party, including in respect of the Initial Hedging Programs and all other Hedging Arrangements;

(ii) that each of the Finance Documents comprising the Security (to the extent applicable) creates effective security and has been duly perfected and fully registered in all relevant jurisdictions; provided that such opinions relating to the Security under the laws of Brazil referred to in the proviso to Section 3.01(1)(d) may be provided promptly following the full registration of such Security;

(iii) the Borrower's title to the Project Tenements; and

(iv) confirming or verifying other matters as reasonably requested by the Creditors;

(g) the Creditors shall have received favourable opinions of Lenders' Counsel, which shall be in form and substance acceptable to all the Creditors;

(h) the Agent shall have received a copy of each Permit from or with (and evidence of all approvals and consents from and filings and registrations with) any Official Body under Applicable Laws in relation to the Project Facility and Hedging Arrangements (including, without limitation, with respect to the Initial Hedging Programs), which are required in connection with any transaction contemplated hereby or otherwise necessary to enable (i) the relevant Loan Parties to unconditionally execute and deliver and observe and perform their respective obligations under the Finance Documents and (ii) each of the Creditors to exercise its rights and remedies under the Finance Documents, and, in each case, the same shall be in full force and effect and, without limiting the generality of the foregoing, Agent shall have received evidence that the Loan Parties have obtained any necessary approval from, and registration with, the Central Bank of Brazil, in relation to the Project Facility;

(i) (i) the Agent shall have received a certified copy of each agreement, instrument and Permit from or with (and evidence of all approvals, consents, exemptions and other actions by, notices to and filings and registrations with) any Official Body (including environmental, mining and other regulatory agencies) or other Person which the Creditors consider is material to the Project and its operations, for the then current state of development of the Project, including (A) in relation to the construction, development and operation of the Project and associated infrastructure, and, without limiting the generality of the foregoing, the Agent shall have received a copy of the LI with respect to the Project confirming that it has been duly issued by COPAM to permit the Borrower to commence construction of the Project, (B) the Project Documents set out in Part I of Schedule I, including certified copies of the Construction Agreement, the Earthworks Agreement, the Pre-Strip Mining Agreement, the Equipment Purchase Agreement, the Land Access Agreements, the Metso Agreement, the Power Supply Infrastructure Agreements, the SPA and the GPA, all of which shall contain terms and conditions that are not materially different than those Project Documents reviewed by the Creditors during their due diligence or terms and conditions otherwise acceptable to the Creditors, and shall have been awarded to parties acceptable to the Creditors, and (C) the Project Tenements and other Permits which provide access, services, infrastructure, dumps and ore reserves for the Project, in each case, together with evidence that there has been no revocation of any of the foregoing agreements, instruments or Permits, nor any default, event of default or potential event of default under, or breach of any of the conditions attached to, any of

the above agreements, instruments or Permits that is subsisting, and, in each case, the same shall be in full force and effect, and (ii) the Creditors shall be satisfied that each agreement, instrument or Permit that cannot be issued or obtained until a later stage of construction or operation or until completion of the Project is reasonably expected to be issued or obtained at such later stage or upon completion of the Project;

(j) the Creditors shall have received satisfactory confirmation that (i) none of the Loan Parties has granted any Guarantees, other than pursuant to the Finance Documents or the GP Security, or any Liens, other than Permitted Liens, over any of its assets and such assets are otherwise free from Liens, other than Permitted Liens, and (ii) there are no material actions, suits or proceedings (whether or not purportedly on any Loan Party's behalf) pending or threatened against or affecting any Loan Party, the assets of any Loan Party or the Project before any court or other Official Body;

(k) the Creditors shall have received satisfactory replies to all requisitions by them and Lenders' Counsel relating to the Project Facility, the Security, the Project, the Mineral Rights, the Lands and the other Project Assets and satisfactory corporate, litigation, and insolvency searches in respect of the Loan Parties and shall otherwise be satisfied with the completion of, and receipt of reports on, due diligence with respect to technical, environmental, social, commercial, insurance, tax and legal matters in respect of the Project;

(l) (i) the Creditors shall have received satisfactory evidence that (A) each of the Borrower, OLC Holdings, OLV Co-op, and OLC Brazil is a direct or indirect, wholly-owned Subsidiary of CPN, (B) CPN has legal and beneficial title to 100% of the Equity Securities in the capital of OLC Brazil, free from any Liens other than Permitted Liens, (C) CPN and OLC Brazil, together, have legal and beneficial title to 100% of the Equity Securities in the capital of OLV Co-op, free from any Liens other than Permitted Liens, (D) OLV Co-op has legal and beneficial title to 100% of the Equity Securities in the capital of OLC Holdings, free from any Liens other than Permitted Liens, and (E) OLV Co-op and OLC Holdings, together, have legal and beneficial title to 100% of the Equity Securities in the capital of the Borrower, free from any Liens other than Permitted Liens, (ii) there has been no change to the corporate structure of CPN as set forth in Schedule M and its direct and indirect Subsidiaries from that previously disclosed in writing to the Creditors, and no new Subsidiaries of any of them have been incorporated, organized or formed, and (iii) the Collateral Agent shall have received original security certificates for all of the foregoing Equity Securities described in subparagraph (i) above, together with (in each case) a duly executed and undated securities transfer power of attorney (in blank form) and/or appropriate endorsement for transfer with respect to the same;

(m) the Creditors shall have received satisfactory evidence that the Borrower has 100% legal and beneficial ownership of all Project Assets it owns or purports to own, and is entitled to 100% of all Project Production, in each case free and clear of all Liens or claims, except for Permitted Liens;

(n) CPN and/or the Borrower shall have completed and delivered to the Agent a certified copy of the board-approved Bankable Ore Reserve Model, which shall be in form and substance satisfactory to the Creditors;

(o) the delivery to the Agent of a certified copy of the board-approved LOMP for the Project, which satisfies the following requirements:

(i) is materially consistent with the Bankable Feasibility Study and reflects the Price Determination and all findings of the due diligence review referred to in Section 3.01(1)(k) above;

(ii) reflects the Bankable Ore Reserve Model;

(iii) provides a summary of a forecast of the construction, development and operation of the Project (including a financial model);

(iv) sets forth a description of the timing of construction, and includes technical data related to the Project, including capital expenditure schedules and the necessary Proceeds Accounts expenditure requirements, a detailed mine plan, normal physical mining parameters, and expected gold ore and metal production levels, revenue and off-take assumptions, capital and operating costs (including cash and full costs of production and other expenses (including discretionary exploration expenditures approved by the Creditors)), expenditures required pursuant to any schedule under Environmental Laws for ore tonnes and grade, waste movement, treatment schedule, cash flow, taxation and charges to Official Bodies, royalties, management fees, administration costs and expenses, and calculations of the Financial Covenants; and

(v) is divided into monthly periods for the construction period and the first year of production (and during each then current Fiscal Year in which the LOMP is subsequently revised or updated as required under Section 10.01(7)(b)), quarterly periods for the second year of production and annually thereafter;

in each case, in form and substance satisfactory to the Creditors and to the Independent Engineer. The parties agree that as at the date of this Agreement, the LOMP is contained in the excel file titled RDM PFA Model (11-01-13).xlsx, which is in a form and substance satisfactory to the Agent;

(p) the delivery to the Agent of a certified copy of the board-approved Bankable Feasibility Study, in form and substance satisfactory to the Creditors;

(q) all material information relevant to the Project or the Loan Parties has been provided to the Creditors and the Agent shall have received a certificate of an Authorized Officer of the Borrower addressed to the Creditors confirming that there has been no change to the operational, commercial or economic viability of the Project or the business, condition (financial or otherwise), operations, performance, assets or liabilities or prospects of the Loan Parties, from that contemplated in the LOMP, the Bankable Feasibility Study and the information and materials provided to the Creditors during their due diligence, nor any other event which constitutes or gives rise to, or could be expected to constitute or give rise to, a Material Adverse Event;

(r) the Agent shall have received confirmation that the copy of the royalty agreement relating to the MB Royalty that was previously provided to the Agent is up-to-date and complete and there shall have been no amendments to the terms of the MB Royalty since the date of such royalty agreement;

(s) the Borrower shall provide evidence satisfactory to the Creditors that it has entered into the Initial Hedging Program with the Hedge Providers and the Borrower has registered all Hedging Arrangements forming part of the Initial Hedging Program with custody and settlement systems duly accredited with the Central Bank of Brazil and the Brazilian Securities Commission, pursuant to article 2, paragraph 4 of the Brazilian Federal Law No. 6,385 of December 7, 1976, as amended;

(t) the Borrower shall have delivered to the Agent a certified copy of the Environmental Management Plan and any amendments thereto, all in form and substance satisfactory to the Creditors, and any environmental issues relating to the Project shall have been resolved to the satisfaction of the Creditors;

(u) the Agent shall have received copies of policies and certificates of currency of insurance evidencing that all Required Insurance is in place to the satisfaction of the Creditors and at the cost

of the Loan Parties, that the Collateral Agent's and the Creditors' interests in these policies have been appropriately noted and the Borrower has assigned the proceeds of such insurance to the Collateral Agent on behalf of the Creditors;

(v) the Creditors shall have received payment in full and in cash of all amounts to be paid to the Creditors under the Finance Documents, including all fees and expenses due and payable to or for the account of the Creditors hereunder; provided that the Facility Fees and legal fees, disbursements and expenses of Lenders' Counsel may be deducted from the proceeds of the Drawdowns;

(w) the Agent shall have received a certificate of an Authorized Officer of the Borrower addressed to, and in form and substance acceptable to, all Lenders (together with any supporting evidence requested by the Lenders) to the effect that (i) the Borrower has obtained the Required Initial Equity Contribution, all of which (A) has been obtained pursuant to agreements and on terms approved by the Creditors, and (B) has been expended on Project Costs for the development of the Project in accordance with the Bankable Feasibility Study, LOMP and Annual Project Budget, and in a manner acceptable to the Creditors or has been deposited into the USD Proceeds Account in accordance with Section 12.01(7) and stating the amount that has been expended on Project Costs and the amount in the USD Proceeds Account as at the date of the certificate and (ii) after taking into consideration the funding referred to in subparagraph (i) above (including, for the avoidance of doubt, the funding of the GPA Upfront Payments and the SPA Purchase Price as contemplated in Section 3.01(1)(ee)), the funding of the Drawdowns and, as applicable, the deposit of the net proceeds thereof into the USD Proceeds Account in accordance with Section 12.01(7), and after allowing for the Maximum Permitted Equity Gap, the Project is fully funded to achieve Engineering Completion by the Outside Completion Date: that is, the Costs to Complete set forth in or included with the Drawdown Notice as required pursuant to Section 2.04(1)(e)(iv)(D) do not exceed the Available Funding, as at the Drawdown Date, plus the Maximum Permitted Equity Gap, and the Lenders shall be satisfied with each of the foregoing matters;

(x) the Agent shall have received a certificate of (i) an Authorized Officer of the Borrower addressed to the Creditors certifying that to date the Borrower has constructed the Project strictly in accordance with the Bankable Feasibility Study and LOMP;

(y) the Warrants shall have been duly issued by CPN to MBL and the corresponding certificates for such Warrants shall have been delivered to MBL;

(z) the Gold Call Options shall have been duly granted by CPN to MBL;

(aa) the Creditors shall have received certified copies of any agreements, instruments or other documents governing or evidencing Subordinated Intercompany Debt, the terms and conditions of which shall be satisfactory to the Creditors in both form and substance;

(bb) the Borrower shall have established the Project Accounts in accordance with this Agreement;

(cc) the Creditors shall have received evidence in form and substance satisfactory to each of them of the following ratios as of the end of each Fiscal Quarter during the Life of Mine (except, in the case of the DSCR, only as of the end of each such Fiscal Quarter on or after the projected Project Completion Date):

(i) a minimum PLCR of not less than [*agreement redacted – proprietary structure*];

(ii) a minimum LLCR of not less than [*agreement redacted – proprietary structure*];

(iii) a minimum DSCR (Forecast) of not less than [*agreement redacted – proprietary structure*]; and

(iv) a minimum Reserve Tail of not less than [*agreement redacted – proprietary structure*]%,

each as determined with reference to the LOMP and the Price Determination, unless otherwise agreed in writing by the Creditors and the Borrower;

(dd) the Borrower shall have provided evidence of engagement by the Borrower on a full-time basis of an experienced and capable Project management team satisfactory to the Creditors for the construction, development and commissioning of the Project;

(ee) all applicable conditions precedent to:

(i) funding of the GPA Upfront Payments shall have been fulfilled or otherwise waived in writing by the Purchaser (under and as defined in the GPA);

(ii) funding of the SPA Purchase Price shall have been fulfilled or otherwise waived in writing by the Purchaser (under and as defined in the SPA), and

and the GPA Upfront Payments and the SPA Purchase Price shall have been (i) fully paid to the Borrower and, where required, registered with the Central Bank of Brazil and (ii) expended on Project Costs for the development of the Project in accordance with the Bankable Feasibility Study, LOMP and Annual Project Budget, and in a manner acceptable to the Creditors, or deposited into the USD Proceeds Account in accordance with Section 12.01(7); and

(ff) such additional information, evidence, documents, undertakings or opinions as the Creditors may reasonably request to establish the consummation of the transaction contemplated hereby, the taking of all proceedings in connection herewith and compliance with the conditions set forth in this Agreement.

(2) On or before the date on which the Drawdown Notice is delivered in relation to the first Drawdown hereunder, there shall be a pre-Drawdown meeting at a time to be agreed upon by the parties hereto at which the Borrower shall provide all of the items listed in this Section 3.01 and Section 3.02 (other than the one listed in Section 3.02(a), which will be provided once all other items have been provided to the satisfaction of the Creditors), all in a form which is satisfactory to all of the Creditors.

(3) On or before the transfer of proceeds from the first Drawdown from the USD Proceeds Account to the Operating Account, the following conditions precedent shall be satisfied by the Loan Parties and to the satisfaction of all of the Creditors:

(a) the Agent shall have received a notarially certified copy of any Project Agreement entered into by a Loan Party prior to the date of the Borrower's written request for transfer (given in accordance with Section 12.01(8)), as may be requested by the Agent, each of which shall contain terms and conditions acceptable to the Creditors, and shall have been awarded to parties acceptable to the Creditors; and

(b) the following Tripartite Agreements shall have been executed and delivered to the Agent by all parties thereto:

(i) the Tripartite Agreement – Construction Agreement; and

(ii) any other Tripartite Agreement with respect to a Project Agreement referred to in Section 3.01(3)(a), as may be determined by the Agent.

3.02 **Conditions Precedent to all Drawdowns**

On or before each Drawdown hereunder (including the first Drawdown), the following conditions precedent shall be satisfied by the Loan Parties and to the satisfaction of all of the Creditors:

(a) the Agent shall have received a proper and timely Drawdown Notice from the Borrower which satisfies all of the requirements of Section 2.04(1)(e);

(b) the representations and warranties set forth in Section 9.01 and the other Finance Documents shall be true and accurate in all material respects;

(c) each of the Loan Parties shall be in compliance with all of its covenants and agreements, and shall have satisfied all terms and conditions of this Agreement and the other Finance Documents to which it is a party, unless such terms have been otherwise waived in writing by the Creditors in accordance with Section 3.03;

(d) each of the Loan Parties shall be in compliance with all Environmental Laws and environmental authorisations and Permits, and there shall be no subsisting or potential environmental damage, degradation or environmental liability at, on or in connection with or in relation to the Project;

(e) no event shall have occurred and be continuing which constitutes an Event of Default or Potential Event of Default nor shall the requested Drawdown result in the occurrence of any such event;

(f) the Agent shall have received the estimated Costs to Complete set forth in the Drawdown Notice as required pursuant to Section 2.04(1)(e)(iv)(D) and be satisfied that the Costs to Complete do not exceed the aggregate Available Funding as at the Drawdown Date plus the Maximum Permitted Equity Gap; and

(g) after giving effect to the requested Drawdown, the Principal Outstanding shall not exceed the maximum authorized amount of the Project Facility, as the same may have been reduced in accordance with Section 2.10.

3.03 **Waiver**

The conditions set forth in Sections 3.01 and 3.02 are inserted for the sole benefit of the Creditors and may be waived by all the Creditors, in whole or in part (with or without terms or conditions), in respect of any Drawdown without prejudicing the right of the Creditors at any time to assert such conditions in respect of any subsequent Drawdown.

ARTICLE 4
EVIDENCE OF DRAWDOWNS

4.01 **Account of Agent**

The Agent may open and maintain, in accordance with its usual practice, an account or accounts evidencing all Advances and all other amounts owing by the Borrower hereunder. The Agent will enter in the foregoing accounts details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing accounts shall constitute prima facie evidence of the obligations of the Borrower to the Lenders and the Agent hereunder with respect to all Advances and all other amounts owing by the Borrower to the Lenders and the Agent hereunder. After a request by the Borrower, the Agent will promptly advise the Borrower of such entries made in the Agent's books of account. The Agent does not have any duties in relation to any account or accounts maintained by it in accordance with this Section except as expressly specified in this Agreement, and in respect of any such account will not be liable for any error in judgment or any mistake of fact or law, except for its own fraud, gross negligence or wilful misconduct.

4.02 **Promissory Notes**

Upon the request of any Creditor, the Borrower will execute and deliver one or more promissory notes in form and substance acceptable to such Creditor, evidencing the Secured Obligations owing to such Creditor under the Finance Documents, provided that (a) any required promissory note shall comply with Brazilian law requirements, and (b) each Creditor agrees that it shall not make demand upon, or commence or prosecute any enforcement proceedings in respect of, any such promissory note unless the Secured Obligations evidenced thereby are then due and owing under this Agreement and the other Finance Documents, as applicable.

ARTICLE 5
PAYMENTS OF INTEREST; FEES

5.01 **Interest on Advances**

(1) The Borrower shall pay interest on each Advance during each Interest Period applicable thereto in US Dollars at a rate per annum, expressed on the basis of a 360 day year, equal to the Reference Rate with respect to such Interest Period plus the Applicable Margin. Each determination by the Agent of the Reference Rate applicable to an Interest Period shall, in the absence of manifest error, be binding upon the Borrower. Such interest shall accrue daily and be payable in arrears on each Interest Payment Date for such Advance for the period from and including the Drawdown Date or the preceding Rollover Date or Interest Payment Date, as the case may be, for such Advance to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Advance outstanding during such period and on the basis of the actual number of days elapsed divided by 360.

(2) Provided always that no Event of Default or Potential Event of Default has occurred which is subsisting, the Borrower shall (subject to complying with Section 3.02 and this Section 5.01(2)) be entitled to capitalise interest accrued at any Interest Payment Date from the date of this Agreement up to and including the last Interest Payment Date prior to the first Repayment Date and, unless the Borrower gives the Agent at least five (5) Banking Days' prior written notice prior to any such Interest Payment Date, such capitalised interest shall be treated as a new Advance under Tranche 1 provided that such Advance shall not cause the Principal Outstanding to exceed the maximum authorized amount of the Project Facility. After such capitalisation of interest, interest will accrue on such interest so capitalised at the interest rate provided for, and in accordance with, Section 5.01(1) above (or at the interest rate provided for, and in accordance with, Section 13.04, as applicable).

5.02 **Taxes; No Deduction etc., Reimbursement and Indemnity**

(1) All payments of principal, interest or other amounts hereunder or under the other Finance Documents will be made free and clear of and without deduction for Indemnified Taxes. If the Borrower, or another Loan Party liable to the Creditors for payment of any principal, interest or other amounts, is required by law to deduct any Indemnified Taxes from any such principal, interest or other amounts, (i) the sum payable will be increased by an amount so that, after making all required deductions (including deductions applicable to additional sums payable under this Section 5.02(1)) the recipient will receive an amount equal to the sum it would have received had no deductions been made, (ii) the Borrower or such other Loan Party, as applicable, will deduct from the sum payable to the recipient an amount sufficient to pay the Indemnified Taxes and pay the balance to the recipient, and (iii) the Borrower or such other Loan Party, as applicable, will promptly pay the full amount deducted to the relevant Official Body in accordance with Applicable Law.

(2) In addition, and to the fullest extent permitted by Applicable Law, each of the Borrower and the other Loan Parties agrees to pay any present or future Taxes that arise from any payment of principal, interest or other amount hereunder or under any other Finance Document, or that arise from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Agreement or any other Finance Document (collectively, the "**Other Taxes**").

(3) To the fullest extent permitted by Applicable Law, each of the Borrower and the other Loan Parties will forever indemnify each Creditor from and against (i) all Indemnified Taxes and Other Taxes imposed by

any Official Body, and paid by any such Creditor, in respect of any payment of principal, interest or other amount hereunder or under any other Finance Document, or arising from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Agreement or any other Finance Document, and (ii) all liabilities (including penalties, interest and legal fees, expenses and disbursements) arising from or related to those Indemnified Taxes and Other Taxes without regard to whether those Indemnified Taxes or Other Taxes were correctly or legally imposed. The Borrower or other Loan Party, as applicable, will make any payments required under this Section 5.02(3) within 30 days after the applicable Creditor delivers a written notice to the Borrower or other Loan Party, as applicable, that (x) identifies the relevant Official Body and the amount of the Tax imposed, (y) states with reasonable specificity the basis for that Tax, and (z) certifies that such Creditor has paid the Tax imposed. The indemnification obligations of the Borrower and the other Loan Parties under this Section 5.02(3) will survive the repayment of the Secured Obligations and the termination of this Agreement.

(4) At the request of the Borrower or any other Loan Party, if any Creditor is entitled to an exemption from or reduction of withholding Tax with respect to payments of principal, interest or other amounts hereunder or under the other Finance Documents pursuant to the Applicable Law of any relevant jurisdiction, such Creditor will deliver to the Borrower, or another Loan Party liable to the Creditors for payment of such principal, interest or other amounts, at the time or times prescribed by Applicable Law, properly completed and executed documentation required by Applicable Law so as to permit those payments to be made without withholding or at a reduced rate of withholding.

(5) Each Creditor will use its commercially reasonable efforts to obtain in a timely fashion any refund, deduction or credit of any Taxes paid or reimbursed by the Borrower pursuant to this Section 5.02. If any Creditor determines in its sole discretion, exercised in good faith, that it has received a benefit in the nature of a refund, deduction, or credit (including a refund in the form of a deduction from or credit against Taxes that are otherwise payable by such Creditor) of any Taxes as to which it has been indemnified by the Borrower pursuant to this Section 5.02, such Creditor will notify and reimburse the Borrower (promptly after such Creditor reasonably determines that such refund, deduction, or credit has become final) to the extent of the benefit of such refund, deduction, or credit, including any interest paid by the relevant Taxing Authority, net of all out of pocket expenses of such Creditor; provided that the Borrower, upon request of such Creditor, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) to such Creditor in the event such Creditor is required to repay such refund to such Taxing Authority. Nothing in this Section 5.02(5) will, however, require any Creditor to make available its Tax returns (or any other information relating to its Taxes which it deems to be confidential) to the Borrower or any other Person, or to attempt to obtain any refund, deduction, or credit (including any interest paid by the relevant Taxing Authority and received by any Creditor), if such Creditor determines that doing so could be inconsistent with any reporting position otherwise taken by such Creditor on its Tax returns. The notification and reimbursement obligations of each Creditor and, for certainty, the repayment obligations of the Borrower, under this Section 5.02 will survive the repayment of the Secured Obligations and the termination of this Agreement.

5.03 **Fees**

(a) During the Availability Period, the Borrower shall pay to the Agent for the account of the Lenders a commitment fee in US Dollars calculated at the rate of [*agreement redacted – proprietary structure*]on the daily average of the Undrawn Commitment (the "**Commitment Fees**"). The Commitment Fees determined in accordance with this Section 5.03(a) shall be payable by the Borrower quarterly in arrears on the last days of March, June, September and December in each year during the Availability Period and on the last day of the Availability Period.

(b) On or prior to the date hereof, the Borrower shall pay to the Agent for the account of the Lenders a facility fee in the amount of [*agreement redacted – proprietary structure*] of each Lender's Commitment.

(c) On or prior to the date hereof, if there are two or more Lenders with Commitments hereunder, the Borrower shall pay to the Agent for the account of the Agent an agency fee in the amount of [*agreement redacted – proprietary structure*]. In addition, on each annual anniversary of the date

of this Agreement on which an amount may still be drawn down hereunder or on which any Secured Obligations remain outstanding, if there are two or more Lenders with Commitments hereunder or to which Secured Obligations are outstanding hereunder, the Borrower shall pay to the Agent for the account of the Agent on each such anniversary an agency fee of [*agreement redacted – proprietary structure*].

(d) The foregoing fees may be paid out of the proceeds of Drawdowns under the Project Facility.

ARTICLE 6
NET EXPORT PROCEEDS PAYMENTS

6.01 **Net Export Proceeds Payments**

On each Repayment Date, the Borrower shall (for certainty, after payment of other amounts required or permitted to be paid pursuant to Section 12.01(8)(a) through (e), inclusive) pay to the Agent for the account of the Lenders, as a mandatory prepayment of the Principal Outstanding, an amount equal to the applicable percentage of Net Export Proceeds for the Fiscal Quarter then ending corresponding to the amount of Net Export Proceeds for such Fiscal Quarter, as follows:

Amount of Net Export Proceeds ("QECF")	**Applicable percentage of QECF to be applied as a mandatory prepayment**
< US $6,000,000	[*agreement redacted – proprietary structure*]
≥ US $6,000,000 and < US $9,000,000	[*agreement redacted – proprietary structure*]
≥ US $9,000,000	[*agreement redacted – proprietary structure*]

and the Borrower shall deliver to the Agent, concurrently with such payment, a certificate of an Authorized Officer of the Borrower setting forth a calculation of the amount of Net Export Proceeds for such Fiscal Quarter.

6.02 **Application of Payments**

All payments under Section 6.01, Section 7.01(1)(b), Section 7.02, and Section 12.01(8)(j) hereof shall be used to retire amounts due by way of principal and interest hereunder in such a manner that all principal prepaid shall have been paid together with interest accrued thereon to the date of prepayment and the portion allocable to principal of all payments under Section 6.01, Section 7.02 or Section 12.01(8)(j), as the case may be, shall be applied to reduce the amount of subsequent repayments of principal under Section 7.01, first in respect of scheduled repayments of principal under Tranche 2 and then in respect of scheduled repayments of principal under Tranche 1, in each case, in inverse order of maturity. The amount of any such payment shall cause the Project Facility to be permanently reduced by such amount.

ARTICLE 7
REPAYMENT

7.01 **Mandatory Repayment of Principal**

(1) The primary mechanism for repayment of the Principal Outstanding must be through the supply and export of Product by the Borrower to persons located outside of Brazil, which may including offshore buyers

and refiners (each an "**Offshore Buyer**") under the Sales Agreements and/or Refining Agreements to which those Offshore Buyers are party and the payment by those Offshore Buyers of the proceeds resulting from that supply or export directly to the Export Proceeds Account. The proceeds of those payments made to the Export Proceeds Account must be converted into US Dollars, if denominated in any other currency, and applied against the Principal Outstanding and interest due as provided in this Agreement and observing all Brazil laws and regulations applicable in relation to those payments, including those of the Central Bank of Brazil. Notwithstanding the foregoing, subject to the terms of this Agreement, including the provisions of Section 13.02:

(a) the Borrower shall repay to the Agent for the account of the Lenders the Principal Outstanding under the Project Facility, in quarterly instalments, in the amounts and on the Repayment Dates set forth in the applicable Export Repayment Schedule and, in any event, so as to ensure that at all times the aggregate Principal Outstanding does not exceed: (i) the "Facility Limit" specified in the applicable Export Repayment Schedule on and after the Repayment Date corresponding thereto, less (ii) the aggregate of any cancellations of the Undrawn Commitment pursuant to Section 2.10 and reduction of the Project Facility pursuant to Section 6.02; and

(b) for so long as there is any Principal Outstanding under the Project Facility, the Loan Parties shall pay or cause to be paid to the Agent for the account of the Lenders the gross proceeds from the exercise of any of the Warrants, such proceeds to be applied in accordance with Section 6.02.

(2) The Borrower shall pay to the Agent for the account of the Lenders on the Final Maturity Date the full remaining balance of Principal Outstanding (if any) together with accrued interest and fees thereon and all other amounts then payable by the Borrower under this Agreement and the other Finance Documents.

(3) Any mandatory repayment of Principal made pursuant to this Section 7.01 shall not be subject to any break costs owing under Section 7.02.

7.02 **Voluntary Prepayment of Principal**

The Borrower may at any time and from time to time prepay without penalty to the Agent for the account of the Lenders, the whole or any part of any Advance together with accrued interest thereon to the date of such prepayment, provided that:

(a) the Borrower shall give a Repayment Notice to the Agent at least 2 Banking Days prior to the prepayment date;

(b) except as provided below, each such prepayment may only be made on the last day of the applicable Interest Period with regard to any Advance that is being repaid;

(c) each such prepayment shall be in a minimum amount of the lesser of (i) US $1,000,000 and (ii) the Principal Outstanding in respect of the relevant Advance immediately prior to such prepayment; and any such prepayment in excess of US $1,000,000 shall either be in integral multiples of US $500,000 or the Principal Outstanding in respect of the relevant Advance immediately prior to such prepayment;

(d) each such prepayment shall be applied in accordance with Section 6.02; and

(e) the amount of such prepayment shall cause the Project Facility to be permanently reduced by such amount.

If any Advance is prepaid (other than pursuant to Section 6.01 or Section 7.01) on other than the last day of the applicable Interest Period the Borrower shall, within three Banking Days after notice is given by the Agent, pay to the Agent for the account of the Lenders all costs, losses and expenses (excluding any loss of Applicable Margin), incurred by the Lenders by reason of the liquidation or redeployment of deposits or other funds or for any other reason whatsoever resulting from the prepayment of such Advance or any part thereof on other than the last day of

the applicable Interest Period. If pursuant to the provisions of this Section 7.02 or any other provision hereof the Borrower becomes obliged to pay such costs, losses or expenses, each Lender shall use reasonable efforts to minimize such costs, losses and expenses. Any Lender entitled to be paid such costs, losses and expenses shall deliver a certificate to the Borrower and the Agent certifying as to such amounts and, in the absence of manifest error, such certificate shall be conclusive and binding for all purposes.

ARTICLE 8
PLACE AND APPLICATION OF PAYMENTS OF PRINCIPAL, INTEREST AND FEES

8.01 **Place of Payment of Principal, Interest and Fees**

All payments of principal, interest, fees and other amounts to be made by the Borrower to the Agent and the Lenders pursuant to this Agreement shall be made in US Dollars for value on the day such amount is due and if such day is not a Banking Day on the Banking Day next following (or as otherwise provided in the definition of Interest Period), by deposit or transfer thereof to the account of the Agent designated by the Agent for such purpose or at such other place as the Agent may from time to time advise the Borrower.

8.02 **Funds**

Each amount advanced, disbursed or paid hereunder shall be advanced, disbursed or paid, as the case may be, in such form of funds as may from time to time be customarily used for US Dollars in Sydney, Australia in the settlement of banking transactions similar to the banking transactions required to give effect to the provisions of this Agreement on the day such advance, disbursement or payment is to be made.

8.03 **Application of Payments**

If any Event of Default shall occur and be subsisting, all payments made by the Borrower hereunder or under the other Finance Documents shall be applied in the following order:

(a) to amounts due hereunder as fees;

(b) to amounts due hereunder as costs and expenses;

(c) to amounts due hereunder as default interest;

(d) to amounts due hereunder as interest; and

(e) to all other Secured Obligations, including amounts due hereunder as principal and amounts due to Hedge Providers under Hedging Arrangements.

8.04 **Set Off**

(1) In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default (whether or not the Advances have been accelerated or any of the other Secured Obligations have been accelerated or demanded hereunder or under the other Finance Documents), and upon any declaration or acceleration pursuant to Section 13.02, the Agent and each other Creditor shall have the right (and are hereby authorized by each of the Loan Parties) at any time and from time to time to combine all or any of the Loan Parties' accounts with the Agent or the other Creditor, as the case may be, and to set off and to appropriate and to apply any and all deposits (general or special, term or demand) including, but not limited to, indebtedness evidenced by certificates of deposit whether matured or unmatured, and any other indebtedness at any time held by the Loan Parties (or any of them) or owing by the Agent or such other Creditor, as the case may be, to or for the credit or account of any such Loan Party against and towards the satisfaction of any Secured Obligations owing by any of the Loan Parties, and may do so notwithstanding that the balances of such accounts and the liabilities are expressed in different currencies, and the Agent and each other Creditor are hereby authorized to effect any necessary currency conversions at the noon spot

rate of exchange announced by the Bank of Canada on the Banking Day before the day of conversion.

(2) The Agent or the applicable Creditor, as the case may be, shall notify the Borrower of any such set-off from the accounts of any Loan Party within a reasonable period of time thereafter, although the Agent or the Creditor, as the case may be, shall not be liable to any of the Loan Parties for its failure to so notify.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.01 **Representations and Warranties**

Each of the Loan Parties represents and warrants as follows to the Creditors and acknowledges and confirms that each of the Creditors is relying upon such representations and warranties:

(1) Corporate Status.

CPN is a corporation duly incorporated and validly existing under the federal laws of Canada and the Borrower and each of the other Loan Parties are corporations duly incorporated and validly existing under the laws of their respective jurisdictions of incorporation and each of the Loan Parties has all necessary corporate power and authority to own its respective properties and carry on its respective business as presently carried on and each is duly licensed, registered or qualified in all jurisdictions where the character of its property owned or leased or the nature of the activities conducted by it makes such licensing, registration or qualification necessary or desirable. The principal and registered offices of the Borrower are each located in Riacho dos Machados, Minas Gerais, Brazil, the principal and registered offices of OLC Brazil are each located in Bridgetown, Barbados, the principal and registered offices of OLV Co-op and OLC Holdings are each located in Amsterdam, the Netherlands, and the principal and registered offices of CPN are each located in Toronto, Ontario.

(2) Corporate Authority.

Each of the Loan Parties has full corporate power and authority to enter into this Agreement, the other Finance Documents and the Project Documents to which it is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by it in accordance with their respective terms.

(3) Valid Authorization.

Each of the Loan Parties has taken all necessary corporate or other action to authorize the creation, execution, delivery and performance of this Agreement, the other Finance Documents and the Project Documents to which it is a party and to observe and perform the conditions, covenants and obligations under each Finance Document and Project Document in accordance with its respective terms.

(4) Validity and Enforceability of Documents; No Breach.

This Agreement constitutes and, when executed and delivered, each of the Finance Documents and Project Documents to which any Loan Party is a party will constitute valid and legally binding obligations of each such Loan Party enforceable against it in accordance with their respective terms subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, to the fact that specific performance is an equitable remedy available only in the discretion of the court and that judgment will not be rendered by a Canadian court in other than Canadian currency. Neither the execution and delivery of this Agreement, any other Finance Document or any Project Document to which any Loan Party is a party, nor compliance by any such Loan Party with the terms and conditions of any of them, (a) has resulted or will result in a violation of the articles or the by-laws of any such Loan Party or any resolutions passed by the Board of Directors or shareholders or quotaholders of any such Loan Party or any applicable law, rule, regulation, order, judgment, injunction, award or decree, (b) has resulted or will result in a breach of, or constitute a default under, any loan agreement, indenture, trust deed or any other agreement or instrument to which any such Loan Party is a party or by

which it is bound or (c) requires any approval or consent of any Official Body having jurisdiction, or of any other Person, except such as has already been obtained and is in full force and effect.

(5) Title to Properties.

As at the date of the first Drawdown hereunder and thereafter, each of the Loan Parties will have, and on the date on which each such Loan Party executes and delivers the Security to which it is a party, each of them will have, good and marketable title to (or, in the case of leasehold interests forming part of the Project Tenements, a valid leasehold title to) and exclusive possession of the Project Tenements, other Project Assets (including, without limitation, Product and Project Production) and other assets, in each case, which are owned by it, free and clear of any Lien, other than Permitted Liens, on any such assets and no Person has any agreement or right to acquire an interest in such assets. The Borrower has done all work necessary to keep the Project Tenements in good standing and the Project Tenements are properly located and recorded.

(6) Other Assets.

The Loan Parties do not own any assets or properties other than those constituting, used in connection with or incidental to the development and operation of the Project and, in the case of CPN, its direct or indirect interest in the Rovina Valley project in Romania (such project, and all related property and assets, the "**Rovina Valley Project**"), and, in particular, as at the date hereof, none of the Loan Parties own any Mineral Rights other than those listed in Schedule G.

(7) Non-Default.

No Event of Default or Potential Event of Default has occurred that is subsisting.

(8) Authorized Officers.

Each of the Loan Parties has, by resolution of its Board of Directors or relevant corporate decision-making body, as applicable, duly authorized at least one of its directors or officers to handle and approve all ongoing dealings under or in connection with the Project Facility and the Finance Documents.

(9) Financial Condition.

The audited consolidated financial statements of CPN and its Subsidiaries for the Fiscal Year ended December 31, 2011, the unaudited consolidated financial statements of CPN and its Subsidiaries for the Fiscal Quarters ended March 31, 2012 and June 30, 2012 and, if available, September 30, 2012, and the unaudited unconsolidated financial statements of the Borrower for the Fiscal Quarters ended March 31, 2012 and June 30, 2012 and, if available, September 30, 2012, in each case, fairly present the financial condition of CPN and its Subsidiaries or the Borrower, as the case may be, as at such dates and the results of the operations of CPN and its Subsidiaries or the Borrower, as the case may be, for the respective annual and quarterly periods then ended, all in accordance with Accounting Principles consistently applied and, since December 31, 2011, other than as a result of commitments contemplated in the Bankable Feasibility Study and the LOMP, there has been no material adverse change in the condition, financial or otherwise, of CPN and its Subsidiaries (on a consolidated basis) or the Borrower. Except as shown on Schedule J hereto or on such financial statements each dated as at December 31, 2011, each of CPN and its Subsidiaries (including the Borrower) has no debts or liabilities whatsoever, other than those incurred in the ordinary course of business.

(10) Absence of Litigation.

Except as set forth in Schedule K or as disclosed to the Agent in writing from time to time after the date hereof, there are no actions, suits, proceedings or disputes (including without limitation any labour dispute or dispute with an Official Body) pending or, to the knowledge of any of the Loan Parties, threatened against or affecting any of the Loan Parties or any of their undertakings and assets, at law, in equity or before any arbitrator or

before or by any Official Body having jurisdiction in the premises in respect of which there is a possibility of a determination adverse to any of the Loan Parties and which could, if determined adversely:

(a) be expected to result in a judgement, award or assessment of damages or other amounts against any of the Loan Parties in aggregate exceeding US $500,000; or

(b) materially and adversely affect the ability of any of the Loan Parties to observe and perform any of its obligations under this Agreement and the Finance Documents to which it is a party and none of the Loan Parties is in default with respect to any law, regulation, order, writ, judgment, injunction or award of any competent Official Body which would have such an effect.

(11) Indebtedness.

None of the Loan Parties is in default in the payment of any sum or in the observance or performance of any covenant or obligation in respect of any Indebtedness, for amounts in aggregate exceeding [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency) except where such default is being disputed in good faith and by appropriate proceedings and the applicable Loan Party has set aside adequate reserves therefor in accordance with Accounting Principles.

(12) Ownership of Project Tenements; Royalties.

The Borrower has 100% legal and beneficial ownership of all Project Assets it owns or purports to own, and is entitled to 100% of all Project Production, in each case, free and clear of all Liens or claims, except for Permitted Liens. As at the date of the first Drawdown hereunder and thereafter, the Borrower will have all Project Tenements in relation to the Project, which are unconditional, represent mining concessions (Concessão de Lavra) or exploration licences (Autorização de Pesquisa) and surface rights to the Lands, are for a term which extends beyond the Final Maturity Date and have not been assigned, in whole or in part. As at the date of the first Drawdown hereunder and thereafter, the ore reserves described in the LOMP are located within the boundaries of the Mining Concession and the Lands referred to in Schedule G and Schedule H, the Borrower has unfettered and unlimited rights to extract the ore contained therein without limitation and no further mining concessions (Concessão de Lavra) or exploration licences (Autorização de Pesquisa) or similar Permits are necessary to be obtained in connection with the development and operation of the Project in accordance with the LOMP. The Mineral Rights are in good standing and all amounts due thereunder have been paid.

The Project Tenements are not subject to any leases or concessions, other than the Mining Concession itself, nor are there any Royalties burdening the Project Tenements or the Project, other than (a) the statutory royalty payable to the relevant states, municipalities and Federal District (Compensação Financeira pela Exploração Mineral); (b) the MB Royalty and (c) the GP.

(13) Compliance with Applicable Laws; Permits.

Each of the Loan Parties has complied with all requirements of Applicable Laws (including all Environmental Laws and Mining Laws and other applicable statutes, ordinances, by-laws, and regulations) in all material respects.

Except as otherwise disclosed herein, the Borrower has all Permits under such statutes and regulations and otherwise as are required to construct, complete and operate the Project. All Permits (including environmental Permits) necessary to be obtained in connection with the construction, development and operation of the Project and export of the Product in accordance with the LOMP and the execution and implementation of the Project Documents are listed in Parts I and II of Schedule I. All such Permits listed in Part I of Schedule I are validly issued and in full force and effect, unamended and there has been no breach of any of their terms or conditions and all such Permits listed in Part II of Schedule I are expected to be obtained in the normal course of construction, development and operation of the Project without the imposition of burdensome conditions or expenditure of material unbudgeted amounts.

(14) Taxes.

Each of the Loan Parties has filed or caused to be filed all federal, state, provincial and local tax returns which to the knowledge of such Loan Party are required to be filed and has paid or caused to be paid all Taxes as shown on such returns or any assessment received by such Loan Party to the extent that such Taxes or assessments have become due, except such as may be diligently contested in good faith and by appropriate proceedings or as to which a bona fide dispute may exist and, in each case, for which adequate reserves in accordance with Accounting Principles are being maintained. Each Loan Party has established reserves in accordance with Accounting Principles which are reasonably believed by its officers to be adequate for the payment of such Taxes.

(15) Agreements.

None of the Loan Parties is a party to any agreement or instrument or subject to any charter or other corporate restriction which could be expected to result in the occurrence or existence of a Material Adverse Event. None of the Loan Parties is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, the effect of which could be expected to result in the occurrence or existence of a Material Adverse Event.

(16) Payment for Project Production.

Other than under the GPA, the SPA and the Initial Au Hedging Program, none of the Loan Parties will, at the date of the first Drawdown hereunder or thereafter, be obligated under any purchase or sale agreements, refining agreements, production payment agreements, operating agreements, participation agreements, security agreements or any other agreements or arrangements to make future deliveries of production attributable to the Project without receiving full payment for such production at prevailing market prices. No payments for Project Production are being held or will hereafter be required to be held in suspense or escrow accounts, except for the Proceeds Accounts.

(17) Regulation.

With respect to the Project, the Project Tenements and operations relating thereto, each Loan Party has complied with all applicable local, territorial, state and federal laws and regulations relating to the construction and/or operation of the Project and has obtained all Permits, approvals and consents required to operate the Project, and none of the Loan Parties is aware of any investigation (other than a routine inspection) of the Project or any Loan Party underway by any Official Body with respect to enforcement of such laws, regulations, Permits, approvals and consents.

(18) Project Documents.

Each of the Project Documents listed in Part I of Schedule I, as of the date hereof, and, as of the date of each Drawdown Notice to be delivered by the Borrower hereunder, including each other Project Document which has been executed and delivered, issued or obtained or is otherwise held by such date:

(a) is in full force and effect;

(b) is valid and, if an agreement, enforceable by each Loan Party which is a party thereto against, and is legally binding on, all other parties thereto in accordance with its terms;

(c) is in the form previously or concurrently delivered to the Agent pursuant to this Agreement; and

(d) is not subject to any notice or claim of a default or breach thereunder or any event or condition entitling any party to terminate its obligations thereunder or to terminate, revoke or suspend the same (or attach conditions to the same having similar effect), as applicable.

The Loan Parties have listed in Parts I and II of Schedule I all Project Documents and the lists contained in Parts I and II of such Schedule, together, comprise a full, complete and current list of all of such documents and no other Project Document needs to be obtained in connection with the development and operation of the Project in accordance with the LOMP, and no consent or approval of any counterparty to any such Project Document is required in order for the Liens of the Security to attach to the same, except for (i) the Project Agreements referred to in Section 11.02(2)(d) and (ii) the other Project Agreements listed in Schedule I for which a Tripartite Agreement is not required to be obtained hereunder.

All performance required of the Loan Parties (and, to the best of the knowledge of the Loan Parties, each other party thereto) under each Project Document has been made, observed and performed at each date upon which this representation is made or deemed to be made hereunder from time to time, except:

(a) performance required to be made or performed at a later date; and

(b) performance of any obligation contained in any Project Document which is not material to the Project or to the performance of the Project Document taken as a whole.

At the date hereof, on each date upon which a Drawdown Notice is delivered by the Borrower hereunder and on each other date upon which these representations and warranties are deemed to be repeated, no default, or event which with the passing of time or giving of notice or both would constitute a default on the part of the Borrower exists under any of the Project Documents and there has been no notice or claim of default or breach thereunder or of any condition entitling any party to terminate its obligations thereunder or to terminate, revoke or suspend the same (or to attach conditions to the same having similar effect), as applicable.

(19) No Other Project Agreements.

No Loan Party has entered into any material agreement, arrangement or understanding, written or unwritten, relating to the Project except as disclosed herein or as disclosed to and consented by the Majority Creditors.

(20) Security.

The Security is effective to create in favour of the Collateral Agent, in its capacity as collateral agent for the Creditors, as security for the Secured Obligations described therein, a legal, valid, binding and enforceable first priority Lien in the collateral described therein and proceeds thereof. Except for the due and timely filing and recording of the Security, or notice thereof, no further action is necessary in order to establish and perfect the Collateral Agent's first priority Lien in and to all of the property of the Borrower (including the Project Assets), subject only to Permitted Liens.

(21) Fully Funded Project.

Subject to Section 10.01(26), the Costs to Complete do not exceed the Available Funding plus the Maximum Permitted Equity Gap.

(22) Subsidiaries; Title to Pledge Equity Securities.

Each of the Borrower, OLC Holdings, OLV Co-op, and OLC Brazil is a direct or indirect, wholly-owned Subsidiary of CPN and:

(a) CPN has legal and beneficial title to 100% of the Equity Securities in the capital of OLC Brazil, free from any Liens other than Permitted Liens;

(b) CPN and OLC Brazil, together, have legal and beneficial title to 100% of the Equity Securities in the capital of OLV Co-op, free from any Liens other than Permitted Liens;

(c) OLV Co-op has legal and beneficial title to 100% of the Equity Securities in the capital of OLC Holdings, free from any Liens other than Permitted Liens;

(d) OLV Co-op and OLC Holdings, together, have legal and beneficial title to 100% of the Equity Securities in the capital of the Borrower, free from any Liens other than Permitted Liens; and

(e) the Borrower has no Subsidiaries.

There has been no change to the corporate structure of CPN and such direct and indirect Subsidiaries as set forth in Schedule M, and no new Subsidiaries of any of them have been incorporated, organized or formed, except as consented to in writing by the Majority Creditors.

(23) Issuance of Equity Securities.

Except as set forth in Schedule K, there are no options, agreements, pre-emptive rights, conversion rights or other arrangements in force which provide for the present or future issuance, allotment or transfer of, or otherwise afford to any Person the right (whether absolute or contingent, subject to conditions or otherwise) to require the issuance, allotment or transfer of, any Equity Securities in the capital of any Loan Party.

(24) Filings.

Each of the Loan Parties has filed or caused to be filed all material corporate notices and has made or cause to be made all registrations with the appropriate Official Bodies under Applicable Laws and all such filings and registrations are current, accurate and complete.

(25) Intellectual Property Rights.

Each of the Loan Parties has sufficient Intellectual Property Rights necessary for the conduct of its businesses and to carry out the construction, development and operation of the Project. To each of the Loan Parties' knowledge, none of the Loan Parties is infringing or is alleged to be infringing the Intellectual Property Rights of any other Person in a material manner, other than as disclosed in Schedule K.

(26) Indigenous or Quilombola Rights.

There are no indigenous or quilombola rights (whether arising by statute, common law, custom, or otherwise), which will interfere with the mining exploitation of the Project Tenements or with the Project in any way.

(27) Ore Reserves within Boundaries.

The ore reserves described in the Bankable Feasibility Study are located within the boundaries of the Mining Concession listed in Schedule G and the Lands listed in Schedule H.

(28) No Material Adverse Event.

Since the date of CPN's and the Borrower's most recent annual audited financial statements provided to the Agent, there has been no condition (financial or otherwise), event or change in any Loan Party's business, liabilities, operations, results of operations, assets or prospects which constitutes or gives rise to, or could be expected to constitute or give rise to, a Material Adverse Event.

(29) Environmental Matters.

Except as disclosed in Schedule K:

(a) all facilities and property (including underlying groundwater) owned, leased or operated by any of

the Loan Parties (including the Project) have been, and continue to be, owned, leased or operated in compliance in all material respects with all Environmental Laws and applicable Permits;

(b) there are no outstanding, pending or, to the best of its knowledge, threatened Environmental Claims against it or in respect of any property owned, leased or operated by it (including the Project) which:

(i) have not been cured or otherwise satisfied;

(ii) have resulted in any material action being taken by any Official Body or any other Person which action has not been discontinued or otherwise cured or satisfied; or

(iii) would be likely to result in any material action being taken by any Official Body or any other Person;

(c) there is no request for information or inquiry that has been received by it with respect to any alleged violation of any Environmental Law or regarding potential liability under any Environmental Law or, with regard to contamination, any common or civil law, which:

(i) has not been cured or otherwise satisfied;

(ii) has resulted in any material action being taken by any Official Body or any other Person which action has not been discontinued or otherwise cured or satisfied; or

(iii) would be likely to result in any material action being taken by any Official Body or any other Person;

(d) there have been no Releases of Hazardous Materials at, on or under any property now or previously owned, leased or operated by it (including the Project) which, with the passage of time, or the giving of notice or both, could be expected to give rise to liability for material breach of any Environmental Law;

(e) no property now or previously owned, leased or operated by it (including the Project) is listed or proposed for listing on any list of sites requiring investigation or clean-up as maintained by any relevant Official Body;

(f) no Loan Party has generated any Hazardous Materials which have been disposed of at, or has directly transported or directly arranged for the transportation of any Hazardous Material to, any location which is listed on any list of sites requiring investigation or clean-up as maintained by any relevant Official Body or which is the subject of enforcement actions or other investigations by any relevant Official Body which may lead to material claims against it for any remedial work, damage to natural resources or personal injury; and

(g) no conditions (other than those covered in the preceding subparagraphs (a) through (f), inclusive) exist at, on or under any property now or previously owned, leased or operated by it (including the Project) which, with the passage of time, or the giving of notice or both, could be expected to give rise to any material liability under any Environmental Law.

(30) Information to Creditors.

The factual information in the documentation supplied to the Creditors in respect of the Project is true and correct in all material respects and, to the best of the knowledge of such Loan Party, all projections supplied to the Creditors are reasonable and attainable in light of the assumptions on which they are based, and no material change has occurred since the date on which such information or projections were provided which would render

such information or projection, as the case may be, misleading at the date hereof) and the Loan Parties have not omitted to disclose to the Creditors a material matter relating to the Project.

(31) Full Disclosure.

All information provided or to be provided to the Creditors in connection with the Project Facility is, to the best of each Loan Party's knowledge, true and correct and none of the documentation furnished to the Creditors by or on behalf of it, to the best of its knowledge, omits or will omit as of such time, a material fact necessary to make the statements contained therein not misleading in any material way, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by it (and any other Person who furnished such material on behalf of it).

9.02 **Survival and Repetition of Representations and Warranties**

The representations and warranties set out in Section 9.01 survive the execution and delivery of this Agreement and all other Finance Documents and, notwithstanding any investigations or examinations which may be made by the Agent, the other Creditors or Lenders' Counsel, will be deemed to be repeated by the Loan Parties as of each Drawdown Date and as of each Quarter End, except to the extent that on or prior to such date (a) the Borrower has advised the Agent in writing of a variation in any such representation or warranty, and (b) the Majority Creditors have approved such variation in writing.

ARTICLE 10
COVENANTS

10.01 **Affirmative Covenants**

So long as any of the Secured Obligations remain unpaid, unperformed or outstanding or the Project Facility is available hereunder, each of the Loan Parties (except where expressly limited to a particular Loan Party or Loan Parties) covenants and agrees with each of the Creditors that, unless (subject to Section 17.12, or as otherwise expressly provided below) the Majority Creditors otherwise consent in writing:

(1) Payment and Performance of Secured Obligations.

The Borrower shall duly and punctually pay and perform the Secured Obligations in the manner specified in this Agreement and in any other Finance Document.

(2) Compliance with Applicable Laws; Environmental Laws.

Each of the Loan Parties will comply in all material respects with all Applicable Laws, including without limitation Environmental Laws, and all best practice international environmental and health and safety standards, including the World Bank Group Environmental, Health and Safety Guidelines as in effect from time to time.

(3) Corporate Existence and Conduct of Business.

Each of the Loan Parties shall, and shall cause its Subsidiaries to, maintain their respective corporate existences in good standing and do or cause to be done all things necessary to keep and maintain in full force and effect all properties, rights, franchises, licences and qualifications necessary to carry on business in any jurisdiction in which it or they carry on business and each of them shall, and shall cause its Subsidiaries to, maintain all of its or their respective properties and assets in proper working order and in a manner consistent with industry standards. It is acknowledged that it is intended that the Borrower will be converted from a "Sociedade Limitada" (or limited liability company) to a "Sociedade Anônima" (or joint stock corporation).Provided that the Agent receives confirmation from Lenders' Counsel, immediately prior to such conversion that all documentation that needs to be executed and registered following such conversion has been prepared and agreed between the Agent and the Borrower, so as to ensure that the Creditors' rights under the Finance Documents are not prejudiced and the

Borrower's obligations under the Finance Documents are not affected, the Creditors will consent to the conversion. Without in any way limiting this Section 10.01(3), the Borrower shall procure that the quota pledge granted over 100% of the quotas issued by the Borrower shall be converted to a share pledge granted over 100% of the shares issued by the Borrower in favour of the Collateral Agent (the "**New Share Pledge**") and shall ensure that the New Share Pledge is registered in the Borrower's registered share register simultaneously with the execution of the corporate documentation of the Borrower providing for this conversion. Failure to comply with this Section 10.01(3) shall constitute an Event of Default.

(4) Books of Account, Accounting and Cost Control Systems, etc.

Each Loan Party will maintain or cause to be maintained proper books of account, in which it will record true and proper entries of all dealings and transactions now or in the future conducted by it, maintain the books of account, receipts, vouchers and all other documents relating to its business and affairs at its registered office or other place or places where such books of account, receipts, vouchers and documents of a similar nature have previously been maintained and ensure that the same are available at all times upon seven (7) days' prior notice for inspection and copying by the Agent or any Creditor or any employee, agent or professional adviser of the Agent or any Creditor as the Agent or such Creditor may from time to time appoint. In addition, each Loan Party will maintain and utilize accounting, management information and cost control systems satisfactory to the Majority Creditors.

(5) Reporting Requirements.

The Loan Parties will deliver to the Agent (in sufficient quantities for the Agent and each of the other Creditors):

(a) Annual Reports: As soon as available and in any event within 120 days after the end of each Fiscal Year of the Relevant Persons, (i) the annual audited financial statements of CPN prepared on a consolidated basis, (ii) the annual unaudited non-consolidated financial statements of the Borrower and each other Loan Party, in each case, including a balance sheet, statement of income and retained earnings, statement of changes in financial position and source and application of funds for such Fiscal Year, which will be reviewed by an internationally recognized accounting firm, and will be prepared in accordance with Accounting Principles and certified by an officer of the applicable Loan Party, and (iii) if requested, a reconciliation of the financial statements referred to in subparagraphs (i) and (ii) above.

(b) Quarterly Reports: As soon as available and in any event within 45 days of the end of each Fiscal Quarter of the Relevant Persons (including the fourth quarter) the interim unaudited consolidated financial statements of CPN, including a balance sheet, statement of income and retained earnings, statement of changes in financial position and source and application of funds, which will be prepared in accordance with Accounting Principles.

(c) Compliance Certificate: A Compliance Certificate concurrently with the delivery of the financial statements referred to in Sections 10.01(5)(a) and 10.01(5)(b) above, commencing with the Fiscal Quarter ending December 31, 2012.

(d) Annual Corporate Budget: Within 30 days of board approval and no later than December 31 in each Fiscal Year for the following Fiscal Year, a copy of the certified board-approved annual consolidated corporate budget of CPN (the "**Annual Corporate Budget**"), which must detail the anticipated corporate requirements for CPN and its Subsidiaries for the applicable Fiscal Year and be in a form and substance satisfactory to the Majority Creditors. The Annual Corporate Budget is not to be materially different than the corresponding period in the LOMP. The Annual Corporate Budget of CPN will not be amended at any time on or prior to the Project Completion Date unless such amendment is previously approved in writing by the Majority Creditors.

(e) Annual Project Budget: A certified board-approved annual budget in respect of the Project (the

"**Annual Project Budget**") within 30 days of such board approval and no later than December 31 in each Fiscal Year for the following Fiscal Year. The Annual Project Budget will cover production plans, mine plans, ore and waste movement schedules and grades, schedules of ore to be processed in the mill (tonnage and grade), operating costs, Project Costs and other capital costs, corporate costs and exploration expenditures of the Project and/or the Borrower, in each case on a monthly basis and must be in a form and substance satisfactory to the Majority Creditors. The Annual Project Budget shall constitute a more detailed version of, and be consistent with, the information and figures for the same year in the LOMP. The Annual Project Budget will not be amended unless such amendment is previously approved in writing by the Majority Creditors, except to conform with any amendments to the LOMP approved by the Majority Creditors.

(f) Annual Environmental and Social Audit Report: Within 120 days after the end of each Fiscal Year, the annual environmental and social audit report in respect of the Project, which shall be in form and substance satisfactory to the Majority Creditors.

(g) Ore Reserve Audit: At the request of the Agent on behalf of the Majority Creditors, an audit of the ore reserves for the Project from time to time to be performed by an Independent Consultant, with the cost of any such audit to be borne by the Loan Parties.

(h) Monthly Management Accounts: Within 30 days after the end of each calendar month, copies of the monthly management accounts for the Borrower, including a statement of the balances in the Project Accounts, and a comparison with the Minimum Account Balance and the Debt Service Reserve Requirement.

(i) Confirmations re: Event of Default or Potential Event of Default: Promptly upon request by the Agent on behalf of the Majority Creditors, each Loan Party will provide a declaration made by two of such Loan Party's directors or senior officers stating, to the best of the knowledge of such directors or officers, whether or not an Event of Default or a Potential Event of Default has occurred that is subsisting and, if so, setting out the details of any event so disclosed and the steps (if any) taken by the Loan Parties to remedy or cure the same.

(j) Securities Filings: A copy of any information, document, report or filing that is provided to the TSX on the same day that it is provided to the TSX.

(k) DNPM Filings: A copy of any information, document, report or filing that is provided to the DNPM within three (3) Banking Days of the day that it is provided to the DNPM.

(l) Other Information: Such other information as the Agent may request from time to time respecting the Loan Parties or the Project.

(6) Compliance with Accounting Standards.

The Loan Parties will ensure that all financial statements furnished to the Agent and the Creditors are prepared in accordance with any Applicable Laws and Accounting Standards consistently applied or, if not consistently applied, accompanied by details of the inconsistencies, and ensure that such financial statements give a true and fair view of the financial condition of the applicable Loan Parties and the results of operations as at the date and for the period ending on such date for which such financial statements are prepared.

(7) Project Reports and Notices.

The Borrower will deliver to the Agent (in sufficient quantities for the Agent and each of the other Creditors), on a timely basis or as indicated, the following information, as applicable:

(a) Annual Statement of Reserves and Resources: Within 90 days of the end of each Fiscal Year of the Borrower, an annual statement of reserves and resources for the Project, which for greater

certainty shall contain updated information regarding gold reserves and resources, including inferred gold resources, for the Project.

(b) LOMP: Within 30 days of board approval and no later than December 31 in each Fiscal Year, a certified board-approved revised LOMP prior to the commencement of each Fiscal Year of the Borrower, and in respect of which revised LOMP all revisions shall be subject to review and approval in accordance with Section 10.01(7)(c)(i). The Borrower will from time to time, as and when requested by the Agent on behalf of the Majority Creditors, promptly deliver to the Agent (with sufficient copies for the Agent and the other Creditors) an updated LOMP. The LOMP will not otherwise be amended unless such amendment is previously approved in writing by the Majority Creditors.

(c) Monthly Construction Reports: Within 14 days of the end of each calendar month until Engineering Completion, a monthly operations report for the Project, in a form satisfactory to the Majority Creditors, including:

(i) a statement of construction progress compared to the Annual Project Budget, including commentary regarding the work completed for the month (including key results and conclusions from studies), and any deviations or proposed changes to the Annual Project Budget and any associated schedules, including cost overruns as well as any material negative impacts on gold to be produced in amount or timing, together with plans for the resolution of such impacts;

(ii) a statement of Project Costs compared to budget, together with estimates to achieve Engineering Completion and the Engineering Completion Date by the Outside Completion Date and an estimate of the Costs to Complete; and

(iii) other relevant matters (to the extent not covered in a monthly operations report required to be delivered under paragraph (d) below), including exploration results, Project Tenement anniversaries and renewals, key personnel changes, safety and accidents, environmental performance and compliance, and identification of any other problems or areas of concern in relation to the Project.

(d) Monthly Operations Reports: Commencing with the calendar month during which mining of ore commences, within 7 days of the end of such calendar month and each calendar month thereafter, a monthly operations report for the Project, in a form satisfactory to the Borrower and the Majority Creditors, including:

(i) details of Project ore and waste mined, grades mined and recovered, Product in circuit and Project Production and a comparison of these figures with the budgeted production estimates previously provided to the Creditors in the form of the LOMP and Annual Project Budget (and utilizing the Bankable Ore Reserve Model) and a reconciliation of the Project's reserves;

(ii) a statement of operating costs by department compared to the Annual Project Budget; and

(iii) other relevant matters, including exploration results, Project Tenement anniversaries and renewals, key personnel changes, safety and accidents, environmental performance and compliance, Project operations overview and identification of any other problems or areas of concern in relation to the Project.

(e) Downward Estimate Review, etc.: Any material downward revised estimate of Proven and Probable Reserves in respect of the Project, and any material change in key personnel or mining or metallurgical methods in respect of the Project.

(f) Expected Engineering Completion: Any material change in the expected date of Engineering Completion, and will also give the Agent approximately four weeks (but in any event not less than two weeks) notice of the projected Engineering Completion Date.

(g) Statutory Requirements: Any change in requirements (of which it is or reasonably ought to be aware) under any Applicable Laws (including Environmental Laws and Mining Laws), that could be expected to have a material effect on mining or metallurgical methods, Project Production or its title with respect to the Project Tenements or the Project.

(h) Other Information: Such information as the Agent or the other Creditors may reasonably request concerning projected Project Production, including production schedules, operating and capital costs, reserves estimates, financial position of the Loan Parties, and related items.

(i) Proposed Amendment: As soon as possible, any proposed amendment, revision, modification, supplement or other change to the Bankable Feasibility Study, the LOMP, the Annual Corporate Budget or the Annual Project Budget, with a request to the Creditors to confirm that they have no objection to any such revision; unless so confirmed by the Majority Creditors in writing, the Borrower will not amend, revise, modify, supplement or otherwise change the LOMP, the Bankable Feasibility Study, the Annual Corporate Budget or the Annual Project Budget. In connection with any such request by the Borrower, the Creditors shall be entitled to request that any aspect of the Project, including ore reserves, mine design, scheduling, ore treatment, environmental impact, infrastructure and capital or operating costs, be reviewed by the Independent Engineer or any other Independent Consultant at the Borrower's cost. The Loan Parties will otherwise keep the Creditors informed of, and provide copies of, all revisions to the Bankable Feasibility Study, the LOMP, the Annual Corporate Budget or the Annual Project Budget.

(j) Unscheduled Stoppages: Within three (3) days of commencement of any unscheduled stoppage or disruption to ore mining or gold production at the Project which continues for at least three (3) consecutive days, advise the Agent of the same, together with full particulars of all steps being taken to end such stoppage or disruption.

(8) Additional Notices.

Each of the Loan Parties will promptly notify the Agent in writing if it becomes aware of the occurrence or existence of any of the following:

(a) Event of Default or Potential Event of Default: Any Event of Default (including any Material Adverse Event) or Potential Event of Default which is subsisting, together with all details thereof and information with respect thereto as any of the Creditors (or the Agent on their behalf) may request.

(b) Litigation: Any impending or current litigation, arbitration, criminal or administrative proceeding, labour dispute, Tax claim or other dispute with any Official Body, in each case, relating to a Loan Party or any of their respective properties, assets or revenues or their respective outstanding equity capital or Indebtedness.

(c) Environmental Breaches: Any breach of any Environmental Law, or environmental authorisation or Permit, or the occurrence of any environmental damage or degradation at the Project.

(d) Environmental Management Plan: Any amendment to the Environmental Management Plan within five (5) days of such amendment, together with a copy of such amendment.

(e) Proceedings Affecting Licences / Environmental Reserves: (i) Any material proceeding affecting the Project Tenements or the Licences. The Loan Parties will keep the Agent informed on the

progress with respect to the appeal proceedings relating to the LI and the conditions attaching thereto, and shall deliver to the Agent a copy of all material correspondence, decisions or determinations from COPAM, SUPRAM-NM and any other relevant Official Bodies in relation to these proceedings; and (ii) the designation or proposed designation of any environmental reserve, conservation unit or other protected area affecting the Project or on, adjacent to or overlapping any of the Lands, Mineral Rights or Licences, and copies of all related material correspondence, decisions or determinations from any relevant Official Bodies relating to such designations.

(f) Registration of title with respect to Lands: Any progress, step or matter affecting the registration of the Lands to which Borrower does not hold legal title but has, as at the date of this Agreement, a right to access or occupy under the Land Access Agreements and the Loan Parties will advise the Agent as soon as any title to such Lands is registered in the name of the Borrower.

(g) Material Events: Any event or circumstance that has impacted or could be expected to materially impact the operational or financial performance of the Project, which notice will be given within three (3) days after the earlier of occurrence or identification of such event or circumstance.

(h) Proposed Fundamental Changes: Any proposed amendment of the constating or organizational documents of any Loan Party or any proposed dissolution, winding-up, amalgamation or consolidation of any Loan Party. If any Loan Party initiates, is solicited to consider, or otherwise pursues any transaction of the nature referred to in Section 10.03(14) below, whether or not it has executed any letter of intent, lockup, confidentiality or similar agreement, issued a news release or otherwise effected any public disclosure, and whether the transaction is to take place by way of statutory plan of arrangement, amalgamation, merger, take-over bid or otherwise, it hereby agrees to keep the Agent apprised (subject to any applicable regulatory restrictions or constraints) of all material developments in such regard and to provide copies of such materials as the Agent or any of the other Creditors shall request.

(i) Changes in Authorized Signatories: Any change in the persons authorized by it to sign notices, certificates or other documents in connection with the Project Facility or the Finance Documents together with specimen signatures of any new person so authorized and, if requested by the Agent, evidence to the satisfaction of the Agent and the other Creditors, of the authority of such person.

(j) Originating Notices: The receipt of any writ, statement of claim, originating notice or other written process or notice in respect of any alleged offence by any Loan Party or any of their respective directors in their capacity as directors of such Loan Party under any Applicable Laws.

(k) Other Material Notices: The receipt of any material notice given or sent to or served upon any Loan Party under any Applicable Laws.

(l) Project Documents: Any material breach of or default under a Project Document or receipt of any notice or other communication alleging same, or receipt of a material notice under a Project Document (together in each case with a copy of the relevant notice).

(m) Material Adverse Event: Any other event (or series of events) which constitutes or gives rise to, or could be expected to constitute or give rise to, a Material Adverse Event.

(n) Maximum Permitted Equity Gap: If at any time the Equity Gap is greater than the Maximum Permitted Equity Gap.

(o) Conversion of Exploration Licences to Mining Concessions: If (i) the Borrower makes an application to convert any Exploration Licence into a Mining Concession within 5 Banking Days of making such application, and (ii) any Exploration Licence is converted into a Mining Concession, within 5 Banking Days of the Borrower receiving notice of any such conversion.

(9) Rights of Inspection.

At any time and from time to time upon not less than seven (7) days' prior written notice (except upon the occurrence and during the continuance of an Event of Default or Potential Event of Default, in which case, no such notice will be required), the Loan Parties shall, during reasonable operating hours, permit the Agent and any other Creditor or any representative thereof (at the expense of the Borrower) to: (a) visit and inspect the Project site and the premises and properties of the Borrower thereon (in each case at the risk of the Borrower, except for the gross negligence or wilful misconduct of the inspecting party), and (b) discuss the affairs, operations, finances and accounts of the Borrower, in relation to the Project or otherwise, with any of the officers, directors or senior managers of the Borrower.

(10) Taxes.

Each of the Loan Parties will from time to time during the continuance of this Agreement:

(a) within the time permitted by Applicable Laws, file with the appropriate Official Bodies all returns required to be filed by it for Taxes in accordance with such Applicable Laws;

(b) punctually pay Taxes payable by it at any time to any Official Body unless the same are being contested in good faith by appropriate proceedings and with adequate reserves having been established in accordance with Accounting Principles, in each case, satisfactory to the Majority Creditors and provided that such proceedings or failure to pay do not constitute or give rise to, and could not be expected to constitute or give rise to, a Material Adverse Event; and

(c) promptly, upon the request of the Agent or any other Creditor, provide the Agent (with sufficient copies for the Agent and each Creditor) copies of all the returns, assessments for Taxes received by it from any Official Body and receipts for the payment of all Taxes.

(11) Subordination of Payments of Subordinated Intercompany Debt and other Amounts.

If any Loan Party (other than the Borrower) receives (i) a payment or distribution in respect of any Subordinated Intercompany Debt from another Loan Party or any other source, (ii) the proceeds of any enforcement of any Lien or any Guarantee for any Subordinated Intercompany Debt or (iii) any payment, dividend or distribution from any Relevant Person or any of its Subsidiaries on account of the purchase or other acquisition of any of the Subordinated Intercompany Debt, such Loan Party will hold the same in trust for and pay and distribute it to the Agent for the account of the Creditors for application towards the Secured Obligations until the Secured Obligations are irrevocably paid, performed and satisfied in full and in cash. If any of the Subordinated Intercompany Debt is discharged by set-off, each relevant Loan Party will immediately pay an amount equal to the discharge to the Agent for the account of the Creditors for application towards the Secured Obligations until the Secured Obligations are irrevocably paid, performed and satisfied in full and in cash.

If for any reason a trust in favour of, or a holding of property for, any of the Creditors under this Agreement or any other Finance Document is invalid or unenforceable, each relevant Loan Party will pay and deliver to the Agent for the account of the Creditors an amount equal to the payment, receipt or recovery in cash or in kind (or its fair value, if in kind) which it would otherwise have been bound to hold in trust for or as property of the Creditors.

(12) Subordination by other Loan Parties on Insolvency.

If any Loan Party becomes subject to any insolvency, bankruptcy, reorganization, administration, assignment to or arrangement with creditors, liquidation, dissolution or other similar proceeding or distribution of its assets (whether or not involving insolvency):

(a) any Subordinated Intercompany Debt owed to any of the other Loan Parties will be subordinated in right of payment to, and postponed to the prior and indefeasible payment to the Creditors of, the

Secured Obligations;

(b) the Creditors may, and the Agent on their behalf is irrevocably authorized on each such Loan Party's behalf to:

(i) claim, enforce and prove the Subordinated Intercompany Debt;

(ii) file claims and proofs, give receipts and take all such proceedings and do all such things as the Agent or any such Creditor sees fit to recover the Subordinated Intercompany Debt; and

(iii) receive all distributions on the Subordinated Intercompany Debt;

in each case, for application towards the Secured Obligations;

(c) if and to the extent that the Agent is not entitled to do any of the foregoing, such Loan Party will do so promptly as directed by the Agent and the other Creditors;

(d) each such Loan Party will hold all distributions in cash or in kind received or receivable by it in respect of the Subordinated Intercompany Debt from the Borrower or its estate or from any other source in trust for the Creditors and will (at its own expense) pay and transfer the same to the Agent for the account of the Creditors for application towards the Secured Obligations until the Secured Obligations are irrevocably paid, performed and satisfied in full and in cash; and

(e) the trustee in bankruptcy, liquidator, assignee or other Person distributing the assets of the Borrower or the proceeds thereof is hereby directed to pay distributions on the Subordinated Intercompany Debt directly to the Agent for the account of the Creditors until the Secured Obligations are irrevocably paid and performed in full and in cash, and such Loan Party will give all such notices and do all such things as the Agent may direct to give effect to this provision.

(13) Security, etc.

Except for the filing of renewal statements and the making of other filings and registrations by or on behalf of the Collateral Agent as a Creditor, each Loan Party will at all times take all action necessary to maintain the Liens provided for under or pursuant to this Agreement and the Security as valid and perfected first priority Liens, subject only to Permitted Liens, on the property intended to be covered thereby and supply all information to the Collateral Agent which is necessary for such maintenance and, without limiting the generality of the foregoing, it will use best efforts to obtain any consent required in order for the Liens of the Security to attach to any Project Assets that may be requested by the Collateral Agent on terms and conditions satisfactory to the Creditors.

(14) Sufficiency of Permits and Mineral Rights.

Each of the Loan Parties shall ensure that all material Permits, including all governmental and third party consents, authorisations, permits and approvals necessary to enable the construction, development and operation of the Project (including associated infrastructure), as from time to time set out in the then approved LOMP, Bankable Feasibility Study, Bankable Ore Reserve Model, and Annual Project Budget are granted by the applicable Official Body or other relevant Person, and, without limiting its other obligations under the other provisions of this Section 10.01, each of the Loan Parties shall maintain in full force and effect, and in good standing, all such material Permits which it has or which it may subsequently acquire. Each of the Loan Parties shall ensure, at all times, that it obtains and has good title to all Mineral Rights and Project Tenements necessary to provide sufficient access to, and containing dumps, services, infrastructure and ore reserves necessary to carry out, the Project in accordance with the then approved LOMP, Bankable Feasibility Study, Bankable Ore Reserve Model, and Annual Project Budget, or that are otherwise relevant or material to the Project. Without limiting its other obligations under the other provisions of this Section 10.01, each of the Loan Parties shall maintain in full force and effect and in good standing all of the Mineral Rights and other Project Tenements and shall file all reports,

statements and other documents or information, all in a timely manner, as are required to maintain such Mineral Rights and other Project Tenements and shall conduct all work and observe and perform all other terms and conditions required in relation thereto.

(15) Project Documents.

Each of the Loan Parties will ensure that:

(a) all of the Project Documents and all of the counterparties to the Project Documents are satisfactory to the Majority Creditors;

(b) without limiting the generality of Section 10.01(15)(a) above, the Agent receives, on a timely basis:

(i) a draft of each Project Agreement to be obtained following the Closing Date (including those identified as such in Section B of Part II of Schedule I), together with a meaningful opportunity to review and provide comments on the same, in each case, prior to the execution and delivery thereof;

(ii) prior to the execution and delivery of the relevant Project Agreement, a draft Tripartite Agreement in respect of each such Project Agreement, if required by the Agent, in form and substance acceptable to the Creditors;

(iii) promptly following the execution and delivery of each such Project Agreement, a notarially certified copy thereof, all of which shall contain terms and conditions acceptable to the Creditors, and shall have been awarded to parties acceptable to the Creditors; and

(iv) concurrently with the notarially certified copy of the related Project Agreement, a Tripartite Agreement, if required pursuant to Section 10.01(15)(b)(ii) above, duly executed and delivered by each of the parties thereto in respect of such Project Agreement;

(c) by no later than:

(i) [*agreement redacted – proprietary structure*], each Power Supply Agreement shall have been executed and delivered, all filings or recordings necessary or desirable in connection therewith shall have been made, and all stamp taxes, fees, duties or similar amounts in respect of all Power Supply Agreements shall have been paid by the Loan Parties to the applicable Official Bodies;

(ii) [*agreement redacted – proprietary structure*], a Tripartite Agreement relating to each Power Supply Agreement shall have been executed and delivered, all filings or recordings necessary or desirable in connection therewith shall have been made, and all stamp taxes, fees, duties or similar amounts in respect of these Tripartite Agreements shall have been paid by the Loan Parties to the applicable Official Bodies;

(d) by no later than [*agreement redacted – proprietary structure*], the Fuel Supply Agreement referred to in clause (a) of the definition thereof shall have been executed and delivered, all filings or recordings necessary or desirable in connection therewith shall have been made, and all stamp taxes, fees, duties or similar amounts in respect of such Fuel Supply Agreement shall have been paid by the Loan Parties to the applicable Official Bodies;

(e) prior to the commissioning of the Project and, in any event, no later than [*agreement redacted – proprietary structure*], each Refining Agreement and the related Tripartite Agreement shall have

been executed and delivered, all filings or recordings necessary or desirable in connection therewith shall have been made, and all stamp taxes, fees, duties or similar amounts in respect of all Refining Agreements and the related Tripartite Agreements shall have been paid by the Loan Parties to the applicable Official Bodies;

(f) each of the terms and conditions in the Project Documents are complied with and observed (and in such regard take such enforcement and other proceedings as shall be prudent in the circumstances), and all things necessary to keep the Project Documents in full force and effect are done, and the Borrower will enter into all additional agreements, contracts and arrangements which a prudent party in the position of the Borrower would consider necessary or expedient for the benefit of the Project;

(g) except as otherwise expressly provided in this Agreement, without the prior written consent of the Majority Creditors, at no time will any Loan Party:

(i) enter into any Project Document;

(ii) terminate, rescind or amend any of the provisions of any of the Project Documents (except immaterial amendments in respect of Project Documents will not require the Majority Creditors' consent provided the Borrower shall promptly give notice of the same to the Agent);

(iii) grant any consent, waiver, time or indulgence in respect of any Project Document;

(iv) enter into any document, agreement or arrangement which in any way may have the effect contemplated in Section 10.01(15)(g)(ii) or (iii) above;

(v) consent to any counterparty assigning or otherwise transferring its interest in any Project Document; or

(vi) by any act or omission give, or cause or permit circumstances to arise which would give, any other party legal grounds to terminate, rescind or materially vary any Project Document or any material provision of any Project Document.

(16) Hedging.

The Borrower will maintain the Initial Hedging Programs and such additional Hedging Arrangements as may be required by the Majority Lenders, subject to scheduled repayments of the Principal Outstanding and other approved variations of the Initial Hedging Programs and such Additional Hedging Arrangements, such that the Borrower will be in compliance with the other terms of this Agreement (with each such additional Hedging Arrangement to be with a Hedge Provider); provided that the Borrower will at all times ensure that:

(a) no more than [*agreement redacted – proprietary structure*] of forecast Project Production in any Fiscal Year or total Project Production from Proven and Probable Reserves, as set forth in the LOMP (and calculated in accordance with NI 43-101 standards), shall be subject to Hedging Arrangements, or financing, forward selling (including foreign exchange) or other financial accommodations or arrangements, including the GP; and

(b) no more than [*agreement redacted – proprietary structure*] of forecast Project Production in any Fiscal Year or total Project Production from Proven and Probable Reserves, as set forth in the LOMP (and calculated in accordance with NI 43-101 standards), that is not already committed under the GP, shall be subject to Hedging Arrangements, or financing, forward selling (including foreign exchange) or other financial accommodations or arrangements, excluding, for certainty, the GP,

in each case, whether such Hedging Arrangements or other arrangements are entered into by the Borrower, any other Loan Party or any affiliate thereof.

(17) Independent Engineer and Other Independent Consultants.

The Borrower hereby consents to the appointment by the Creditors of, and agrees to cooperate fully with, the Independent Engineer and any other Independent Consultant, and will permit the Independent Engineer and any other Independent Consultant (in each case, permitted to be accompanied by one or more representatives of the Agent and the other Creditors) to have access to the Project Area, its premises and records and will furnish them with all information as required or requested from time to time, and agrees that the Independent Engineer and any other Independent Consultant (along with any accompanying representative or representatives of the Agent and the other Creditors) may review any aspects of the Project (including ore reserves, mine design and scheduling, ore treatment, environmental impact, infrastructure and capital or operating costs) and may monitor construction of the Project.

All costs, expenses and fees of an annual review of the matters referred to in this Section 10.01(17) by the Independent Engineer and any other Independent Consultant and any accompanying representative or representatives of the Agent, the Collateral Agent and the other Creditors (including site visits) shall be payable by the Borrower; provided that more frequent reviews will be paid for by the Creditors, unless the Borrower wishes to make a material variation to the LOMP or an Event of Default or Potential Event of Default has occurred and is subsisting, in which case the same will be paid for by the Borrower.

(18) Permits.

With respect to each Permit which is required to be held or obtained in respect of the Project, its business or premises, the Borrower will:

(a) apply for and obtain in its own name each such Permit as at such time as such Permit shall be so required by Applicable Law to be so held or obtained;

(b) comply with all Applicable Laws in relation to, and any terms and conditions attached to, each such Permit held by it and otherwise do all things so required of a holder of such Permit;

(c) on or before the time and in the manner required by Applicable Law for each such Permit held by it, apply for and procure the renewal of such Permit, and pay or cause to be paid the renewal fees and other amounts required in respect thereof or such renewal within the time allowed and in the manner prescribed by Applicable Law;

(d) upon request, produce to the Agent (at the request of any Creditor) each such Permit held by it and all receipts for payments in relation to each such Permit;

(e) except where required by Applicable Law or in the ordinary course of business, refrain from doing, allowing or suffering any act, matter or thing as a result of which any such Permit held by it is or may be surrendered, forfeited, withdrawn, cancelled, refused or rendered void, or whereby it is disqualified permanently or temporarily from receiving or continuing to hold a Permit, or whereby the Project or its business or premises may be disqualified permanently or temporarily from having any such Permit;

(f) refrain from removing from the business, surrendering, or consenting to or concurring or participating in the transfer of any such Permit held by it to any Person;

(g) to the extent assignable, execute and deliver to the Collateral Agent upon request a deed or other appropriate form of Security to better secure to the Collateral Agent the benefit of any such Permit held by it, prepared at the Borrower's cost and expense and in the form and containing such provisions as the Collateral Agent may require; and

(h) upon request by the Collateral Agent and to the extent transferable, sign and deliver to the Collateral Agent a transfer in blank of each Permit held by it by way of collateral security in a form consistent with the Applicable Laws relating to such Permit.

(19) Protection of Mineral Rights.

The Borrower will:

(a) duly and punctually pay or cause to be paid all rents, rates, taxes, charges, fees and assessments of whatever nature (including, without limitation the annual tax per hectare – *Taxa Anual por Hectare – TAH*) which are from time to time validly charged, imposed or assessed in respect of the Mineral Rights;

(b) duly and punctually pay or cause to be paid all royalties payable in relation to any minerals severed, won or derived from the Mineral Rights in accordance with the Mining Laws;

(c) duly and punctually observe and comply with all work, expenditure and other obligations (or obtain exemptions therefrom) required under or otherwise applicable to the Mineral Rights in accordance with the Mining Laws,

in the case of each such payment obligation, except to the extent the same is being contested in appropriate proceedings in good faith and for which adequate reserves in accordance with Accounting Principles shall have been set aside, and provided that such proceedings do not constitute a Material Adverse Event or a Potential Event of Default, and the Borrower will, on demand, provide the Agent with receipts in respect of such payments,

(d) duly and punctually observe and comply with all conditions of the Mineral Rights and all provisions of the Mining Laws required to prevent the Mineral Rights being liable to forfeiture;

(e) except as otherwise permitted in this Agreement from time to time, do whatever may be necessary for procuring the renewal or extension of the Mineral Rights according to Applicable Laws prior to the date on which the Mineral Rights lapse or expire;

(f) make application for and use its best efforts to procure in a timely fashion the granting of mineral rights which are to become additional Mineral Rights in relation to the Project;

(g) ensure that there is no material Release of Hazardous Materials of or from the Project Area or the Project in violation of any Environmental Law which would entitle any Official Body to initiate, issue or pursue an Environmental Claim; and

(h) promptly provide to the Agent a copy of:

(i) any enforcement notice issued pursuant to the environmental protection rules established in the Mining Laws or any other Environmental Law;

(ii) any document from any Official Body indicating that such entity is prosecuting a violation (or investigating a possible violation) of any Environmental Law or Mining Law relating to the Project Area, the Project or Mineral Rights;

(iii) any written claim of violation of any Environmental Law or Mining Law relating to or arising from any activity undertaken on the Project Area or the Mineral Rights;

(iv) any document indicating that a Release exists on, or emanates from, the Project Area or the Mineral Rights in a manner that is in breach of any Environmental Law or Mining Law; and

(v) any document provided by it to any Official Body which states or indicates, with respect to the Project Area, the Project or the Mineral Rights, that it is in breach of any Environmental Law or Mining Law or that there is or has been a Release of Hazardous Materials or that otherwise constitutes or evidences an Environmental Claim,

in each case which, with the passage of time, or the giving of notice or both, could be expected to give rise to liability for material breach of any Environmental Law or Mining Law, including any stoppage of activity at the Project for a period of more than three (3) consecutive days, the imposition of any materially burdensome terms with respect to an existing or future Permit or Project Tenement, the revocation of an existing Permit or Project Tenement, the refusal of an application for a Permit or Project Tenement (whether as an original application, by way of an amendment, or renewal, or otherwise), and the imposition of any material monetary penalty,

and the Borrower will not surrender or make any application for the surrender of, or agree to an amendment of (except immaterial amendments will not require the Majority Creditors' consent, provided the Borrower shall promptly give written notice of the same to the Agent), any Mineral Right without the prior written consent of the Majority Creditors.

(20) Use of Project Facility.

The Borrower shall use all Advances and the proceeds thereof solely for the purposes set forth in Section 2.03.

(21) Project Completion.

The Loan Parties shall ensure that Project Completion is achieved by the Outside Project Completion Date.

(22) Project Maintenance and Management.

The Loan Parties will at all times ensure that:

(a) the Project is designed, constructed, managed, developed and operated in a good and workmanlike manner as would a prudent mining industry operator or owner and in accordance with generally accepted mining industry best practices and all Applicable Laws;

(b) the Project is designed, constructed, managed, developed and operated in accordance with the LOMP and Annual Project Budget;

(c) the Project Assets are maintained, protected and kept in a good state of repair and in good working order and condition, and that it makes all necessary repairs, renewals, replacements, additions and improvements thereto, and that it maintains an adequate level of critical spare parts as may be required for the continuous construction, development, operation and management of the Project;

(d) all Applicable Laws now or hereafter in force and all notices, orders and requirements of any Official Body are duly and punctually complied with and observed in all material respects; and

(e) all material steps are taken as may be necessary to address or resolve any issue not specifically referred to above, whether relating to the design, development, construction, operation, management, or social or environmental impact of or relating to the Project, in each case, that may arise from time to time and shall promptly advise the Agent in writing of any such issues and the steps being taken by the Loan Parties to address or resolve such issues.

(23) Environmental Indemnity.

The Borrower will indemnify each of the Creditors and any receiver or receiver and manager or attorney appointed pursuant to any of the Finance Documents against, and save each of them harmless from, any claims, losses, liabilities, damages and expenses (including investigation costs, clean-up costs, and any other actions necessary pursuant to any Environmental Law and all legal fees, costs and expenses (on a full indemnity basis), including those arising by reason of any of the aforesaid or an action against the Borrower under this indemnity) arising directly or indirectly from, out of or by reason of any Environmental Claim or the non-compliance by any Person in respect of the Project (or any operations in connection therewith) with any Environmental Law applicable to the Project, the Borrower or any previous owner of the Project or any Project Tenement. The foregoing indemnity shall survive any partial or total payment and performance of the Secured Obligations.

(24) Project Taxes Indemnity.

The Borrower will indemnify each of the Creditors and any receiver or receiver and manager or attorney appointed pursuant to any of the Finance Documents against, and save each of them harmless from, any payment or liability to pay any Taxes incurred or imposed in connection with the Project.

(25) Cost Overruns.

If at any time, the Costs to Complete exceed the Available Funding plus the Maximum Permitted Equity Gap, from and after such time, the Borrower will only fund Project Costs from funds in the Proceeds Accounts and the Operating Account that comprise the Required Initial Equity Contribution, other Equity Contributions or Subordinated Intercompany Debt, until such time as the Available Funding plus the Maximum Permitted Equity Gap are at least equal to or exceed the Costs to Complete.

(26) Maximum Permitted Equity Gap and Equity Raising.

(a) If, at any time, the Equity Gap is greater than the Maximum Permitted Equity Gap, the Loan Parties shall take all steps to ensure that within 30 days of the earlier of:

(i) the Loan Parties becoming aware that the Equity Gap is greater than the Maximum Permitted Equity Gap; or

(ii) the Agent, on behalf of the Creditors, giving notice to the Borrower that the Equity Gap is greater than the Maximum Permitted Equity Gap,

CPN has raised additional equity financing or other form of financing acceptable to the Agent such that the Available Funding is at least equal to the Costs to Complete and CPN can demonstrate to Agent that the Project is fully funded.

(b) CPN shall ensure that prior to the date on which:

(i) the aggregate corporate cash balance held by CPN and the Borrower is less than [*agreement redacted – proprietary structure*]; or

(ii) the available and undrawn Commitments under the Project Facility are less than [*agreement redacted – proprietary structure*],

CPN has raised additional equity financing or other form of financing acceptable to the Agent such that the Available Funding is at least equal to the Costs to Complete and CPN can demonstrate to Agent that the Project is fully funded.

(27) Key Personnel.

The Borrower shall retain (or replace to the satisfaction of the Majority Creditors) all key corporate and project management personnel, and shall ensure that, at all times, all such personnel are qualified individuals satisfactory to the Creditors.

(28) Project Production.

The Borrower shall ensure that all Project Production is promptly delivered to the relevant Offshore Buyer in compliance with the requirements of each applicable Refining Agreement and/or Sales Agreement.

(29) Securities Matters.

CPN will do all things necessary to at all times maintain the allotment from its authorized and unissued capital of such number of CPN Shares as shall be required to be issued in the event of the full exercise of all unexpired Warrants then outstanding.

If any filings or other actions pursuant to any applicable Securities Law are required to ensure that the Warrants or the Warrant Shares are issued in compliance with all such applicable laws or to ensure that the Warrants or the Warrant Shares, once issued, will not, following the expiration of four months and one day from the date of issuance of the Warrants, be subject to any resale restrictions under applicable Securities Laws (except restrictions relating to trades by control persons and other customary restrictions), CPN covenants that it shall make such filings or take such actions within the time periods prescribed by applicable Securities Laws and otherwise comply in all material respects with such applicable laws in connection with the issuance of the Warrants and the Warrant Shares.

(30) Remedy of Force Majeure.

If any Loan Party has given notice to the Agent of an event of Force Majeure, the Loan Parties will use their best efforts to remedy the cause or causes thereof.

(31) USD Proceeds Account Balance.

At all times after the first Drawdown Date, and subject to Section 5.01(2), the Borrower shall maintain funds in US Dollars in the USD Proceeds Account, which, together with amounts to be allocated therefor from the proceeds of subsequent Drawdowns of the Undrawn Commitments, are sufficient to pay all interest and fees due and payable, and expected to become due and payable, on the Advances under the Project Facility on or before the first scheduled Repayment Date.

(32) ROF.

The Borrower shall obtain, perfect and maintain in full force and effect all ROF registrations:

(a) with respect to all interest, fees and charges set out in this Agreement to ensure those amounts are paid as and when they fall due for payment;

(b) with respect to the repayment terms of each Drawdown (that is, the terms providing for the repayment in US Dollars of the principal amount of each pre-export payment, represented by each Drawdown hereunder, from the proceeds of the supply and export of Product); and

(c) as otherwise necessary to perform and satisfy the obligations of each Loan Party under this Agreement.

In addition, the Borrower must promptly provide to the Agent evidence satisfactory to the Agent that the ROF registration in respect of each Drawdown has been properly made.

(33) Registration as Exporter.

The Borrower must obtain, perfect and maintain in full force and effect its authorization under the Registration as Exporter under the SECEX so as to utilize the SISCOMEX for the export of the Product.

10.02 **Insurance Covenants**

So long as any of the Secured Obligations remain unpaid, unperformed or outstanding or the Project Facility is available hereunder, each of the Loan Parties (except where expressly limited to a particular Loan Party or Loan Parties) covenants and agrees with each of the Creditors that, unless (subject to Section 17.12, or as otherwise expressly provided below) the Majority Creditors otherwise consent in writing:

(1) Required Insurance.

Each Loan Party will insure or cause to be insured all Insurable Property owned by it at any time and from time to time against:

(a) loss, theft, damage, destruction and the usual risks against which a prudent owner of property of a similar type to that property and in a similar business would insure and any other risks specified by the Creditors and as is necessary in order to comply with any Applicable Law; and

(b) any liability from time to time of the Creditors and any Loan Party arising from its ownership, use or occupation of the Insurable Property;

and for greater certainty, during the period prior to Engineering Completion, such insurance will include (but not be limited to) the following:

(i) construction and operation all-risks;

(ii) public liability;

(iii) marine cargo, loss of shipment (if applicable);

(iv) workers' compensation;

(v) motor vehicle; and

(vi) any other insurance required by Applicable Law;

and after Engineering Completion shall include business interruption insurance (collectively, the "**Required Insurance**").

(2) Terms of Required Insurance.

Each Loan Party will ensure that all Required Insurance will:

(a) be underwritten by, and reinsured with, a credit-worthy international insurer or reinsurer (as the case may be) approved by the Majority Creditors;

(b) name the Collateral Agent and each of the other Creditors as an additional insured (if requested by the Collateral Agent and permitted by the insurer under the applicable policy) and first loss payee;

(c) insure its, the Collateral Agent's and each other Creditor's respective insurable interests;

(d) be for such amounts and cover such risks and contain such terms and conditions as the Collateral Agent and the Majority Creditors require; and

(e) not be varied or cancelled without the prior consent of the Collateral Agent and the Majority Creditors.

All Required Insurance against loss, theft, damage or destruction of the Insurable Property will be for the full reinstatement value thereof from time to time unless the Collateral Agent and the Majority Creditors otherwise agree in writing.

(3) Evidence of Required Insurance.

Copies of all documents relating to the Required Insurance effected by the Loan Parties, including the relevant policies, all renewal certificates, certificates of currency and endorsement slips, are to be delivered by it to the Collateral Agent promptly on receipt.

(4) Covenants Relating to Required Insurance.

Each Loan Party will:

(a) maintain or cause to be maintained all Required Insurance;

(b) duly and punctually pay or cause to be paid all premiums and other money payable under, and perform, observe and fulfil the terms of, all Required Insurance;

(c) promptly upon each renewal of the Required Insurance, forward a copy of the current policies to the Collateral Agent;

(d) provide to the Collateral Agent, annually no later than 30 days prior to the end of each calendar year, an insurance certificate from its insurers and brokers confirming the Required Insurance herein contemplated;

(e) ensure that every policy of Required Insurance:

(i) contains an agreement by the insurer that, notwithstanding the lapse of any policy (except by reason of expiration in accordance with its terms) or any right of cancellation of the insurer or any cancellation by any Loan Party (whether voluntary or involuntary), such policy will continue in force for the benefit of the Collateral Agent and the other Creditors in accordance with good industry practice until written notice of cancellation has been sent by certified mail to the Collateral Agent and that no reduction in limits or coverage in that policy in whole or part will be effected except with the prior consent of the Collateral Agent and the Majority Creditors; and

(ii) insures the Collateral Agent's and each other Creditor's interest up to the limits of the policy regardless of any breach or violation by any Loan Party of any warranties, declarations or conditions contained in that policy.

(5) No Liability of Creditors.

The Creditors will not incur any liability to any Loan Party or any other Person arising out of any failure by any of the Creditors to effect or renew any Required Insurance, nor will any Creditor incur any liability arising out of any failure by the insurer for any reason to meet any claim under any Required Insurance.

(6) Proceeds of Required Insurance.

If any part of the Collateral or property that is the subject of the Required Insurance is lost, stolen, damaged or destroyed and any proceeds become payable under any such insurance, then the proceeds received under such insurance will be applied as follows:

(a) if the amount of such proceeds is below [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency), towards the replacement or repair of such property (in which case such sum will be held by the Collateral Agent pending application, and released on such terms as the Majority Creditors shall determine); or

(b) if the amount of such proceeds is equal to or exceeds [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency), then at the option of the Majority Creditors (and subject to any restrictions or constraints imposed by the insurer and pre-approved by the Majority Creditors):

(i) as contemplated by Section 10.02(6)(a) above;

(ii) in prepayment of the Secured Obligations in accordance with this Agreement; or

(iii) towards any purpose otherwise approved by the Majority Creditors.

The proceeds of business interruption insurance shall be payable to the Collateral Agent for the account of the Creditors to be applied by the Creditors on account of ongoing obligations of the Borrower hereunder and under the other Finance Documents as the same fall due from time to time and, to the extent of any surplus, to arrears of such payments. The balance, if any, remaining after application of such proceeds as aforesaid shall be paid to the Borrower.

Any proceeds received by the Collateral Agent and the other Creditors under any Required Insurance (other than proceeds which are payable to a third party that is not a Loan Party) will be held by the Collateral Agent in an interest-bearing account pending application in accordance with this Section 10.02. The proceeds of all insurance held by the Collateral Agent shall, unless and until the same are applied or released to the Borrower as aforesaid, constitute continuing collateral security for the Secured Obligations.

(7) Further Covenants.

No Loan Party will cause or permit anything to be done which may:

(a) render any part of the Required Insurance void, voidable or otherwise unenforceable;

(b) hinder or prevent in any material respect the recovery of any money in respect of the Required Insurance; or

(c) in any respect cause the premiums and other money payable to any insurer to be increased.

10.03 **Negative Covenants of the Borrower**

So long as any of the Secured Obligations remain unpaid, unperformed or outstanding or the Project Facility is available hereunder, each of the Loan Parties (except where expressly limited to a particular Loan Party or Loan Parties) covenants and agrees with each of the Creditors that, unless (subject to Section 17.12, or as otherwise expressly provided below) the Majority Creditors otherwise consent in writing:

(1) No Indebtedness.

No Loan Party shall (a) create, issue, incur, assume or become liable for any Indebtedness other than Permitted Indebtedness, (b) repay or otherwise satisfy any Indebtedness, including intercompany debt, in each case, except as expressly permitted by the Finance Documents; provided however, on and after the Project Completion Date, CPN may incur Indebtedness other than Permitted Indebtedness, so long as:

(a) after giving effect to the incurrence thereof on a *pro forma* basis as at the most recently completed fiscal quarter, the Loan Parties remain in compliance with Section 10.04(4); and

(b) CPN shall not grant or permit any other Loan Party to grant a Lien over any property, assets or undertaking over which a Lien has been or is required to be granted pursuant to the Finance Documents, the SPA or the GPA to secure any such Indebtedness.

(2) No Liens.

Except for Permitted Liens:

(a) the Borrower will not create, permit or suffer to exist any Lien over all or any part of its property, assets or undertaking (including the Project, the Mineral Rights and the other Project Assets); and

(b) no other Loan Party will create, permit or suffer to exist any Lien on all or any of its property, assets or undertaking (including its interest in the Equity Securities of any other Loan Party and any Subordinated Intercompany Debt owed to it by the Borrower or any other Loan Party); provided however, on and after the Project Completion Date, CPN may create, permit or suffer to exist any Lien on its property, assets or undertaking, excluding any property, assets or undertaking over which a Lien has been or is required to be granted pursuant to the Finance Documents, the SPA or the GPA.

(3) No Investments.

Except as expressly permitted or disclosed herein, no Loan Party shall, directly or indirectly, make or have outstanding Investments in, or otherwise acquire any property or capital of, any other Person without the prior written consent of the Majority Creditors, such consent not to be unreasonably withheld; provided however, on and after the Project Completion Date, CPN may make or have outstanding Investments in, or otherwise acquire any property or capital of, any other Person, provided further that such Investments or acquisitions are related to mineral exploration and mining recovery.

(4) No Other Assets or Business.

Except as expressly permitted herein, the Borrower shall not carry on, directly or indirectly, any business or engage in any activity (other than in respect of the Project) or purchase or otherwise acquire any assets or business other than the Project. Except as expressly permitted herein, none of the other Loan Parties shall engage in any business or activity or purchase or otherwise acquire any assets or business, other than:

(a) holding its respective Equity Securities in the Borrower and the other applicable Loan Parties;

(b) purchasing or acquiring additional Equity Securities in the Borrower and the other applicable Loan Parties pursuant to further Equity Contributions or making advances to them by way of Subordinated Intercompany Indebtedness; or

(c) engaging in any business or activity related to the Project or, in the case of CPN only, the Rovina Valley Project or any other business comprising or relating to mineral exploration, mining recovery and trading,

in each case, without the prior written consent of the Majority Creditors, such consent not to be unreasonably withheld.

(5) Subordinated Debt.

No Loan Party will amend or modify any term or provision of any Subordinated Intercompany Debt or any promissory note or other instrument evidencing any such Subordinated Intercompany Debt without the prior written consent of the Majority Creditors, and no Loan Party will make any prepayment of any such Subordinated Intercompany Debt. Each Loan Party that is a creditor with respect to any Subordinated Intercompany Debt will ensure that the Collateral Agent holds a first ranking security interest over such Subordinated Intercompany Debt.

(6) No Royalties.

No Loan Party will create or suffer to exist any royalty, overriding royalty, production payment or other interest with respect to the Mineral Rights, except:

(a) any government royalty;

(b) the MB Royalty; and

(c) the GP.

(7) Limit on Dispositions.

The Borrower will not, and the other Loan Parties will not permit the Borrower to, sell or otherwise dispose of all or any of its property, assets or undertaking (including the Project, the Project Tenements and the other Project Assets), other than:

(a) pursuant to a Permitted Disposition; or

(b) with the prior written consent of the Majority Creditors, which consent (if given) will require that the proceeds of such sale or disposition are deposited into the USD Proceeds Account in accordance with Section 12.01(7) (unless otherwise agreed by the Majority Creditors in writing),

provided that in no circumstances will the Borrower dispose of, or be permitted to dispose of, Project Production where such disposition might be expected to prevent the Borrower from fulfilling its obligations to the Creditors under the Finance Documents.

Except as otherwise permitted above, none of the other Loan Parties will sell or otherwise dispose of all or any of its property, assets or undertaking, except that CPN may dispose of (i) its direct or indirect interest in the Rovina Valley Project, (ii) any mineral property interests other than those relating to the Project, and (iii) in the ordinary course of business or with the prior written consent of the Majority Creditors, any other assets other than its Equity Securities in any other Loan Party, its interests in intercompany loans to any other Loan Party or those assets relating to the Project.

(8) Restricted Payments.

(a) No Loan Party will make any Restricted Payment if an Event of Default or Potential Event of Default is subsisting.

(b) No Loan Party will make any Restricted Payment unless the Borrower is at that time permitted to make a Restricted Payment in compliance with Section 12.01(8)(j); provided however that, on and after the Project Completion Date, "Loan Party" for the purpose of this Section 10.03(8)(b) will not include CPN.

(9) Restrictions on Hedging.

No Loan Party shall enter into or commit to enter into any Hedging Arrangement of a speculative nature, or on a margined or term-reviewable basis, or with any Person other than a Hedge Provider.

(10) No Acquisitions, Joint Ventures, Partnerships.

None of the Loan Parties will acquire any Equity Securities of or subscribe for capital in any company, incorporate or acquire any new Subsidiary or enter into any joint venture or partnership; provided however, on and after the Project Completion Date, CPN may acquire any Equity Securities of or subscribe for capital in any company, incorporate or acquire any new Subsidiary or enter into any joint venture or partnership, provided further that such acquisitions, subscriptions or activities are related to mineral exploration and mining recovery and do not create any Liens or Indebtedness, except as permitted under Sections 10.03(1) and (2) above. For the avoidance of doubt, however, Subsidiaries of CPN that are not Loan Parties shall be permitted to enter into joint ventures, partnerships or similar arrangements.

(11) No Issuance of Capital.

No Loan Party (excluding CPN) will issue any shares in its capital or other debt or Equity Securities of any nature whatsoever, except for:

(a) in the case of the Borrower, shares in its capital issued to OLV Co-op or OLC Holdings and concurrently made subject to the Lien of the quota pledge agreement referred to in Section 11.02(3);

(b) Subordinated Intercompany Debt owed to another Loan Party and concurrently made subject to the Lien of the applicable General Security Agreement or other security agreement referred to in Article 11; and

(c) any security which evidences Indebtedness permitted to be incurred in accordance with Section 10.03(1) above.

(12) No Change of Jurisdiction; Location.

No Loan Party will change its jurisdiction of incorporation, the location of its registered or principal office or its domicile (namely, Brazil in the case of the Borrower, Canada in the case of CPN, Barbados in the case of OLC Brazil and the Netherlands in the case of OLV Co-op or OLC Holdings).

(13) Non-Arm's Length Transactions.

No Loan Party shall enter into, or cause, suffer or permit to exist:

(a) any arrangement or contract pursuant to which any Indebtedness or other Financial Assistance is extended by it to any of its affiliates as obligor, except:

(i) Subordinated Intercompany Indebtedness to another Loan Party; or

(ii) in the case of CPN, Financial Assistance in connection with intercompany indebtedness advanced by it to any Subsidiary other than a Loan Party, in connection with the development of the Rovina Valley Project;

(b) any arrangement or contract with any of its affiliates of a nature customarily entered into by Persons which are affiliates of each other (including management or similar contracts or arrangements relating to the allocation of revenues, taxes and expenses or otherwise) requiring any payments to be made by it to any affiliate unless such arrangement is fair and equitable to the

Loan Party; provided that, no Loan Party will enter into a Project Document with an affiliate without the Majority Creditors' prior written consent; or

(c) any other transaction, arrangement or contract with any of its affiliates which would not be entered into by a prudent person in the position of the Loan Party with, or which is on terms which are less favourable to it than are obtainable from, any Person which is not one of its affiliates under no compulsion to act.

(14) No Fundamental Changes.

No Loan Party will, without the prior written consent of the Majority Creditors and after notice to the Agent in accordance with Section 10.01(8)(h):

(a) materially amend its constating or organizational documents, including, without limitation, any changes to (i) the amount or distribution of its corporate capital, or the par value or type of its Equity Securities; (ii) its corporate form; (iii) its corporate address; (iv) its corporate objectives; and (v) its officers and respective managerial powers;

(b) liquidate, dissolve, amalgamate, enter into any merger, consolidation, plan of arrangement, partnership, joint venture or other combination or sell, convey, transfer, lease or otherwise dispose of (in one transaction or a series of transactions) its business or assets as a whole or in an amount which in the opinion of the Majority Creditors constitutes a substantial portion thereof; or

(c) enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other Person whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise.

(15) No Financial Assistance.

No Loan Party will enter into any Guarantee of the obligations of any other Person, provide any other Financial Assistance, or enter into any profit-sharing agreement or arrangement with any other Person, except:

(a) in the case of CPN, Financial Assistance in connection with intercompany indebtedness advanced by it to any Subsidiary other than a Loan Party, in connection with the development of the Rovina Valley Project;

(b) Subordinated Intercompany Indebtedness permitted to be created or advanced hereunder; or

(c) as otherwise expressly contemplated under this Agreement.

(16) No Prepayment of Other Facilities.

No Loan Party will make any voluntary prepayments in respect of any Indebtedness other than the Secured Obligations. In addition, no Loan Party will make any payment or delivery which is not then due under the terms of the GPA or the SPA (ignoring the effect of any acceleration or similar clause).

(17) No Amendment to Project Agreements / Certain Project Documents.

Except with the prior written consent of the Majority Creditors, no Loan Party will make or permit to be made any amendment to any of the following:

(a) any Project Agreements; and

(b) the LOMP, the Bankable Feasibility Study, the Bankable Ore Reserve Model, the Annual Project Budget or, at any time on or prior to the Project Completion Date, the Annual Corporate Budget.

(18) Expenditures.

No Loan Party will incur any expenditures from the Available Funding except in accordance with Section 12.01(8).

10.04 **Financial Covenants**

(1) Project Ratios: The Borrower will maintain the following Project Ratios at all times:

(a) a minimum PLCR of not less than [*agreement redacted – proprietary structure*];

(b) a minimum LLCR of not less than [*agreement redacted – proprietary structure*];

(c) on and following the Project Completion Date, a minimum DSCR (Forecast) of not less than [*agreement redacted – proprietary structure*]; and

(d) on and following the Project Completion Date, a minimum DSCR (Historical) of not less than [*agreement redacted – proprietary structure*],

in each case, as evidenced by the most recent Compliance Certificate required to be provided to the Agent and the other Creditors pursuant to Section 10.01(5)(c) above.

(2) Reserve Tail: The Borrower will maintain at all times a minimum Reserve Tail of not less than [*agreement redacted – proprietary structure*].

(3) Current Ratio: CPN and the other Loan Parties will at all times maintain a Current Ratio (on a consolidated basis) of not less than [*agreement redacted – proprietary structure*].

(4) Debt to EBITDA Ratio: The Loan Parties and all other Affiliates shall at all times maintain a Debt to EBITDA Ratio of no greater than [*agreement redacted – proprietary structure*], to be measured quarterly in arrears commencing with the first full fiscal quarter following the Project Completion Date.

(5) Special Calculation Date: If, at any time, the Majority Creditors reasonably believe that the Borrower or any other Loan Party may be in breach of any one or more of the financial covenants and ratios required to be maintained pursuant to this Section 10.04, the Majority Creditors may, by written notice to the Borrower or other applicable Loan Parties, require the Borrower or such other Loan Parties to calculate the financial covenants and ratios believed to be in breach as of a date or dates (each, a "**Special Calculation Date**") (not more frequently than monthly) other than a Calculation Date, and in such event, the Borrower shall deliver a Compliance Certificate to the Agent in respect of such Special Calculation Date, within five (5) Banking Days of receipt of such written notice, with such changes to the form thereof as may be required to reflect that such Compliance Certificate is given as of, and the relevant financial covenants and ratios are calculated as of, a Special Calculation Date, rather than as of a regular quarterly Calculation Date.

ARTICLE 11
SECURITY; ADDITIONAL PROJECT FACILITY DOCUMENTATION

11.01 **Security and Collateral Agency Agreement**

As continuing security for Secured Obligations, the Loan Parties shall:

(a) enter into a collateral agency and inter-creditor agreement (the "**Collateral Agency Agreement**") with the Collateral Agent and the initial Creditors pursuant to which the Collateral Agent will hold the Security for the benefit of the Creditors and the GP Security for the benefit of the purchasers under the GP, with the purchasers to have priority with respect to the "Payable Au" under and as defined in the GPA and the SPA, respectively, and the Creditors to have priority with respect to all

of the other common Collateral; and

(b) grant to the Collateral Agent for the benefit of all of the Creditors the following security set forth in Sections 11.02 through 11.06 below (together with any supplemental security granted pursuant to Sections 11.07(2) through 11.07(5) below, as any of the same may be amended, pursuant to Section 11.07(6) below or otherwise, the "**Security**"), to be held by the Collateral Agent in accordance with the Security Trust Deed.

11.02 **Security and Contractual Obligations under the laws of Brazil**

(1) The Borrower shall grant to the Collateral Agent, for the benefit of all of the Creditors, a first priority Lien under the laws of Brazil over all present and future property, assets and undertaking of the Borrower of any nature or kind, wherever the same may be located and, in connection therewith, shall execute and deliver to the Collateral Agent such documents and instruments, or amendments to such documents or instruments, as are required to give effect to such grants including, but not limited to, the following:

(a) a registered, first ranking mortgage of all of the Borrower's real properties, including without limitation the Lands that are owned by the Borrower;

(b) a pledge over the Mining Concessions;

(c) a pledge over all gold and other minerals (in whatever form) located in or upon the Mineral Rights;

(d) a pledge of all present and after-acquired machinery, equipment, vehicles, goods, chattels and other personal property of the Borrower, with amendments to such pledges, on a quarterly basis after the Closing Date, as are required to provide for the pledge of all machinery, equipment, vehicles, goods, chattels and other personal property acquired by the Borrower during the previous quarter having an individual cost per item in excess of US $100,000 (or the Equivalent Amount in any other currency), or an aggregate cost of US$250,000 (or the Equivalent Amount in any other currency) within such quarter, provided that the Borrower shall not, until such items have been subjected to the Lien of the Security without the prior written consent of all the Creditors, sell or otherwise dispose of such items, nor create any Lien thereupon;

(e) a pledge of the Project Accounts;

(f) a Pledge of Accounts Receivable and other credit rights, including all proceeds of Required Insurance; and

(g) specific pledges to the Collateral Agent by way of security of:

(i) all of the Borrower's rights, title and interests in and to all Project Agreements, as at the Closing Date;

(ii) the benefit of all rights of the Borrower under any Refining Agreements entered into from time to time, forthwith after each of the same are entered into;

(iii) all of the Borrower's right, title and interests in and to all other Project Agreements entered into from time to time as may the Majority Creditors may require, forthwith after each of the same are entered into;

(iv) all of the Borrower's right, title and interest in and benefit of the Permits (together with appropriate forms of transfer), as may be requested by the Collateral Agent pursuant to Section 10.01(18)(g) or (h) above,

in each case, in a form or forms prepared by Lenders' Counsel and in form and substance satisfactory to the Collateral Agent.

(2) The Borrower shall further grant to the Collateral Agent, for the benefit of all of the Creditors, contractual rights under the laws of Brazil over all present and future property, assets and undertaking of the Borrower of any nature or kind which by force of law are not subject to security, wherever the same may be located and, in connection therewith, shall execute and deliver to the Collateral Agent such documents and instruments as are required under the laws of Brazil to give effect to such grants including, but not limited to, the following:

(a) a promise of assignment of the Exploration Licences and Applications for Exploration Licences;

(b) assignments to the Collateral Agent of all of the Borrower's right, title and interest in and to the Required Insurance and all proceeds of any such insurance, which policies must state the Collateral Agent as beneficiary thereof;

(c) conditional assignments to the Collateral Agent of all of the Borrower's right, title and interest in and to each of the Project Agreements; and

(d) Tripartite Agreements in favour of the Collateral Agent with each counterparty to the Project Agreements referred to in the definition of Tripartite Agreements, or as otherwise required by the Majority Creditors from time to time, entered into by or on behalf of the Borrower as at the date hereof and from time to time hereafter, in each case, containing such terms and provisions as previously identified to the Loan Parties by the Creditors and otherwise in form and substance satisfactory to the Collateral Agent.

(3) As continuing collateral security for its obligations under its Guarantee referred to in Section 11.03(2)(a) below, each of OLV Coop and OLC Holdings shall grant to the Collateral Agent for the benefit of all of the Creditors a first priority Lien under the laws of Brazil over its Equity Securities in the capital of the Borrower and any Equity Securities it may acquire in any other Loan Party from time to time, and, in connection therewith, shall execute and deliver to the Collateral Agent such documents and instruments as are required under the laws of Brazil to give effect to such grant including, but not limited to, a quota pledge agreement with respect to its quotas in the capital of the Borrower.

(4) To the extent required to create a valid Lien under the laws of Brazil in intercompany Indebtedness advanced by any Loan Party to the Borrower, such Loan Party shall, in addition to the Security described in Section 11.03(1)(c) or 11.03(2)(c) below, grant to the Collateral Agent for the benefit of all the Creditors a first priority Lien under the laws of Brazil over all such intercompany Indebtedness and, in connection therewith, shall execute and deliver to the Collateral Agent such documents and instruments as are required under the laws of Brazil to give effect to such grant, including, but not limited to, an assignment of intercompany Indebtedness.

11.03 **Security under the laws of Ontario**

(1) Subject to the proviso below, CPN shall irrevocably and unconditionally guarantee to the Creditors the payment and performance of the Secured Obligations and, as continuing collateral security for its obligations under such guarantee, shall grant to the Collateral Agent for the benefit of all of the Creditors a first priority Lien over all intercompany Indebtedness advanced by CPN to the Borrower or any other Loan Party. in each case, under the laws of Ontario, and, in connection therewith, shall execute and deliver to the Collateral Agent such documents and instruments as are required under the laws of Ontario to give effect to such guarantee and grants including, but not limited to, the following:

(a) a Guarantee;

(b) assignments to the Collateral Agent of all of CPN's right, title and interest in and to the Required Insurance held by it and all proceeds of any such insurance, which policies must state the

Collateral Agent as beneficiary thereof; and

(c) a subordination agreement in favour of the Collateral Agent, including an assignment to the Collateral Agent of all intercompany Indebtedness owing by the Borrower or any other Loan Party to CPN, containing terms and condition which deeply subordinate such intercompany Indebtedness and otherwise in form and substance satisfactory to the Collateral Agent and the Creditors,

provided that CPN shall cease to be a Guarantor upon the Project achieving Project Completion and on or as soon as practicable following the Project Completion Date, the Collateral Agent shall release CPN from its Guarantee referred to above (but, for certainty, the Securities Pledge Agreement and the subordination agreement shall be required to remain in full force and effect until the Secured Obligations have been paid, performed and satisfied in full, and, if required or advisable under applicable law to ensure the continued validity and enforceability of the Securities Pledge Agreement, CPN will grant a limited recourse guarantee to the Collateral Agent under which recourse against CPN is limited to the collateral pledged to the Collateral Agent under the Securities Pledge Agreement and the subordination agreement).

(2) Each of OLC Brazil, OLV Co-op and OLC Holdings shall irrevocably and unconditionally guarantee to the Creditors the payment and performance of the Secured Obligations and, as continuing and collateral security for its obligations under such guarantee, shall grant to the Collateral Agent for the benefit of all of the Creditors a first priority Lien over all of its property, assets and undertaking of any nature or kind, wherever the same may be located and, in connection therewith, shall execute and deliver to the Collateral Agent such documents and instruments as are required to give effect to such grants including, but not limited to, the following:

(a) a Guarantee;

(b) a General Security Agreement; and

(c) a subordination agreement in favour of the Collateral Agent, including an assignment to the Collateral Agent of all such intercompany Indebtedness owing by the Borrower or any other Loan Party to OLC Brazil, OLV Co-op or OLC Holdings, as the case may be, containing terms and condition which deeply subordinate such intercompany Indebtedness and otherwise in form and substance satisfactory to the Collateral Agent and the Creditors.

(3) The Loan Parties shall obtain and enter into the Collateral Agency Agreement providing for the postponement of the obligations of the Loan Parties under the GPA and the SPA to the prior payment, performance and satisfaction in full of the Secured Obligations and the subordination and postponement of the GP Security (except with respect to "Payable Au", under and as defined in the GPA and SPA, respectively), to the Security on terms and conditions satisfactory to the Collateral Agent and the other Creditors.

11.04 **Security under the laws of the Netherlands**

(1) As continuing collateral security for its obligations under its Guarantee referred to in Section 11.03(1)(a) or 11.03(2)(a) above, each of CPN and OLC Brazil shall grant to the Collateral Agent for the benefit of all of the Creditors a first priority Lien under the laws of the Netherlands over its Equity Securities in the capital of OLV Co-op and OLV Co-op shall grant to the Collateral Agent for the benefit of all of the Creditors a first priority Lien under the laws of the Netherlands over its Equity Securities in the capital of OLC Holdings, and, in connection therewith, each of them shall execute and deliver to the Collateral Agent such documents and instruments as are required under the laws of the Netherlands to give effect to such grant including, but not limited to, a pledge with respect to its Equities Securities in the capital of OLV Co-op, or OLC Holdings, as the case may be.

(2) To the extent required to create a valid Lien under the laws of the Netherlands in intercompany Indebtedness advanced by any Loan Party to OLV Co-op or OLC Holdings, such Loan Party shall, in addition to the Security described elsewhere in this Article 11, grant to the Collateral Agent for the benefit of all the Creditors a

first priority Lien under the laws of the Netherlands over all such intercompany Indebtedness and, in connection therewith, shall execute and deliver to the Collateral Agent such documents and instruments as are required under the laws of the Netherlands to give effect to such grant, including, but not limited to, an assignment of intercompany Indebtedness.

11.05 **Security under the laws of Barbados**

(1) As continuing collateral security for its obligations under its Guarantee referred to in Section 11.03(1)(a) above and the Borrower's obligations in respect of the Secured Obligations, CPN shall grant to the Collateral Agent for the benefit of all of the Creditors a first priority Lien under the laws of Barbados over its Equity Securities in the capital of the OLC Brazil and, in connection therewith, CPN shall execute and deliver to the Collateral Agent such documents and instruments as are required under the laws of Barbados to give effect to such grant including, but not limited to, a share mortgage with respect to its Equities Securities in the capital of OLC Brazil.

(2) To the extent required to create a valid Lien under the laws of Barbados in intercompany Indebtedness advanced by any Loan Party to OLC Brazil, such Loan Party shall, in addition to the Security described elsewhere in this Article 11, grant to the Collateral Agent for the benefit of all the Creditors a first priority Lien under the laws of Barbados over all such intercompany Indebtedness and, in connection therewith, shall execute and deliver to the Collateral Agent such documents and instruments as are required under the laws of Barbados to give effect to such grant, including, but not limited to, an assignment of intercompany Indebtedness.

11.06 **Security under the laws of the United States**

As continuing collateral security for the Secured Obligations, the Borrower shall grant to the Collateral Agent for the benefit of all of the Creditors a first priority Lien over the Project Accounts, to the extent that any of the same are established by an Account Bank at a branch located in the United States or to the extent that the validity, perfection, effect of perfection or non-perfection or priority of Liens in such Project Accounts are governed by or subject to the federal or state laws of the United States of America and, in connection therewith, the Borrower shall execute and deliver to the Collateral Agent such documents and instruments as are required under the laws of the United States to give effect to such grant including, but not limited to, an assignment of accounts with respect to all such Project Accounts.

11.07 **Registration and Perfection; Supplemental Security**

(1) The Loan Parties shall, at their expense, register, file or record the Security in all offices in all applicable jurisdictions where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the security applicable to it including, without limitation, any land registry offices, registries of deeds and documents, commercial registries, state traffic departments and the DNPM. The Loan Parties shall renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect.

(2) The forms of Security described in Sections 11.02(1) and (3) above and the contractual obligations described in Section 11.02(2) above have been prepared based upon the laws of Brazil applicable thereto in effect at the date hereof and in the event that such laws may be changed, the Borrower or other applicable Loan Party shall execute, deliver and register at the Borrower's expense such further security documents in respect thereof (or in respect of any other part of the Security that is governed by such laws and is affected by such change) as the Creditors shall request.

(3) The forms of Security described in Section 11.03 above have been prepared based upon the laws of Ontario and the federal laws of Canada applicable thereto as in effect at the date hereof and in the event that such laws may be changed the applicable Loan Parties shall execute and register at the Borrower's expense such further security documents in respect thereof (or in respect of any other part of the Security that is governed by such laws and is affected by such change) as the Creditors shall request.

(4) The forms of Security described in Section 11.04 above have been prepared based upon the laws of the Netherlands applicable thereto in effect at the date hereof and in the event that such laws may be changed, the applicable Loan Parties shall execute, deliver and register at the Borrower's expense such further security documents in respect thereof (or in respect of any other part of the Security that is governed by such laws and is affected by such change) as the Creditors shall request.

(5) The forms of Security described in Section 11.05 above have been prepared based upon the laws of Barbados applicable thereto in effect at the date hereof and in the event that such laws may be changed, the applicable Loan Parties shall execute, deliver and register at the Borrower's expense such further security documents in respect thereof (or in respect of any other part of the Security that is governed by such laws and is affected by such change) as the Creditors shall request.

(6) The forms of Security described in Section 11.06 above have been prepared based upon the federal and/or state laws of the United States of America applicable thereto as in effect at the date hereof and in the event that such laws may be changed the applicable Loan Parties shall execute and register at the Borrower's expense such further security documents in respect thereof (or in respect of any other part of the Security that is governed by such laws and is affected by such change) as the Creditors shall request.

(7) Without limiting the provisions of Sections 11.07(2) through (6) above and in addition thereto, the Creditors shall have the right to require that any such forms of Security be amended to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Creditors the security interests intended to be created thereby, except that in no event shall the Creditors require that any such amendment be effected if the result thereof would be to grant the Creditors greater rights than is otherwise contemplated herein.

11.08 **After Acquired Property and Further Assurances**

Each of the Loan Parties shall from time to time execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with all assets acquired by the Loan Parties after the date hereof and intended to be subject to the Lien of the Security including any insurance thereon; provided, however, that the foregoing obligation of the Loan Parties to execute and deliver deeds or other instruments shall only apply:

(a) whenever the relevant Loan Parties are requested to do so by the Collateral Agent upon the instruction of the Majority Creditors;

(b) in the case of Exploration Licences that are converted into Mining Concessions; within 30 days of the date on which the Mining Concession is granted; or

(c) in any event, not later than 90 days after the end of each Fiscal Year of the Borrower, with respect to all real and immoveable property and rights (including, without limitation, property and rights comprising new Project Tenements, Mining Concessions and Mineral Rights) acquired by the Borrower during such Fiscal Year.

11.09 **Security over Exploration Licences**

Each of the Loan Parties shall:

(a) promptly notify the Agent if it becomes aware of any change under the laws of Brazil that would allow the Borrower (or any other relevant Loan Party) to grant security in favour of the Security Agent over any Exploration Licences;

(b) within 30 days of receiving a notice from the Agent, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with the Exploration Licences.

11.10 **ISDA Master Agreements**

The Borrower will enter into a master agreement with applicable annexes, schedules, confirmations and definitions (each, an "**ISDA Master Agreement**") with each Hedge Provider in the International Swap Dealers Association, Inc.'s standard forms, with such modifications thereto as may be required by each such Hedge Provider in accordance with its standard practices, and such ISDA Master Agreement will govern all Hedging Arrangements, including the Initial Hedging Programs.

ARTICLE 12
PROJECT ACCOUNTS

12.01 **Project Accounts**

The Borrower covenants and agrees with the Creditors as set forth in this Article 12.

(1) Establishment of Proceeds Accounts: Prior to the first Drawdown under the Project Facility, the Collateral Agent will establish in the Borrower's name:

(a) with an Account Bank a current US $ account styled "Mineração Riacho dos Machados Ltda. Export Proceeds Account" (the "**Export Proceeds Account**"); provided that, the Export Proceeds Account may in the Collateral Agent's discretion be a sub-account of a US $ account maintained by the Account Bank; and

(b) with an Account Bank a current US $ account styled "Mineração Riacho dos Machados Ltda. USD Proceeds Account" (the "**USD Proceeds Account**" and, together with the Export Proceeds Account, the "**Proceeds Accounts**"); provided that, the USD Proceeds Account may in the Collateral Agent's discretion be a sub-account of a US $ account maintained by the Account Bank,

and maintain such accounts until the Secured Obligations have been paid, performed and satisfied in full.

(2) Establishment of Metals Account: Prior to the first Drawdown under the Project Facility, the Collateral Agent will establish in the Borrower's name with an Account Bank a metals account styled "Mineração Riacho dos Machados Ltda. Metals Account" (the "**Metals Account**") and maintain such account until the Secured Obligations have been paid, performed and satisfied in full. The Metals Account may in the Collateral Agent's discretion be a sub-account of a metals account maintained by the Account Bank.

(3) Establishment of Operating Account: Prior to the first Drawdown under the Project Facility, the Borrower will establish in its name with an Account Bank in Brazil, a current R$ operating account (the "**Operating Account**").

(4) Establishment of Debt Service Reserve Account: Prior to the first Drawdown under the Project Facility, the Collateral Agent will establish in the Borrower's name with an Account Bank a current US $ account styled "Mineração Riacho dos Machados Ltda. Debt Service Reserve Account" (the "**Debt Service Reserve Account**") and maintain such account until the Secured Obligations have been paid, performed and satisfied in full. The Debt Service Reserve Account may in the Collateral Agent's discretion be a sub-account of a US $ account maintained by the Account Bank.

(5) Control of Project Accounts and Account Operation Prior to Default: Except as set out in this Section 12.01(5), the Collateral Agent (on behalf of the Creditors) may but is not obliged to, by notice to the Borrower and the Account Bank(s), exercise exclusive control of the operation of all Project Accounts and the Borrower will promptly at the request of the Collateral Agent execute all documents and do all things as required by the Collateral Agent to enable the Collateral Agent to exercise such control. Subject to Sections 12.02(2) and 12.04 and, unless and until an Event of Default or a Potential Event of Default occurs that is subsisting, an Authorized Officer of the Borrower may authorize all withdrawals or transfers from the Metals Account and the Operating Account, and may request transfers from one Proceeds Account to another Proceeds Account in accordance with and

subject to this Agreement.

(6) Control of Project Accounts After Default: At any time while an Event of Default or a Potential Event of Default is subsisting, the Collateral Agent (on behalf of the Creditors) may but is not obliged to, by notice to the Borrower and the Account Bank(s), exercise exclusive control of the operation of all Project Accounts and the Borrower will promptly at the request of the Collateral Agent execute all documents and do all things as required by the Collateral Agent to enable the Collateral Agent to exercise such control.

(7) Deposits to Proceeds Accounts: The Borrower must ensure that:

(a) all revenue from the sale, export or other disposition of Project Production (including any portion of the GPA Upfront Payments and the SPA Purchase Price and all other proceeds of sale of Project Production to MBL under the GPA and the SPA (but excluding other amounts payable to MBL thereunder)) are paid, transferred or deposited directly into the Export Proceeds Account; and

(b) all of the following are paid, transferred or deposited directly into the USD Proceeds Account:

(i) all Equity Contributions and intercompany Indebtedness advanced to the Borrower, including the Required Initial Equity Contribution and any additional Equity Contributions and such intercompany Indebtedness required to ensure that at all times, the Available Funding plus the Maximum Permitted Equity Gap is at least equal to the Costs to Complete and the Project Ratios are being complied with;

(ii) the proceeds of all Drawdowns under the Project Facility;

(iii) (A) receipts under the GPA, other than the GPA Upfront Payment and other proceeds of sale of Project Production to MBL thereunder, (B) receipts under the SPA, other than the SPA Purchase Price and other proceeds of sale of Project Production to MBL thereunder, and (C) all proceeds from any other Indebtedness;

(iv) all gains from Hedging Arrangements;

(v) all accrued interest on the Proceeds Accounts and any other dividend or interest income;

(vi) all proceeds from dispositions of property by the Borrower;

(vii) any liquidated damages or other amounts received by the Borrower under any Project Document;

(viii) all proceeds of any Required Insurance held by the Borrower (or in which the Borrower has an interest), excluding those payable to third parties;

(ix) all Tax recoveries and refunds; and

(x) all other cash receipts of the Borrower not specifically described in Section 12.01(7)(a) and Sections 12.01(7)(b)(i) through (ix) above.

(8) Waterfall regarding Proceeds Accounts: Subject to the rights, powers and remedies of the Creditors under this Agreement and the other Finance Documents, the Borrower may make withdrawals or transfers from the Proceeds Accounts for the following purposes only and in the following order of priority:

(a) first, in payment of amounts then due and payable to the Hedge Providers under Hedging Arrangements;

(b) second, in payment of (i) Project Costs and (ii) other capital costs and operating costs of (including corporate administration and tenement maintenance costs) the Project, in each case, consistent with the LOMP and the Annual Project Budget (including replacement of property referred to in paragraph (c) or (d) of the definition of Permitted Disposition, to the extent of any proceeds of the property so disposed and amounts otherwise permitted under the Annual Project Budget);

(c) third, in payment of any royalties to any third party or Official Body or Taxes in relation to the Project,

(and in respect of costs of the nature set forth in the foregoing paragraphs (b) and (c), but subject at all times to Sections 12.02(3) and 12.04, amounts may, if necessary, be transferred to the Operating Account for the immediate payment of such costs; provided that, prior to any such transfer, the Borrower shall have provided to the Agent and the Collateral Agent a written request for transfer, together with details of the creditors and amounts to be funded through such withdrawal and such other information as the Agent, the Collateral Agent and any of the other Creditors shall request, and the Agent has provided its prior written consent to such transfer);

(d) fourth, in payment of any principal under Section 7.01(1)(a), interest, fees and expenses then due and payable to the Agent or Lenders under or pursuant to the Finance Documents;

(e) fifth, to fund the Debt Service Reserve Account, to the extent required to ensure that the balance standing to the credit of such account is equal to the Debt Service Reserve Requirement;

(f) sixth, in payment of any principal under Sections 6.01 and 7.01(1)(b) then due and payable to the Lenders under the Project Facility;

(g) seventh, in payment of any other amounts then due and payable under any of the Finance Documents;

(h) eighth, in payment of any amount then due and payable as a "Completion Guarantee" pursuant to the GPA (as that term is defined in the GPA) or any amount then due and payable as a "Production Shortfall Payment" pursuant to the SPA) as that term is defined in the SPA;

(i) ninth, expenditure of amounts by the Borrower for any purpose in its discretion (including voluntary prepayments of the Project Facility), except for Restricted Payments, provided that:

(i) Project Completion has occurred;

(ii) the principal repayments required on the first Repayment Date have been paid;

(iii) no Event of Default or Potential Event of Default has occurred that is subsisting;

(iv) the balance standing to the credit of the Debt Service Reserve Account is equal to or exceeds the Debt Service Reserve Requirement;

(v) each of the DSCR (Forecast) and DSCR (Historical) is at least 1.30:1; and

(vi) after such payment (and each other payment set forth in Sections 12.01(8)(a) through (g) above), the Borrower will remain in compliance with Section 12.04;

(j) tenth, any balance may be released to the Borrower for purposes of making Restricted Payments, provided that:

(i) all of the conditions referred to in Section 12.01(8)(i) above are satisfied;

(ii) the Principal Outstanding is less than 50% of the original amount of the Project Facility;

(iii) a payment equal to the aggregate amount of such Restricted Payments is simultaneously paid and applied as a mandatory prepayment of the Principal Outstanding in accordance with Section 6.02; and

(iv) all amounts withdrawn or transferred for any Restricted Payment shall include all withholding Taxes required to be paid (from amounts withheld or deducted as required by Applicable Laws) to the relevant Official Body with respect to such interest and dividend payments, and the Borrower shall promptly furnish to the Collateral Agent receipts or other documentation issued by the relevant Official Body evidencing payment of any such amounts withheld or deducted.

(9) Limits on Withdrawal: The Borrower must not make any withdrawal from the USD Proceeds Account pursuant to any of the following:

(a) Section 12.01(8)(d), (e) or (f) above, unless the Borrower is unable to satisfy its obligations to make such payments from the amounts standing to the credit of the Export Proceeds Account; and

(b) Section 12.01(8)(i) above, to the extent any expenditure made pursuant to such Section constitutes a voluntary prepayment of the Project Facility, unless the Borrower has obtained the prior written consent of the Agent (acting on the instructions of the Majority Creditors).

12.02 **Metals Account**

(1) Deposits: The Borrower shall ensure that all Project Production that is not required to be delivered under the GPA or the SPA is credited directly into the Metals Account immediately upon it being produced and refined.

(2) Withdrawals: Subject to the rights, powers and remedies of the Creditors under this Agreement and the other Finance Documents, the Borrower may make withdrawals or transfers from the Metals Account for the following purposes only:

(a) sales by the Borrower carried out through MBL in the ordinary course of business; and

(b) to the extent any Hedging Arrangements provide for physical settlement, deliveries when due by the Borrower under any such Hedging Arrangement.

(3) Hedging Arrangements and Sales: The Borrower undertakes to:

(a) ensure that it retains sufficient Project Production in the Metals Account so that it can meet its obligations to deliver Project Production into Hedging Arrangements that provide for physical settlement as they fall due; and

(b) promptly sell the balance of all Project Production.

12.03 **Operating Account**

(1) Deposits: The Borrower shall ensure that the following are paid, deposited or transferred directly into the Operating Account:

(a) all amounts referred to in Section 12.01(7) that are prohibited by Applicable Law to be deposited into the Proceeds Accounts; and

(b) any amounts required to be transferred to the Operating Account for the immediate payment of a

cost of the nature described in Section 12.01(8)(a), (b) or (c).

(2) Withdrawals: Subject to the rights, powers and remedies of the Creditors under this Agreement and the other Finance Documents, the Borrower may make withdrawals or transfers from the Operating Account for the following purposes only and in the following order of priority:

(a) first, in payment of operating and capital costs of the Project (including Project Costs) consistent with the LOMP and the Annual Project Budget; and

(b) second, in payment of the MB Royalty and royalties payable to Official Bodies and Taxes in relation to the Project.

(3) Maximum Balance: The Borrower shall ensure that at no time will the balance in the Operating Account exceed the aggregate operating costs of the Project, consistent with the LOMP and the Annual Project Budget (whichever is greater, if there is any inconsistency), to be expended in the ensuing period of [*agreement redacted – proprietary structure*].

12.04 **Minimum Account Balance**

The Borrower shall ensure that, at all times, the aggregate balance in the Proceeds Accounts and the Operating Account shall equal or exceed the Minimum Account Balance.

12.05 **Debt Service Reserve Account**

(1) Deposits: The Borrower shall ensure that all amounts permitted to be transferred into the Debt Service Reserve Account pursuant to Section 12.01(8)(e) are paid, deposited or transferred directly into the Debt Service Reserve Account from, subject to Section 12.01(9), the Export Proceeds Accounts or the USD Proceeds Account until the credit balance in the Debt Service Reserve Account is equal to the Debt Service Reserve Requirement.

(2) Withdrawals: Subject to the rights, powers and remedies of the Creditors under this Agreement and the other Finance Documents, the Borrower will be permitted to withdraw amounts from the Debt Service Reserve Account to pay amounts in respect of the Secured Obligations in the event that the proceeds of Project Production or other amounts in the Proceeds Accounts, at any time, are insufficient to pay all amounts due and payable to the Creditors in respect thereof. The Collateral Agent will be permitted to withdraw amounts from the Debt Service Reserve Account to pay amounts in respect of the Secured Obligations in the event that the proceeds of Project Production or other amounts in the Proceeds Accounts, at any time, are insufficient to pay all amounts due and payable to the Creditors in respect thereof.

12.06 **Collateral Agent's Exclusions**

(1) Not Responsible: The Collateral Agent is not responsible for the performance by the Borrower of its obligations in relation to any Project Account, nor is it under any obligation to take any action in relation to a Project Account which, in the sole discretion of the Collateral Agent, may be contrary to any Applicable Law or this Agreement.

(2) No Other Duties: The Collateral Agent does not have any duties in relation to any Project Account except as specified in this Agreement, and in respect of any such Project Account will not be liable for any error in judgment or any mistake of fact or law, except for its own fraud, gross negligence or wilful misconduct.

(3) Application of Funds: The Collateral Agent is not required to be concerned or responsible as to the application of funds or Product withdrawn from a Project Account or whether amounts paid or Product delivered in that application are properly due and payable or deliverable, except where the Collateral Agent has assumed complete control of the relevant Project Account.

12.07 **Nature of Project Accounts**

(1) No Assignment, etc.: The rights of the Borrower in and to the Project Accounts are personal and incapable of assignment, charging or other dealing, except under the Security. The Borrower shall not attempt or purport to assign, charge or otherwise deal with the Project Accounts except in accordance with the provisions of the Finance Documents.

(2) No Other Withdrawals: The balances in the Project Accounts may not be withdrawn or transferred except as provided in this Agreement.

(3) Subject to the Security: The Borrower shall ensure that, at all times, to the extent permitted under Applicable Law, the Project Accounts are subject to a first priority Lien in favour of the Collateral Agent as continuing collateral security for the Secured Obligations. With respect to each Project Account, the Lien in favour of the Collateral Agent and the rights and remedies of the Creditors with respect to such Project Accounts under this Agreement and the Security must be acknowledged and consented to by the relevant Account Bank.

ARTICLE 13
EVENTS OF DEFAULT AND ACCELERATION

13.01 **Events of Default**

The occurrence of any one or more of the following events (each such event being herein referred to as an "**Event of Default**") shall constitute a default under this Agreement:

(1) Failure to Pay: Any Loan Party fails to pay, in accordance with this Agreement or any other Finance Document, as the case may be, any of the Secured Obligations by the due date and in the manner specified under this Agreement or any other Finance Document, unless (a) the relevant Loan Party demonstrates to the satisfaction of the Creditors that such failure to pay is due solely to administrative or technical delays (including a failure in the banking or other system used for the transfer of funds) which are outside of the control of the Loan Parties and (b) payment of such Secured Obligations is made within three (3) Banking Days of the due date therefor.

(2) Failure to Deliver: Any Loan Party fails to deliver on time any currency or commodity (other than the payment of Secured Obligations as contemplated in Section 13.01(1)) deliverable by any of the Loan Parties under any Finance Document by the due date and in the manner specified in any Finance Document and such failure continues beyond the grace period provided therein unless (a) the relevant Loan Party demonstrates to the satisfaction of the Creditors that such failure to deliver is due solely to administrative or technical delays (including a failure in the banking or other system used for the transfer of funds) which are outside of the control of the Loan Parties and (b) delivery of such currency or commodity is made within three (3) Banking Days of the due date therefor.

(3) Breach of Covenant: Any Loan Party fails to fully observe or perform any covenant or obligation of such Loan Party contained in any of Sections 10.01(3), 10.01(7)(i), 10.02, 10.03 and 10.04 of this Agreement.

(4) Idem: Any Loan Party fails to fully observe or perform any other covenant or obligation of such Loan Party contained in this Agreement, the Security or the other Finance Documents after knowledge thereof by such Loan Party or receipt of notice of such default given by the Agent, provided that if such default is capable of being cured and pertains to a non-monetary obligation, such Loan Party shall not be in default so long as (a) the Loan Parties are actively and diligently in good faith proceeding to cure such default, (b) such default is cured within ten (10) Banking Days (or such longer period as may be agreed in writing by the Creditors) of the earlier of such Loan Party having such knowledge or its receipt of such notice and (c) the position of the Creditors and of the Security is not, at any time, in the opinion of the Majority Creditors, materially adversely affected pending such cure.

(5) Incorrect Representation: Any representation or warranty made by any Loan Party herein or in any other Finance Document shall prove to have been incorrect or misleading in any respect on and as of the date

made, provided that if such incorrect or misleading representation or warranty is capable of being remedied or cured, such Loan Party shall not be in default so long as (a) the Loan Parties are actively and diligently in good faith proceeding to remedy or cure such incorrect or misleading representation or warranty, (b) such incorrect or misleading representation or warranty is remedied or cured within seven (7) Banking Days (or such longer period as may be agreed in writing by the Majority Creditors) of the earlier of such Loan Party having knowledge of, or its receipt of notice from the Agent or another Creditor of, such incorrect or misleading representation or warranty and (c) the position of the Creditors and of the Security is not, at any time, in the opinion of the Creditors, materially adversely affected pending such remedy or cure.

(6) Involuntary Insolvency: A decree or order of a court of competent jurisdiction is entered adjudging any Loan Party a bankrupt or insolvent under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law (including any other bankruptcy, insolvency or analogous law of the jurisdiction of organization or formation of any Loan Party or of any jurisdiction in which any Loan Party carries on its business or affairs) or ordering the winding up or liquidation of its affairs;

(7) Idem: Any case, proceeding or other action shall be instituted in any court of competent jurisdiction against any Loan Party, seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of any trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers with respect to such Loan Party or of all or any substantial part of its assets, or any other like relief in respect of such Loan Party under any bankruptcy or insolvency law and:

(a) such case, proceeding or other action results in an entry of a decree or an order for such relief or any such adjudication or appointment, or

(b) the same shall continue undismissed, or unstayed and in effect, for any period of ten (10) Banking Days.

(8) Voluntary Insolvency: Any Loan Party makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law (including any comparable law of any other relevant jurisdiction), seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law (including any other bankruptcy, insolvency or analogous law of the jurisdiction of organization or formation of any Loan Party or of any jurisdiction in which any Loan Party carries on its business or affairs), files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of such Loan Party or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of any such assignment, proposal, relief, petition, proposal, appointment or proceeding.

(9) Dissolution: Except as permitted by Section 10.03(14), if proceedings are commenced for the dissolution, liquidation or winding up of any Loan Party, unless such proceedings are being actively and diligently contested in good faith by the Loan Parties to the satisfaction of the Creditors.

(10) Security Realization: Creditors of any Loan Party having a Lien against or in respect of the property and assets thereof, or any part thereof, realize upon or enforce any such security against such property and assets or any part thereof having an aggregate fair value in excess of [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency) and such realization or enforcement shall continue in effect and not be released, discharged or stayed within the lesser of ten (10) Banking Days and the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment.

(11) Seizure: (a) The Project or any material part thereof or (b) other property and assets of any Loan Party or any part thereof having an aggregate fair value in excess of [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency), in each case, is seized or otherwise attached by anyone pursuant to any legal process or other means, including distress, execution or any other step or proceeding with similar effect and such attachment, step or other proceeding shall continue in effect and not be released, discharged or stayed within the lesser of ten (10) Banking Days and the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment.

(12) Judgment: One or more final judgments, decrees or orders, after available appeals have been exhausted, shall be awarded against any Loan Party for an aggregate amount in excess of [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency) and has not or have not been satisfied and security has not been provided for any of such judgments, decrees or orders within ten (10) Banking Days of such judgment, decree or order being awarded.

(13) Payment Cross-Default: Any one or more Loan Parties defaults in the payment when due (whether at maturity, upon acceleration, or otherwise) of Indebtedness thereof in aggregate in excess of [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency) and any applicable cure period in the relevant indenture, credit agreement, instrument or other agreement has expired.

(14) Event Cross-Default: (a) An "MRDM Event of Default" occurs under the GPA or the GPA is otherwise terminated by MBL in accordance with its terms; or (b) an "MRDM Event of Default" occurs under the SPA or the SPA is otherwise terminated by MBL in accordance with its terms; (c) a default, event of default or other similar condition or event (however described) in respect of any one or more Loan Parties occurs or exists under any indentures, credit agreements, agreements or other instruments evidencing or relating to Indebtedness thereof (individually or collectively) in an aggregate amount in excess of [*agreement redacted – proprietary structure*] (or the Equivalent Amount in any other currency) and such default, event or condition has resulted in such Indebtedness becoming, or becoming capable at such time of being declared, due and payable thereunder before it would otherwise have been due and payable, unless such default, event of default or other similar condition or event is being actively and diligently contested in good faith and with appropriate proceedings by the Loan Parties to the satisfaction of the Creditors.

(15) Cessation of Business: Any Loan Party ceases to carry on business, except in compliance with this Agreement.

(16) Project Production: The production of gold from the Project in aggregate falls below [*agreement redacted – proprietary structure*] from the forecast in the Annual Project Budget (which will be based upon, and consistent with, the then approved LOMP) for any consecutive three (3) month period, and each of (a) the DSCR (Historical) for such three (3) month period, and (b) the DSCR (Forecast) for the ensuing 3 month period (for purposes of this Section 13.01(16)(b) and notwithstanding the definition of "Price Determination", using [*agreement redacted – proprietary structure*], and taking into consideration all Hedging Arrangements that are in place on the date of determination), in each case, is less than [*agreement redacted – proprietary structure*]; provided that, for each month during the period from July 1, 2013 through and including February 28, 2014, the forecast for production of gold from the Project for the purposes of this Section 13.01(16) will be as set out in the following table:

Month	**Forecast Production (ounces)**
July 2013	[*agreement redacted – proprietary structure*]
August 2013	[*agreement redacted – proprietary structure*]
September 2013	[*agreement redacted – proprietary structure*]

October 2013	[*agreement redacted – proprietary structure*]
November 2013	[*agreement redacted – proprietary structure*]
December 2013	[*agreement redacted – proprietary structure*]
January 2014	[*agreement redacted – proprietary structure*]
February 2014	[*agreement redacted – proprietary structure*]

(17) Operating Costs: For any consecutive three (3) month period, the operating costs of the Project, on a cost per ounce of Project Production basis, exceed [*agreement redacted – proprietary structure*]of the budgeted costs per ounce in the Annual Project Budget for such period and each of (a) the DSCR (Historical) for such three (3) month period, and (b) the DSCR (Forecast) for the ensuing 3 month period (for purposes of this Section 13.01(17)(b) and notwithstanding the definition of "Price Determination", [*agreement redacted – proprietary structure*], and taking into consideration all Hedging Arrangements that are in place on the date of determination), in each case, is less than [*agreement redacted – proprietary structure*]; provided that, for each month during the period from July 1, 2013 through and including February 28, 2014, the forecast for production of gold from the Project for the purposes of this Section 13.01(17) will be as set out in the following table:

Month	**Forecast Production (ounces)**
July 2013	[*agreement redacted – proprietary structure*]
August 2013	[*agreement redacted – proprietary structure*]
September 2013	[*agreement redacted – proprietary structure*]
October 2013	[*agreement redacted – proprietary structure*]
November 2013	[*agreement redacted – proprietary structure*]
December 2013	[*agreement redacted – proprietary structure*]
January 2014	[*agreement redacted – proprietary structure*]
February 2014	[*agreement redacted – proprietary structure*]

(18) Invalidity of Security: The Security ceases to be a valid and perfected first priority Lien as against third parties (subject to Permitted Liens) other than by reason solely of the acts or omissions of the Creditors.

(19) Finance Documents: Any Finance Document is, becomes or is claimed by any Loan Party to be void, voidable or unenforceable in whole or in part or, at any time, it is unlawful for any Loan Party to perform any of its obligations under any Finance Document.

(20) Material Adverse Change: Any direct or indirect change occurs in or concerning any of the assets, liabilities, businesses, properties, operations, condition (financial or otherwise), ownership, management, or board membership of any Loan Party or the Project, including as reflected in any of the LOMP or the Annual Project Budget, or any other change or occurrence of whatever nature occurs, which would, in the opinion of the Majority Creditors materially and adversely affect the Borrower's or any other Loan Party's ability to observe, perform, fulfill or discharge any or all of its obligations (including the Secured Obligations) to the Creditors.

(21) Material Adverse Event: A Material Adverse Event occurs.

(22) Change of Control: A Change of Control occurs.

(23) Compulsory Acquisition:

(a) All or any part of the Project or the Collateral is compulsorily purchased or acquired by or by order of any Official Body or under Applicable Law.

(b) An Official Body orders the sale, vesting or divesting of all or any part of the Project or the Collateral.

(c) All or any part of the Project is condemned, seized, resumed, forfeited, acquired, confiscated, expropriated, requisitioned or appropriated.

(d) An Official Body takes any step or proceeding for the purpose of any of the foregoing described in paragraphs (a) through (c) above or proposes or threatens in writing to do any of the foregoing and the Loan Parties fail to take or diligently pursue all actions, steps and proceedings necessary or requested by the Creditors for the purpose of preventing or delaying the occurrence of any of the foregoing.

(24) Political Risk Event: A political risk event (including any one or more of the following: nationalization, expropriation, currency inconvertibility, political violence, war, civil war, deprivation, selective discrimination, forced abandonment or breach of contract) occurs, or a series or combination of such events occurs, that constitutes or gives rise to, or could be expected to constitute or give rise to, a Material Adverse Event.

(25) Breach of Environmental Laws; Environmental Liability: Any breach, in any material respect, of any Environmental Law or environmental authorisation or Permit, or any environmental damage or degradation or environmental liability occurring, arising or being incurred in connection with or in relation to the Project.

(26) Permits: Any Permit or other approval, consent, exemption or other action of any Official Body or other Person required for the business or general operation of the Project, the Borrower or any other Loan Party is annulled, revoked, suspended, withdrawn or otherwise becomes ineffective.

(27) Other Actions by Official Bodies: Any Official Body shall take any action with respect to the Project, the Borrower or any other Loan Party which, in whole or in part, renders illegal, prevents or restricts the performance or effectiveness of any Finance Document or any Project Document or otherwise constitutes or gives rise to, or could be expected to constitute or give rise to, a Material Adverse Event.

(28) Project Documents: (a) Any termination of or any default, event of default or other similar condition or event (however described) or material breach by or in relation to a Loan Party under a Project Document occurs, or any provision of any Project Document ceases to be in full force and effect or is declared null and void or invalid, unless, in respect of such breach, default or event of default by a Loan Party, or similar event or condition, the same is remedied within the earlier of the relevant cure period provided for in the relevant Project Document and a period of twenty (20) Banking Days (or such longer period as may be agreed in writing by the Majority Creditors) of such breach, default, event of default or similar event or condition, but only so long as no actions or steps are taken by the counterparty, or another third party having standing, pending such remedy, to withdraw services, cease to supply product, take steps to appoint a liquidator or procure any other form of

immediate remedy; and any such actions or steps being commenced or taken will constitute an immediate Event of Default hereunder regardless of the relevant remedy period; or (b) any Project Document is amended or varied in any material respect or terminated, without the prior written consent of the Majority Creditors.

(29) Cessation or Suspension of Listing or Trading: Except with the prior written consent of the Majority Creditors, the shares in the capital of CPN cease to be listed on the Toronto Stock Exchange (or a successor exchange), or trading in such shares is suspended for a period of not less than fourteen (14) consecutive days, except where such cessation or suspension is as a result of the listing of such shares on a successor exchange or another recognised securities exchange approved by the Majority Creditors in their sole discretion.

(30) Hedging Arrangements: The Borrower or any other Loan Party enters into any Hedging Arrangement with any Person other than the Hedge Providers.

(31) Unscheduled Stoppage: Any unscheduled stoppage or disruption to development, construction, mining or production at the Project continues for a period greater than fourteen (14) consecutive days.

(32) Project Completion: The Project Completion Date has not occurred on or before the Outside Completion Date.

(33) Abandonment of Project: The Project or any material part thereof is abandoned, terminated or placed on a "care and maintenance" basis at any time.

(34) Failure to Complete Registration of Security in Brazil: The registration of all relevant Security under the laws of Brazil has not been completed by 30 April, 2013.

(35) Costs to Complete: If the Loan Parties fail to comply with Section 10.01(26).

(36) Prohibited transfers, assignments etc.: Any Loan Party sells, transfers, encumbers (including, without limitation, by way of granting a fiduciary property (*propriedade fiduciária*)) or assigns, or agrees or purports to sell, transfer, encumber (including, without limitation, by way of granting a fiduciary property (*propriedade fiduciária*)) or assign, any asset that is subject to a Security, except as otherwise permitted under the express terms of this Agreement.

13.02 **Acceleration**

(1) If any Event of Default shall occur, then the Agent (acting on the instructions of the Majority Lenders) may from time to time:

(a) declare by notice to the Borrower that the whole or any part of the Principal Outstanding, together with interest thereon, at the rate or rates determined as herein provided, and any fees, costs or expenses hereunder is either:

(i) payable on demand; or

(ii) immediately due and payable,

all without further notice or demand, presentment, protest, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by each of the Loan Parties; and

(b) declare by notice to the Borrower that the Lenders' obligations specified in such notice are terminated and their Commitments are permanently cancelled.

(2) In such event, the Collateral Agent, acting upon the instructions of the Agent (acting on the instructions of the Majority Lenders), may, in its discretion, exercise any right or recourse and/or proceed by any

action, suit, remedy or proceeding against the Loan Parties authorized or permitted by law for the recovery of all of the amounts owing to the Creditors and proceed to exercise any and all rights hereunder and under the Finance Documents and no such remedy for the enforcement of the rights of the Creditors shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

(3) Nothing in this Section 13.02, nor any other provision of this Agreement will be construed to limit the right of any Hedge Provider to terminate any Hedging Arrangement or, subject always to the provisions of the Collateral Agency Agreement regarding the exercise of the rights of the Creditors under the Security, exercise any rights or remedies thereunder or in connection therewith.

13.03 **Investigation**

If the Agent believes that an Event of Default or Potential Event of Default is, or may be, continuing, the Agent (acting on the instructions of the Creditors) may:

(a) appoint a Person to investigate and report to the Agent and the other Creditors on the affairs, financial condition and business of any Loan Party; and

(b) inspect the records of any Loan Party and inspect the assets of any Loan Party during normal business hours.

Each Loan Party agrees to cooperate with such Person and comply with every request such Person may make (and to ensure that its officers, employees, agents and legal counsel do the same). This includes giving such Person access to all records and assets during normal business hours and giving such Person any document or other information that such Person may request. CPN agrees to ensure that each Loan Party (and its officers, employees, agents and legal counsel) complies with this Section 13.03. The Borrower agrees to pay or reimburse promptly upon demand each Creditor its costs and expenses in connection with any such investigation.

13.04 **Default Interest**

Upon the occurrence of an Event of Default, interest on each Advance and on any other amounts due and payable under this Agreement shall accrue until paid in full and be payable at an interest rate equal to the interest rate otherwise in effect for Advances outstanding at such time plus 4.00% per annum, with interest to the extent permitted by Applicable Law on all overdue interest at the same increased rate, such interest to be payable on demand.

13.05 **Remedies Cumulative and Waivers**

For greater certainty, it is expressly understood and agreed that the respective rights and remedies of the Creditors and the Collateral Agent (or any of them) hereunder or under any other Finance Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Creditors or by the Collateral Agent (or any of them) of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other document or instrument executed pursuant to this Agreement shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which any one or more of the Creditors and the Collateral Agent may be lawfully entitled for such default or breach. Any waiver by the Creditors or the Collateral Agent of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Creditors or the Collateral Agent shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Creditors or the Collateral Agent under this Agreement or any other Finance Document or instrument executed pursuant to this Agreement as a result of any other default or breach hereunder or thereunder.

13.06 **Termination of Lenders' Obligations**

The occurrence of an Event of Default and notice thereof to the Borrower shall relieve the Lenders of all obligations to provide any further Advances hereunder and any Undrawn Commitments shall be permanently cancelled.

ARTICLE 14
CHANGE OF CIRCUMSTANCES

14.01 **Market Disruption**

(1) In the event that at any time subsequent to the giving of a Drawdown Notice or Rollover Notice to the Agent by the Borrower with regard to any Advance but before the date of the Drawdown or Rollover, as the case may be, any Lender makes a determination, which shall be binding upon the Borrower, that:

(a) by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the rate of interest with respect to an Advance during the Interest Period selected;

(b) the making or continuing of the Advance by such Lender has been made impracticable by the occurrence of an event which materially adversely affects the London interbank market; or

(c) the cost to such Lender of funding the Advance for the immediately following Interest Period does not accurately reflect the effective cost of the Lender's funding for that Interest Period,

then such Lender shall give notice thereof to the Agent and the Borrower (a "**Market Disruption Notice**"), such notice to include a description of the relevant circumstances, events or conditions upon which the Lender's determination is made, whereupon the Lender's obligations to make the requested Advance on the basis of LIBOR will be suspended until such time as the Lender notifies the Agent and the Borrower that the circumstances, events or conditions described in the Market Disruption Notice no longer exist.

(2) If a Lender has given a Market Disruption Notice, all Advances then outstanding will bear interest at a rate or rates to be determined by each Lender (and specified by written notice to the Agent and the Borrower) that compensates each such Lender for its own cost of funding its Rateable Portion of such Advances (as determined by each such Lender with reference to any source that it may reasonably select, which determination shall be conclusive and binding on the Borrower); plus

(a) the Applicable Margin as in effect with respect to such affected Advances from time to time; and

(b) if an Event of Default is then subsisting, 4.00% per annum.

14.02 **Change in Law**

(1) If at any time any Lender determines that (a) any change in applicable law or regulation or any interpretation thereof, or (b) compliance by such Lender with any direction, requirement or request from any regulatory authority whether or not having the force of law, has or would have, as a consequence of such Lender's obligation under this Agreement and taking into consideration such Lender's policies with respect to capital adequacy, the effect of reducing the rate of return on such Lender's capital to a level below that which such Lender could have achieved but for such change or compliance, then from time to time, upon demand of such Lender, the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such reduction.

(2) In the event of any change in any applicable law, rule, guideline, regulation, treaty or official directive (whether or not having the force of law) or in the interpretation or application thereof by any court or by any Official Body or other authority or entity charged with the administration thereof which now or hereafter:

(a) subjects any Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest, fees or other amounts payable by the Borrower to such Lender under this Agreement (except for taxes on the overall net income of such Lender); or

(b) imposes, modifies or deems applicable any reserve, special deposit or similar requirements against assets held by, or deposits in or for the account of or loans by or any other acquisition of funds by, an office of any Lender;

and the result of any of the foregoing shall be to increase the cost to, or reduce the amount of principal, interest or other amount received or receivable by such Lender hereunder or its effective return hereunder in respect of making, maintaining or funding its participation in any Advance under the Project Facility, such Lender shall determine that amount of money which shall compensate such Lender for such increase in cost or reduction in income.

(3) Upon a Lender having determined that it is entitled to such additional compensation (herein, an "**Additional Amount**") pursuant to this Section 14.02, then, from time to time, upon demand of such Lender, the Borrower shall pay to such Lender such Additional Amount.

(4) Each of the Lenders shall use commercially reasonable efforts (a) to minimize the amount of any Additional Amount (including by use of redeployment of deposits) and (b) to advise the Borrower within a reasonable period after it becomes aware that an Additional Amount is payable.

14.03 **Prepayment of Rateable Portion**

Notwithstanding the provisions hereof, if a Lender gives the notice provided for in Section 14.02 with respect to any Advance (an "**Affected Advance**"), the Borrower may, upon ten (10) Banking Days written notice to that effect given to such Lender and to the Agent (which notice shall be irrevocable), prepay in full without penalty such Lender's Rateable Portion of the Affected Advance outstanding together with accrued and unpaid interest on the principal amount so prepaid up to the date of such prepayment, such Additional Amount as may be applicable to the date of such payment and all costs, losses and expenses incurred by the Lenders by reason of the liquidation or re-employment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Affected Advance or any part thereof on other than the last day of the applicable Interest Period, and upon such payment being made that Lender's obligations to make such Affected Advances to the Borrower under this Agreement shall terminate.

14.04 **Illegality**

If the adoption of any applicable law, regulation, treaty or official directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any court or by any Official Body or other authority or entity charged with the interpretation or administration thereof or compliance by a Lender with any request or direction (whether or not having the force of law) of any such authority, central bank or comparable agency or entity, now or hereafter makes it unlawful or impossible for any Lender to make, fund or maintain an Advance under the Project Facility or to give effect to its obligations in respect of such an Advance, such Lender may, by written notice thereof to the Borrower and to the Agent declare its obligations under this Agreement to be terminated whereupon the same shall forthwith terminate, and the Borrower shall prepay within the time required by such law (or at the end of such longer period as such Lender at its discretion has agreed) the principal of such Advance together with accrued interest, such Additional Amount as may be applicable to the date of such payment and all costs, losses and expenses incurred by the Lenders by reason of the liquidation or re-employment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Advance or any part thereof on other than the last day of the applicable Interest Period. If any such change shall only affect a portion of such Lender's obligations under this Agreement which is, in the opinion of such Lender and the Agent, severable from the remainder of this Agreement so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Agent, the other Lenders or the Borrower hereunder, such Lender shall only declare its obligations under that portion so terminated.

ARTICLE 15

COSTS, EXPENSES AND INDEMNIFICATION

15.01 **Costs and Expenses**

The Loan Parties shall pay promptly upon notice from the Agent all costs and expenses of the Agent, the Collateral Agent and the other Creditors in connection with preparation, execution and delivery of this Agreement and the other documents to be delivered hereunder and the costs of the Agent in syndicating the Project Facility, whether or not any Drawdown has been made hereunder, including without limitation, legal fees of all the Creditors, fees, costs and expenses incurred in connection with the registration, filing, recording or other steps or proceedings taken in connection with the publication, perfection or preservation of the Liens and other rights and remedies of the Creditors under the Finance Documents (including fees, costs and expenses or notaries and similar officials), the fees and out-of-pocket expenses of technical advisors, consultants, counsel to the Agent and Lenders' Counsel, the fees, premiums, costs and expenses associated with political risk insurance, and the allocated cost of staff counsel and technical advisors with respect to any of the foregoing and with respect to advising the Agent or the other Creditors as to its or their rights and responsibilities under this Agreement and the other Finance Documents to be delivered hereunder. Except for ordinary expenses of the Creditors relating to the day-to-day administration of this Agreement, the Borrower further agrees to pay within ten (10) Banking Days of demand by the Agent all costs and expenses in connection with the preparation or review of waivers, consents and amendments and questions of interpretation of this Agreement and in connection with the establishment of the validity and enforceability of this Agreement and the preservation and enforcement of rights of the Creditors or any of them under this Agreement and other Finance Documents, including, without limitation, all costs and expenses sustained by each Creditor in connection with collection of amounts owing hereunder, realization on the Security and restructuring of the Project Facility (whether or not following an Event of Default) and all costs and expenses sustained by each Creditor as a result of any failure by the Borrower to perform or observe any of its obligations hereunder or under the other Finance Documents, together with interest at the highest interest rate then in effect for Advances outstanding hereunder from and after such tenth (10th) Banking Day if such payment is not made by such time.

15.02 **Indemnification by the Loan Parties**

In addition to any liability of the Loan Parties to any Creditor under any other provision hereof, each Loan Party shall indemnify each Creditor and hold each Creditor harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against any Creditor which relate or arise out of or are as a result of:

(a) any failure by any Loan Party to fulfil any of its obligations hereunder including, without limitation, any cost or expense incurred by reason of the liquidation or re-employment in whole or in part of deposits or other funds required by any Lender to fund or maintain its Rateable Portion of any Advance as a result of the Borrower's failure to complete a Drawdown or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder;

(b) any Loan Party's failure to pay any other amount, including without limitation any interest or fee, due hereunder on its due date; the repayment or prepayment of an Advance otherwise than on the last day of its Interest Period;

(c) any Loan Party's failure to give any notice required to be given by it to the Creditors hereunder;

(d) the failure of any Loan Party to make any other payment due hereunder;

(e) any inaccuracy or incompleteness in the representations and warranties of the Loan Parties contained in Article 9;

(f) any failure of the Loan Parties to observe or fulfill any of their respective obligations under Article

10, Section 11.07, 11.08 or 11.09 or Article 12;

(g) any failure of the Loan Parties to observe or perform any other obligation not specifically referred to above; or

(h) the occurrence of any Event of Default or Potential Event of Default.

The provisions of this Section shall survive repayment of the Secured Obligations.

15.03 **Interest on Unpaid Costs and Expenses**

Unless the payment of interest is otherwise specifically provided for herein, where any Loan Party fails to pay any amount required to be paid by it hereunder when due having received notice that such amount is due, such Loan Party shall pay interest on such unpaid amount from the time such amount is due until paid at an annual rate equal to the rate set forth in Section 13.04, such interest to be payable on demand.

15.04 **Audit by Independent Consultant**

(1) Without limiting Section 13.03 ("**Investigation**"), the Agent may have any aspect of the Project including the ore reserves, mine design and scheduling, ore treatment, environmental impact, infrastructure and capital or operating costs reviewed, at the Borrower's cost, by an Independent Consultant once per year until the Secured Obligations have been repaid in full and the Project Facility has been cancelled. More frequent reviews, will be paid for by the Agent and the other Creditors, except if:

(a) the Borrower wishes to make a material variation to the LOMP, the Bankable Ore Reserve Model or Annual Project Budget;

(b) the Agent expects that there is a material issue with respect to the achievability of any aspect of the LOMP then or at any time in the future; or

(c) an Event of Default or Potential Event of Default has occurred and is continuing or a Loan Party has breached or not wholly performed any obligation under a Finance Document,

in which case such reviews will be at the cost of the Borrower.

(2) Each Loan Party agrees to co-operate with the Independent Consultant and comply with every request the Independent Consultant may make (and to ensure that such Loan Party's officers, employees, agents and attorneys do the same). This includes giving the Independent Consultant access to all records and assets of the Project during normal business hours and giving the Independent Consultant any document or other information that it may request in relation to the Project. CPN agrees to ensure that each Loan Party (and its officers, employees, agents and attorneys) complies with this Section 15.04.

ARTICLE 16
THE AGENT AND ADMINISTRATION OF THE PROJECT FACILITY

16.01 **Authorization and Action**

Each Lender and Hedge Provider hereby irrevocably appoints and authorizes the Agent to be its attorney in its name and on its behalf to exercise such rights or powers granted to the Agent or the Creditors under this Agreement to the extent specifically provided herein and on the terms hereof, together with such powers as are incidental thereto. As to any matters not expressly provided for by this Agreement, the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Majority Creditors, and such instructions shall be binding upon all Creditors; provided, however, that the Agent shall not be required to take any

action which exposes the Agent to liability in such capacity, which could result in the Agent's incurring any costs and expenses or which is contrary to this Agreement or applicable law.

16.02 **Procedure for Making Advances**

(1) The Agent shall make Advances available to the Borrower as required hereunder by debiting the account of the Agent to which the Lenders' Rateable Portions of such Advances have been credited in accordance with Section 2.07 (or causing such account to be debited) and, in the absence of other arrangements agreed to by the Agent and the Borrower in writing, by transferring (or causing to be transferred) like funds in accordance with the instructions of the Borrower as set forth in the Drawdown Notice in respect of each Advance; provided that the obligation of the Agent hereunder shall be limited to taking such steps as are commercially reasonable to implement such instructions, which steps once taken shall constitute conclusive and binding evidence that such funds were advanced hereunder in accordance with the provisions relating thereto and the Agent shall not be liable for any damages, claims or costs which may be suffered by the Borrower and occasioned by the failure of such Advance to reach the designated destination.

(2) If any Lender does not make available to the Agent its Rateable Portion of any Advance on the relevant Drawdown Date (such Lender, a "**Non-Funding Lender**") requested by the Borrower, the Agent may make available to the Borrower on such date a corresponding amount. If and to the extent such Non-Funding Lender shall not have so made its Rateable Portion of an Advance available to the Agent, such Non-Funding Lender agrees to pay to the Agent forthwith on demand such Non-Funding Lender's Rateable Portion of the Advance and all costs and expenses incurred by the Agent in connection therewith together with interest thereon (at an annual rate equal to the US Prime Rate plus 2% per annum) for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Agent, provided, however, that notwithstanding such obligation if such Non-Funding Lender fails to so pay, the Borrower covenants and agrees that without prejudice to any rights the Borrower may have against such Lender, it shall repay such amount to the Agent forthwith after demand therefor by the Agent. The amount payable to the Agent pursuant hereto shall be as set forth in a certificate delivered by the Agent to such Non-Funding Lender and the Borrower (which certificate shall contain reasonable details of how the amount payable is calculated) and shall be conclusive and binding, for all purposes, in the absence of manifest error. If such Non-Funding Lender makes the payment to the Agent required herein, the amount so paid shall constitute such Non-Funding Lender's Rateable Portion of the Advance for purposes of this Agreement. The failure of any Lender to make its Rateable Portion of the Advance shall not relieve any other Lender of its obligation, if any, hereunder to make its Rateable Portion of the Advance on the Drawdown Date. Except as otherwise set forth in this Section 16.02, no Lender nor the Agent shall be responsible for the failure of any other Lender (which does not include the Agent solely in its capacity as Agent and not Lender) to make the Rateable Portion of the Advance to be made by such Lender on the Drawdown Date.

(3) In addition to the indemnity and reimbursement obligations noted in Section 16.10, the Lenders agree to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligations of the Borrower hereunder) Rateably according to their respective Rateable Portion (and in calculating the Rateable Portion of any Lender, ignoring the Commitment of any Non-Funding Lender) any amount that any Non-Funding Lender fails to pay the Agent and which is due and owing to the Agent pursuant to Section 16.10. Each Non-Funding Lender agrees to indemnify each other Lender for any amounts paid by such Non-Funding Lender and which would otherwise be payable by such Non-Funding Lender.

16.03 **Remittance of Payments**

Forthwith after receipt of any repayment pursuant to Article 6, Sections 7.01 or 7.02 or payment of interest or fees pursuant to Article 5, the Agent shall remit to each Lender its Rateable Portion of such payment; provided that if the Agent, on the assumption that it will receive on any particular date a payment of principal, interest or fees hereunder, remits to each Lender its Rateable Portion of such payment and the Borrower fails to make such payment, each of the Lenders agrees to repay to the Agent forthwith on demand such Lender's Rateable Portion of the payment made pursuant hereto together with all costs and expenses incurred by the Agent in connection therewith and interest thereon at the rate and calculated in the manner applicable to the Advance in respect of which such payment was made for each day from the date such amount is remitted to the Lenders. The

exact amount of the repayment required to be made by the Lenders pursuant hereto shall be as set forth in a certificate delivered by the Agent to each Lender, which certificate shall be conclusive and binding for all purposes in the absence of manifest error.

16.04 **Redistribution of Payment**

Each Creditor agrees that:

(a) if the Creditor exercises any right of counter-claim, set off or bankers' lien or similar right with respect to the property of any Loan Party or if under any applicable bankruptcy, insolvency or other similar law it receives a secured claim the security for which is a debt owed by it to any Loan Party, the Creditor shall apportion the amount thereof proportionately between:

(i) amounts outstanding at such time owed by the Loan Parties to such Creditor under this Agreement or the other Finance Documents, which amounts shall be applied in accordance with Section 16.12; and

(ii) amounts otherwise owed to the Creditors by the Loan Parties provided that any cash collateral account held by such Creditor as collateral for a letter of credit issued by such Creditor on behalf of such Loan Party may be applied by such Creditor to such amounts owed by such Loan Party to such Creditor pursuant to such letter of credit without apportionment;

provided that the foregoing provisions do not apply to:

(A) a right or claim which arises or exists in respect of a loan or other debt in respect of which the relevant Creditor holds a Lien which is a Permitted Lien;

(B) any reduction in amounts owing to a Loan Party upon the termination of Hedging Arrangements entered into with the relevant Hedge Provider; or

(C) any payment to which a Creditor is entitled as a result of any credit derivative or other form of credit protection obtained by such Creditor;

(b) if the Creditor exercises a right under, or receives a secured claim described in, paragraph (a) above, or otherwise receives payment of a proportion of the aggregate amount of Secured Obligations due to it under the Finance Documents which is greater than its Rateable Share of the Secured Obligations due thereunder (having regard to the respective Rateable Shares of the Secured Obligations outstanding to the Creditors), the Creditor receiving such proportionately greater payment shall purchase a participation (which shall be deemed to have been done simultaneously with receipt of such payment) in that portion of the Secured Obligations outstanding to the other Creditor or Creditors so that their respective receipts shall be pro rata to their respective Rateable Shares of the outstanding Secured Obligations; provided, however, that if all or part of such proportionately greater payment received by such purchasing Creditor shall be recovered, such purchase shall be rescinded and the purchase price paid for such participation shall be returned to the extent of such recovery, but without interest. Such Creditor shall exercise its rights in respect of such secured claim in a manner consistent with the rights of the Creditors entitled under this Section 16.04 to share Rateably in the benefits of any recovery on such secured claims; and

(c) if the Lender or such other Creditor does any act or thing permitted by paragraph (a) or (b) above, it shall promptly provide full particulars thereof to the Agent.

16.05 **Duties and Obligations**

Neither the Agent nor any of its directors, officers, agents or employees (and, for purposes hereof, the Agent shall be deemed to be contracting as agent and trustee for and on behalf of such Persons) shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement except for its or their own gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Agent:

(a) may assume that there has been no assignment or transfer by any means by the Creditors of their rights hereunder, unless and until the Agent receives written notice of the assignment thereof from any such Creditor and the Agent receives the written agreement of the assignee that such assignee is bound hereby as it would have been if it had been an original Creditor party hereto, in each case in form satisfactory to the Agent;

(b) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;

(c) shall incur no liability under or in respect of this Agreement or any other Finance Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, cable, facsimile transmission, electronic mail or other electronic means of communication) believed by it to be genuine and signed or sent by the proper party or parties or by acting upon any representation or warranty of the Borrower made or deemed to be made hereunder;

(d) may assume that no Event of Default or Potential Event of Default has occurred and is subsisting unless it has actual knowledge to the contrary; and

(e) may rely as to any matters of fact which might reasonably be expected to be within the knowledge of any Person upon a certificate signed by or on behalf of such Person.

Further, the Agent (i) does not make any warranty or representation to any Creditor nor shall it be responsible to any Creditor for the accuracy or completeness of the data made available to any of the Creditors in connection with the negotiation of this Agreement, or for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (ii) shall not have any duty to ascertain or to enquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of any Loan Party or to inspect the property (including the books and records) of any Loan Party; and (iii) shall not be responsible to any Creditor for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Finance Document or any instrument or document furnished pursuant hereto or thereto.

16.06 **Prompt Notice to the Creditors**

Notwithstanding any other provision herein, the Agent agrees to provide to the Creditors, with copies where appropriate, all information, notices and reports required to be given to the Agent by the Loan Parties, promptly upon receipt of same, excepting therefrom information and notices relating solely to the role of Agent hereunder.

16.07 **Agent's Authorities**

With respect to its Commitment and the Drawdowns and Rollovers made by it as a Lender, and any Hedging Arrangements entered into by it as Hedge Provider, the Agent shall have the same rights and powers under this Agreement as any other Lender or Hedge Provider, as the case may be, and may exercise the same as though it were not the Agent. The Agent may accept deposits from, lend money to, and generally engage in any kind of business with the Loan Parties or any of them or any corporation or other entity owned or controlled by any

of them and any Person which may do business with any of them, all as if the Agent was not the Agent hereunder and without any duties to account therefor to the other Creditors.

16.08 **Creditors' Credit Decision**

It is understood and agreed by each Creditor that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Loan Parties and the Project. Accordingly, each Creditor confirms with the Agent that neither it nor any such Affiliate has relied, nor will any of them hereafter rely, on the Agent (i) to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Loan Parties or any other Person under or in connection with this Agreement, the other Finance Documents or the transactions herein or therein contemplated (whether or not such information has been or is hereafter distributed to such Creditor by the Agent), or (ii) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of any of the Loan Parties and the Project. Each Creditor acknowledges that a copy of this Agreement and each other Finance Document has been made available to it for review and each Creditor acknowledges that it is satisfied with the form and substance of this Agreement and each other Finance Document. Each Creditor hereby covenants and agrees that it will not make any arrangements with any Loan Party for the satisfaction of any of the Secured Obligations without the consent of all the other Creditors.

16.09 ***Know Your Customer* due diligence checks**

Each Creditor agrees that the Agent has no obligations to do any "know your customer" checks on any Person on behalf of any Creditor.

Each Creditor:

(a) acknowledges to the Agent that it is solely responsible for any "know your customer" checks which it is required to do and that it may not rely on any statement about any "know your customer" checks made by the Agent; and

(b) agrees to give the Agent any document or other information that the Agent reasonably requests to enable the Agent to do any "know your customer" checks.

16.10 **Indemnification**

The Creditors hereby agree to indemnify the Agent (to the extent not reimbursed by the Loan Parties), in accordance with their respective Rateable Portions, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (collectively, "**Indemnified Liabilities**"), which may be imposed on, incurred by, or asserted against the Agent which relate to or arise out of this Agreement or the other Finance Documents or any action taken or admitted by the Agent under or in respect of this Agreement or any other Finance Document in its capacity as Agent; provided that no Creditor shall be liable for any portion of such Indemnified Liabilities resulting from the Agent's gross negligence or wilful misconduct. Without limiting the generality of the foregoing, each Creditor agrees to reimburse the Agent promptly upon demand for its Rateable Portion of any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preservation of any rights of the Agent or the other Creditors under, or the enforcement of, or legal advice in respect of rights or responsibilities under, this Agreement and any other Finance Document, to the extent that the Agent is not promptly reimbursed for such expenses by the Loan Parties.

16.11 **Successor Agent**

The Agent may, as hereinafter provided, resign at any time by giving written notice thereof to the Creditors and the Borrower. Upon any such resignation, the Creditors shall have the right to appoint a successor agent (the "**Successor Agent**"). If no Successor Agent shall have been so appointed by the Creditors and shall have

accepted such appointment within thirty (30) days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Creditors, appoint a Successor Agent. Upon the acceptance of any appointment as Agent hereunder by a Successor Agent, such Successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall thereupon be discharged from its further duties and obligations as Agent under this Agreement and the other Finance Documents. If no Successor Agent shall have been appointed by the Creditors or the retiring Agent within one (1) year after the retiring Agent's giving of notice of resignation, the retiring Agent shall not be discharged from its duties and obligations as Agent under this Agreement and the other Finance Documents until such time as a Successor Agent is appointed. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article 16 shall continue to enure to its benefit as to any actions taken or omitted to be taken by it as Agent or in its capacity as Agent while it was Agent hereunder.

16.12 **Taking and Enforcement of Remedies**

Each of the Creditors hereby acknowledges that, to the extent permitted by applicable law, the remedies provided to the Creditors hereunder and under the Security are for the benefit of all of the Creditors collectively and acting together and not severally and further acknowledges that its rights hereunder are to be exercised not severally, but collectively by the Agent upon the decision of the Creditors or the Majority Creditors, as applicable, regardless of whether declaration or acceleration of the Project Facility was made pursuant to and in accordance with Section 13.02 or whether any Hedge Provider has elected to terminate, make demand for or accelerate obligations under any Hedging Arrangement in accordance with the provisions thereof. Notwithstanding any of the provisions contained herein, each of the Creditors hereby covenants and agrees that it shall not be entitled to take any action with respect to the Project Facility or the Security, including, without limitation, any declaration or acceleration under Section 13.02, but that any such action shall be taken only by the Agent with the prior written agreement of all Creditors, all Lenders, the Majority Creditors or the Majority Lenders, in each case, as prescribed by this Agreement, provided that notwithstanding the foregoing, in the absence of instructions from the Creditors or Lenders, as the case may be, and where in the sole opinion of the Agent the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Creditors or any of them, take such action on behalf of the Creditors or any of them as it deems appropriate or desirable in the interests of the Creditors. Each of the Creditors hereby further covenants and agrees that upon any such written consent being given by the Creditors, the Lenders, the Majority Creditors or the Majority Lenders, as applicable, it shall cooperate fully with the Agent to the extent requested by the Agent in the collective realization including, without limitation, the appointment of a receiver and manager to act for their collective benefit. Each Creditor covenants and agrees to do all acts and things to make, execute and deliver all agreements and other instruments, including, without limitation, any instruments necessary to effect any registrations, so as to fully carry out the intent and purpose of this Section 16.12; and each of the Creditors hereby covenants and agrees that it has not heretofore and shall not seek, take, accept or receive any security for any of the Secured Obligations other than such security as is provided hereunder or under the other Finance Documents and shall not enter into any agreement with any of the parties hereto or thereto relating in any manner whatsoever to the Project Facility, unless all of the Creditors shall at the same time obtain the benefit of any such security or agreement.

16.13 **Reliance Upon Agent**

The Loan Parties shall be entitled to rely upon any certificate, notice or other document (including any facsimile transmission or electronic mail) or other advice, statement or instruction provided to it by the Agent pursuant to this Agreement or another Finance Document, and each Loan Party shall generally be entitled to deal with the Agent with respect to matters under this Agreement and the other Finance Documents which the Agent is authorized to deal with without any obligation whatsoever to satisfy itself as to the authority of the Agent to act on behalf of the Creditors and without any liability whatsoever to the Creditors for relying upon any certificate, notice or other document (including any facsimile transmission or electronic mail) or other advice, statement or instruction provided to it by the Agent, notwithstanding any lack of authority of the Agent to provide the same.

16.14 **Agent May Perform Covenants**

If any Loan Party fails to perform any covenants on its part herein contained, the Agent in accordance with Section 16.01 may, on behalf of the Creditors, in its sole discretion but need not, perform any such covenant capable of being performed by the Agent and if the covenant requires the payment or expenditure of money, the Agent may make such payment or expenditure and all sums so expended shall be forthwith payable by the Borrower to the Agent on behalf of the Creditors and shall bear interest at the US Prime Rate plus eight percent (8%) per annum.

16.15 **No Liability of Agent**

The Agent shall have no responsibility or liability to any Loan Party on account of the failure of any Creditor to perform its obligations hereunder or under any other Finance Document, or to any Creditor on account of the failure of any Loan Party or any Creditor to perform its obligations hereunder or under any other Finance Document.

ARTICLE 17
GENERAL

17.01 **Exchange and Confidentiality of Information**

(1) Each of the Loan Parties agrees that each Creditor may provide each other and any prospective assignee or participant pursuant to Sections 17.08 and 17.09 with any information concerning the Loan Parties.

(2) Each of the Creditors acknowledge the confidential nature of the financial, operational and other information and data provided and to be provided to them by the Loan Parties pursuant hereto (the "**Information**") and agree to use all reasonable efforts to prevent the disclosure thereof provided, however, that:

(a) the Creditors may disclose all or any part of the Information if, in their opinion, such disclosure is required: (i) by their respective auditors, or (ii) in connection with any actual or threatened judicial, administrative or governmental proceedings (including proceedings initiated under or in respect of this Agreement or upon the request of its independent auditors or an Official Body having jurisdiction over it);

(b) the Creditors shall incur no liability in respect of any Information required to be disclosed by any applicable law, or by applicable treaty, order, policy or directive having the force of law, to the extent of such requirement;

(c) the Creditors may provide Lenders' Counsel and their other agents and professional advisors with any Information; provided that such Persons shall be under a like duty of confidentiality to that contained in this Section 17.01;

(d) none of the Creditors shall incur any liability in respect of any Information: (i) which is or becomes readily available to the public (other than by a breach hereof) or which has been made readily available to the public by a Loan Party, (ii) which the relevant Creditor can show was, prior to receipt thereof from a Loan Party, lawfully in the Creditor's possession and not then subject to any obligation on its part to such Loan Party to maintain confidentiality, or (iii) which the relevant Creditor received from a third party who was not, to the knowledge of the Creditor, under a duty of confidentiality to a Loan Party at the time the information was so received;

(e) the Creditors may disclose the Information to other financial institutions and other Persons in connection with the assignment or potential assignment by a Creditor of the Project Facility or a Hedging Arrangement, the granting or potential granting by a Creditor of a participation in the Project Facility or a Hedging Arrangement or the underwriting or issuance of, or the making or processing of claims under, creditor insurance in favour of a Creditor, where such financial

institution or other Person agrees to be under a like duty of confidentiality to that contained in this Section; and

(f) the Creditors may disclose all or any part of the Information so as to enable the Creditors to initiate any lawsuit against a Loan Party or to defend any lawsuit commenced by a Loan Party the issues of which touch on the Information, but only to the extent such disclosure is necessary to the initiation or defense of such lawsuit.

17.02 **Nature of Obligations under this Agreement**

(1) The obligations of each Lender and of the Agent under this Agreement are several. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lenders, the Agent or the Loan Parties of any of their respective obligations hereunder.

(2) Neither the Agent nor any Lender shall be responsible for the obligations of any other Lender hereunder.

17.03 **Notice**

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by facsimile, electronic mail or other electronic means of communication addressed to the respective parties as follows:

To the Borrower or any other Loan Party:

Carpathian Gold Inc.
365 Bay St. Suite 300
Toronto, Ontario M5H 2V1

Attention: President and Chief Executive Officer
Facsimile No.: (416) 363-3883

To the Agent:

Macquarie Bank Limited
No. 1 Martin Place
Sydney, NSW 2000
Australia

Attention: Executive Director, Metals & Energy Capital Division
Facsimile No. +61 (2) 8232 3590

with a copy to:

Macquarie Metals and Energy Capital (Canada) Ltd.
Suite 2400, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2B5

Attention: Mr. Chris Adams
Facsimile No.: (604) 605 1679
Electronic mail: tcgmecvanprd@macquarie.com

To each Creditor, as set forth in Schedule A annexed hereto;

or to such other address or facsimile number or to the attention of such other individuals as any party may from time to time notify the others in accordance with this Section 17.03; provided that, if any demand, notice or other communication is made or given to MBL (in any capacity) other than by way of electronic mail, a copy of the same shall be sent to MBL by electronic mail. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, or, if made or given by facsimile, electronic mail or other electronic means of communication, on the first Banking' Day following the transmittal thereof; provided, however, that if made or given by facsimile, electronic mail or other electronic means of communication and is received prior to 9:00 a.m. (in the time zone of the recipient) on a Banking Day, it shall be conclusively deemed to have been given on the same day on which it is received.

17.04 **Governing Law**

This Agreement shall be conclusively deemed to be a contract made under, and shall for all purposes be governed by and construed in accordance with the laws of the Province of Ontario, Canada, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Loan Parties (or any of them) may be found.

17.05 **Submission to Jurisdiction**

Each of the Loan Parties hereby irrevocably:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Finance Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the Province of Ontario, and appellate courts from any of the same;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and

(c) agrees that nothing contained herein shall (i) limit the right of the Collateral Agent or any other Creditor to sue in any other jurisdiction, or (ii) limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

17.06 **Judgment Currency**

(1) If for the purpose of obtaining or enforcing judgment against any of the Loan Parties in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 17.05 referred to as the "**Judgment Currency**") an amount due in US Dollars under this Agreement or any other Finance Document, the conversion shall be made at the rate of exchange prevailing on the Banking Day immediately preceding:

(a) the date of actual payment of the amount due, in the case of any proceeding in the courts of the Province of Ontario or in the courts of any other jurisdiction that will give effect to such conversion being made on such date; or

(b) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 17.06(1)(b) being hereinafter in this Section 17.05 referred to as the "**Judgment Conversion Date**").

(2) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 17.06(1)(b), there is a change in the rate of exchange prevailing between the Judgement Conversion Date and the date of actual payment of the amount due, the applicable Loan Parties shall pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted

at the rate of exchange prevailing on the date of payment, will produce the amount of US Dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(3) Any amount due from any Loan Party under the provisions of Section 17.06(2) shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

(4) The term "**rate of exchange**" in this Section 17.05 means the noon rate of exchange for Canadian interbank transactions in US Dollars, in the Judgment Currency published by the Bank of Canada for the day in question, or if such rate is not so published by the Bank of Canada, such term shall mean the Equivalent Amount of the Judgment Currency.

17.07 **Benefit of the Agreement**

This Agreement shall enure to the benefit of and be binding upon each of the Loan Parties, the Lenders, the Agent and their respective successors and assigns.

17.08 **Assignment**

(1) None of the Loan Parties shall assign its rights and obligations hereunder except with the prior written consent of all the Creditors.

(2) Any Lender may with the prior written consent of (a) the Borrower and (b) the Agent, which in each case shall not be unreasonably withheld, at any time and from time to time, assign, transfer and otherwise grant an interest in its Rateable Portion of any Advance to any Eligible Financial Institution, provided that no consent of the Borrower shall be required upon the occurrence and during the continuance of an Event of Default; and provided, further, that during the Availability Period, such Eligible Financial Institution at the time of the assignment would, in the view of the Agent and, if no Event of Default or Potential Event of Default has occurred and is subsisting, the Borrower, be no less able than was the assignor at the time of the assignment to perform the obligations of the assignor hereunder.

(3) Any Hedge Provider may, without the prior written consent of the Loan Parties, the Lenders or the other Hedge Providers, but only with the prior written consent of the Agent, at any time and from time to time, assign, transfer and otherwise grant an interest in any Hedging Arrangement entered into by it with any of the Loan Parties, to any Eligible Financial Institution, provided that such Eligible Financial Institution at the time of the assignment would, in the view of the Agent and, if no Event of Default or Potential Event of Default has occurred and is subsisting, the Borrower, be no less able than was the assignor at the time of the assignment to perform the obligations of the assignor thereunder.

17.09 **Participations**

In addition to the assignment rights under Section 17.08, each Lender may also grant participations in all or any part of its Rateable Portion of any Advance to one or more commercial banks or other financial institutions provided that (a) the holder of any such participation, other than an affiliate of such Lender, shall not be entitled to require such Lender to take or omit to take any action hereunder except to the extent such action requires the consent of all the Lenders with respect to (i) increases in such Lender's Commitment, (ii) reductions of the amount of any interest, principal or fees owing to any Lender hereunder, (iii) extensions of the fixed date on which any sum is due, or (iv) release of any Collateral; (b) the participant shall not have any rights under this Agreement or any Finance Documents nor shall the granting of the participation affect the obligations of the Loan Parties to the granting Lender; and (c) the participant shall have entered an agreement to the effect that it is bound by the provisions of this Section 17.09.

17.10 **Severability**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

17.11 **Whole Agreement**

This Agreement constitutes the whole and entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior agreements, undertakings, declarations, commitments, representations, written or oral, in respect thereof.

17.12 **Amendments and Waivers**

(1) Subject to Sections 17.12(2), (3), (4), (5) and (6) below, any provision of this Agreement may be amended only if the Loan Parties, the Agent and the Majority Lenders so agree in writing and, except as otherwise specifically provided herein, may be waived only if the Majority Lenders so agree in writing. Any waiver and any consent by the Agent, any Creditor, the Majority Lenders, the Majority Creditors, all Lenders or all Creditors under any provision of this Agreement must be in writing and may be given subject to any conditions thought fit by the Person or Persons giving that waiver or consent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given. Any waiver or consent or the exercise of any right under this Agreement shall not affect or mitigate the covenants, representations and warranties of the Loan Parties hereunder which shall continue in full force and effect.

(2) An amendment or waiver that has the effect of changing or which relates to:

(a) an increase of or extension to the Facility Limit or a Commitment;

(b) the definition of Majority Creditors;

(c) a change to the Loan Parties;

(d) any provision which expressly requires the consent of all the Creditors;

(e) this Section 17.11(2); or

(f) a release or partial release of any of the Security or any Lien created, evidenced or granted thereunder,

shall not be made without the prior consent of all Creditors.

(3) An amendment or waiver that has the effect of changing or which relates to: Article 6, Article 9, Article 10, Article 11 or Section 12.01(8) shall not be made without the prior consent of the Majority Creditors.

(4) An amendment that has the effect of changing or which relates to Section 13.01 shall not be made without the prior consent of the Majority Creditors.

(5) An amendment or waiver that has the effect of changing or which relates to:

(a) the definition of Majority Lenders;

(b) an extension to the date of payment of any amount due to the Lenders under the Finance Documents;

(c) a reduction in the Applicable Margin or a reduction in the amount of any payment of principal,

interest, fees or other amounts payable to the Lenders under the Finance Documents;

(d) an extension of the date specified in Section 2.04(1)(e)(ii);

(e) any provision which expressly requires the consent of all the Lenders;

(f) Sections 16.03 and 16.04; or

(g) Sections 17.08, 17.09 and this Section 17.12(5),

shall not be made without the prior consent of all the Lenders.

(6) An amendment or waiver which relates to the rights or obligations of the Agent or the Collateral Agent shall not be made without the consent of the Agent or the Collateral Agent, as the case may be.

17.13 **Further Assurances**

Each of the Loan Parties and the Creditors shall promptly cure any default by it in the execution and delivery of this Agreement, the Finance Documents or any of the agreements provided for hereunder to which it is a party. Each of the Loan Parties, at its expense, shall promptly execute and deliver to the Agent, upon request by the Agent, all such other and further documents, agreements, opinions, certificates and instruments in compliance with, or accomplishment of the covenants and agreements of the Loan Parties hereunder or more fully to state the obligations of the Loan Parties as set out herein or to make any recording, file any notice or obtain any consent, all as the Agent may deem to be necessary or appropriate in connection therewith.

17.14 **Time of the Essence**

Time shall be of the essence of this Agreement.

17.15 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

The Borrower:

MINERAÇÃO RIACHO DOS MACHADOS LTDA.

By: _____
Authorized Signatory
DANIEL BENHART JONATHON KWARU c/s
CHIEF EXECUTIVE OFFICER

By: _____
Authorized Signatory

The Guarantors:

CARPATHIAN GOLD INC.

By: _____
Authorized Signatory
PEDRO ANDRÉS GARCIA VALENZUELA c/s
ATTORNEY-IN-FACT

By: _____
Authorized Signatory

ORE-LEAVE CAPITAL (BRAZIL) LIMITED

By: _____
Authorized Signatory
PEDRO ANDRÉS GARCIA VALENZUELA c/s
ATTORNEY-IN-FACT

By: _____
Authorized Signatory

OLV COÖPERATIE U.A.

By: _____
Authorized Signatory
PEDRO ANDRÉS GARCIA VALENZUELA c/s
ATTORNEY-IN-FACT

By: _____
Authorized Signatory

OLC HOLDINGS B.V.

By: _____
Authorized Signatory
PEDRO ANDRÉS GARCIA VALENZUELA c/s
ATTORNEY-IN-FACT

By: _____
Authorized Signatory

The Agent:

MACQUARIE BANK LIMITED, as Agent

By: _____
Authorized Signatory
GRACIEMA AMARAL DE ALMEIDA
ATTORNEY-IN-FACT

c/s

By: _____
Authorized Signatory

The Collateral Agent:

MACQUARIE BANK LIMITED, as Collateral Agent

By: _____
Authorized Signatory
GRACIELA AMARAL DE ALMEIDA
ATTORNEY IN FACT

c/s

By: _____
Authorized Signatory

The Lenders:

MACQUARIE BANK LIMITED

By: _____
Authorized Signatory
GRACIENHA AMARAL DE ALMEIDA
ATTORNEY-IN-FACT

c/s

By: _____
Authorized Signatory

The Hedge Providers:

MACQUARIE BANK LIMITED

By: _____
Authorized Signatory
GRACIEMA AMARAL DE ALMEIDA
ATTORNEY-IN-FACT

c/s

By: _____
Authorized Signatory

SCHEDULE A

LENDERS AND COMMITMENTS; HEDGE PROVIDERS

PART I: LENDERS AND COMMITMENTS

Lender and Address:	Commitment:
Macquarie Bank Limited 1 Martin Place Sydney, NSW 2000	US $90,000,000.00

Attention: Executive Director, Metals & Energy Capital Division
Facsimile No. +61 (2) 8232 3590

with a copy to:

Macquarie Metals and Energy Capital (Canada) Ltd.
Suite 2400, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2B5

Attention: Mr. Chris Adams
Facsimile No.: (604) 605 1679
Electronic mail: tcgmecvanprd@macquarie.com

PART II: HEDGE PROVIDERS

Hedge Provider and Address:

Macquarie Bank Limited
1 Martin Place
Sydney, NSW 2000

Attention: Executive Director, Metals & Energy Capital Division
Facsimile No. +61 (2) 8232 3590

with a copy to:

Macquarie Metals and Energy Capital (Canada) Ltd.
Suite 2400, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2B5

Attention: Mr. Chris Adams
Facsimile No.: (604) 605 1679
Electronic mail: tcgmecvanprd@macquarie.com

BRIO FINANCE HOLDINGS B.V.	CARPATHIAN GOLD INC.	Court File No.: CV-16-11359-00CL
Applicant	Respondent	

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

APPLICATION RECORD
(returnable April 22, 2016)
VOLUME 1

NORTON ROSE FULBRIGHT CANADA LLP
Royal Bank Plaza, South Tower
Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Evan Cobb LSUC#55787N
Tel: 416.216.1929
Fax: 416.216.3930
Email: evan.cobb@nortonrosefulbright.com

Lawyers for Brio Finance Holdings B.V.

Court File No. CV-16-11359-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

B E T W E E N :

BRIO FINANCE HOLDINGS B.V.

Applicant

and

CARPATHIAN GOLD INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

APPLICATION RECORD
(returnable April 22, 2016)
VOLUME 2

April 21, 2016

NORTON ROSE FULBRIGHT CANADA LLP
Royal Bank Plaza, South Tower
Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Evan Cobb LSUC#55787N
Tel: 416.216.1929
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Email: evan.cobb@nortonrosefulbright.com

Lawyers for Brio Finance Holdings B.V.

TO: **BENNETT JONES LLP**
3400 One First Canadian Place
Toronto, Ontario M5X 1A4

Sean Zweig
Tel: 416.777.6254
Email: zweigs@bennettjones.com

Lawyers for Carpathian Gold Inc.

AND TO: **STIKEMAN ELLIOTT LLP**
5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9

Elizabeth Pillon
Tel: 416.869.5623
Email: lpillon@stikeman.com

Lawyers for FTI Consulting Canada Inc.,
as Proposed Receiver

AND TPO: **FTI Consulting Canada Inc**.
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Nigel Meakin
Tel: 416.649.8065
E-mail: nigel.meakin@fticonsulting.com

Proposed Receiver

Court File No. CV-16-11359-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

B E T W E E N :

BRIO FINANCE HOLDINGS B.V.

Applicant

and

CARPATHIAN GOLD INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

APPLICATION RECORD
(RETURNABLE APRIL 22, 2016)

TABLE OF CONTENTS

Volume 1

Volume 2

This is **Exhibit "F"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

CARPATHIAN GOLD INC.

GUARANTEE

(PROJECT FACILITY)

MADE AS OF JANUARY 11, 2013

TABLE OF CONTENTS

CARPATHIAN GOLD INC.

GUARANTEE (PROJECT FACILITY)

THIS GUARANTEE is made as of January 11, 2013

WHEREAS the Guarantor is an indirect quotaholder of the Borrower.

AND WHEREAS the Guarantor has agreed to provide a guarantee with respect to the Project Facility provided by the Lenders pursuant to the Project Facility Agreement, with respect to obligations, liabilities and Indebtedness of the Obligors arising under the Project Facility Agreement and the Hedging Arrangements, and with respect to the Finance Documents;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the sum of Cdn. $10.00 now paid by the Beneficiaries to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby conclusively acknowledged), the Guarantor hereby covenants and agrees with the Beneficiaries as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) In this Guarantee and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

"**Beneficiaries**" means, collectively, the Lenders, the Hedge Providers, the Agent, in its capacity as administrative agent of the Lenders and Hedge Providers and the Collateral Agent, in its capacity as collateral agent in respect of the Security; and "**Beneficiary**" means any of the foregoing, individually.

"**Borrower**" means Mineração Riacho dos Machados Ltda. and its successors.

"**Collateral Agency and Inter-Creditor Agreement**" means the collateral agency and inter-creditor agreement dated as of the 11th day of January, 2013, between, among others, the Borrower, the Guarantor, and MBL, in various capacities, including without limitation as Lender, Hedge Provider, Agent and Collateral Agent.

"**Default Rate**" means a rate per annum that is equal to the rate of interest then payable under the Project Facility Agreement on the Project Facility plus 4.0% per annum.

"**Finance Documents**" has the meaning given to it in the Project Facility Agreement.

"**Guarantee**" means this guarantee, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"**Guarantor**" means Carpathian Gold Inc. and its successors.

"**Intercompany Debt**" means, collectively, all present and future indebtedness, liabilities and obligations of the Borrower or any other Obligor to the Guarantor which now are or may hereafter become due or owing by the Borrower or any other Obligor to the Guarantor.

"**Obligations**" means, collectively and at any time and from time to time, all of the obligations, Indebtedness and liabilities (present or future, absolute or contingent, liquidated or unliquidated, matured or not) of any one or more of the Obligors to the Beneficiaries including, without limitation, (i) all of the obligations, Indebtedness and liabilities (present or future, absolute or contingent, liquidated or unliquidated, matured or not) of any one or more of the Obligors to any one or more of the Beneficiaries under, pursuant or relating to the Project Facility Agreement and the other Finance Documents (including under or by reason of any other transaction, matter or event associated with any Finance Document, other than the GP and related transactions) and including all outstanding principal and all interest, commissions, legal and other costs, charges and expenses payable by any of the Obligors under the Project Facility Agreement and other Finance Documents and (ii) all Hedging Obligations owing by any one or more of the Obligors to any and all Hedge Providers, in each case, whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and irrespective of any of the following: (A) whether any Obligor is liable or obligated solely, or jointly or jointly and severally with another Person therefor, (B) the circumstances in which any Beneficiary comes to be owed any such obligation, Indebtedness or liability or the same comes to be secured by any Finance Document, including pursuant to any assignment of any obligation, Indebtedness or liability or of any Finance Document, or (C) the capacity in which any Obligor comes to owe, or any Beneficiary comes to be owed, any such obligation, Indebtedness or liability.

"**Obligors**" means, collectively, the Borrower and each other Loan Party (other than the Guarantor) and "**Obligor**" means any of the foregoing, individually.

"**Project Facility Agreement**" means the project facility agreement dated as of the 11th day of January, 2013 between, among others, the Borrower, as borrower, the Guarantor, Ore-Leave Capital (Brazil) Limited, OLV Coöperatie U.A. and OLC Holdings B.V., as guarantors, the Lenders, the Hedge Providers, the Agent and the Collateral Agent, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

"**Securities Pledge Agreements**" means (a) the deed of charge over shares dated as of even date hereowith, among the Collateral Agent, on behalf of the Beneficiaries, the Guarantor, as pledger, and Ore-Leave Capital (Brazil) Limited, concerning the pledge of the Guarantor's equity interest of Ore-Leave Capital (Brazil) Limited and (b) the disclosed pledge of claims and memberships dated as of even date herewith, among the Collateral Agent, on behalf of the Beneficiaries, the Guarantor, as pledgor, Ore-Leave Capital (Brazil) Limited and OLV Coöperatie U.A., concerning the pledge of the Guarantor's equity interests of OLV Coöperatie U.A.

"**Subordination, Postponement and Assignment**" means the subordination, postponement, and assignment dated as of even date herewith, made by the Guarantor in favour of the Collateral Agent, on behalf of the Beneficiaries.

(b) Capitalized words and phrases used in this Guarantee and the recitals hereto without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed

to such words and phrases in the Project Facility Agreement. For certainty, if the Project Facility Agreement ceases to be in force for any reason whatsoever, then for all purposes hereof the aforementioned capitalized words and phrases shall continue to have the same defined meanings set forth in the Project Facility Agreement as if such agreement remained in force in the form immediately prior to its ceasing to be in force.

1.2 Secured Document under the Collateral Agency and Inter-Creditor Agreement

For purposes of the Collateral Agency and Inter-Creditor Agreement, this Guarantee comprises a "Project Loan Document" and a "Secured Document" thereunder.

1.3 Headings

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Guarantee. The terms "this Guarantee", "hereof", "hereunder" and similar expressions refer to this Guarantee and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Guarantee.

1.4 Number; Persons; including

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders and *vice versa* and words importing Persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and *vice versa* and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.5 *Interest Act* (Canada)

Whenever a rate of interest hereunder is calculated on the basis of a year (the "deemed year") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.6 Nominal Rates

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Guarantee; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after demand, default and judgment. The rates of interest specified in this Guarantee are intended to be nominal rates and not effective rates and any interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

ARTICLE 2
GUARANTEE

2.1 Guarantee of Obligations

The Guarantor hereby unconditionally and irrevocably guarantees to the Beneficiaries the payment and performance of all of the Obligations, together with interest thereon as provided in Section 5.4.

2.2 Indemnity

If any or all of the Obligations are not duly performed, observed or paid by the Obligors liable therefor, and are not recoverable under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Beneficiaries from and against all losses resulting from the failure of such Obligors to perform, observe or pay such Obligations.

2.3 Guarantor as Principal Obligor

If any or all of the Obligations are not duly performed, observed or paid by the Obligors liable therefor, and are not recoverable under Section 2.1 or the Beneficiaries are not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations shall, as a separate and distinct obligation, be recoverable by the Beneficiaries from the Guarantor, or enforceable by the Beneficiaries against the Guarantor, as the primary obligor and principal debtor in respect thereof and shall be performed, observed and paid the Beneficiaries forthwith after demand therefor as provided herein.

2.4 Guarantee Absolute and Unconditional

The liability and obligations of the Guarantor hereunder shall be continuing, unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, limited or otherwise affected by:

(a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Obligation, security, Person or otherwise, including any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release of any of the Obligations, covenants or undertakings of the Obligors (or any of them) under the Finance Documents;

(b) any modification or amendment of or supplement to the Obligations;

(c) any loss of or in respect of any security held by the Beneficiaries, whether occasioned by the fault of the Obligors (or any of them) or otherwise, including any release, non-perfection or invalidity of any such security;

(d) any change in the existence, structure, constitution, name, control or ownership of any of the Obligors or any other Person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting any of the Obligors or any other Person or their respective assets;

(e) the existence of any set-off, counterclaim, claim or other right which the Guarantor or any of the Obligors may have at any time against the Beneficiaries or any other Person, whether in connection with this Guarantee, the other Finance Documents, or any unrelated transaction;

(f) any provision of applicable law purporting to prohibit or limit the performance, observance or payment by any of the Obligors of any Obligation, and the foregoing is hereby waived by the Guarantor to the extent permitted under applicable law;

(g) any limitation, postponement, prohibition, subordination or other restriction on the right of the Beneficiaries to enforce or receive the performance, observance or payment of the Obligations;

(h) any release, substitution or addition of any other guarantor of the Obligations;

(i) any defence arising by reason of any failure of any Beneficiary to make any presentment, demand, or protest or to give any other notice, including notice of all of the following: acceptance of this Guarantee, partial performance, observance or payment or non-performance, non-observance or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations;

(j) any defence arising by reason of any failure of a Beneficiary to proceed against any of the Obligors or any other Person, or to apply or exhaust any security held from any of the Obligors or any other Person for the Obligations, to proceed against, apply or exhaust any security held from the Guarantor or any other Person, or to pursue any other remedy available to the Beneficiaries;

(k) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Obligations or any part thereof or of any security or guarantee in support thereof, or by reason of any incapacity, lack of authority, or other defence of any of the Obligors or any other Person, or by reason of any limitation, postponement or prohibition on a Beneficiary's rights to performance, observance or payment, or the cessation from any cause whatsoever of the covenants, agreements, undertakings or liability of any of the Obligors or any other Person with respect to all or any part of the Obligations (other than the performance, observance and irrevocable payment to and in favour of the Beneficiaries in full of the Obligations), or by reason of any act or omission of the Beneficiaries or others which directly or indirectly results in the discharge or release of any of the Obligors or any other Person or of all or any part of the Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise;

(l) any defence arising by reason of the failure by a Beneficiary to obtain, register, perfect or maintain a Lien in or upon any property of any of the Obligors or any other Person, or by reason of any interest of the Beneficiaries in any property, whether as owner thereof or as holder of a Lien therein or thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment of any right or recourse to collateral;

(m) any defence arising by reason of the failure of the Beneficiaries to marshal assets;

(n) to the extent permitted under applicable law, any defence based upon any failure of the Beneficiaries to give to any of the Obligors or the Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any other guarantee thereof, or any notice that may be given in connection with any sale or other disposition of any such property;

(o) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any of the Obligors or any other Person, including any discharge or bar against collection of any of the Obligations; or

(p) any other law, event or circumstance or any other act or failure to act or delay of any kind by any of the Obligors, the Beneficiaries or any other Person, which might, but for the provisions of this Section, constitute a legal or equitable defence to or discharge, limitation or reduction of the Guarantor's obligations hereunder, other than as a result of the payment or extinguishment in full of the Obligations.

The foregoing provisions apply and the foregoing waivers, to the extent permitted under applicable law, shall be effective even if the effect of any action or failure to take action by the Beneficiaries is to destroy or diminish the Guarantor's subrogation rights, the Guarantor's right to proceed against any of the Obligors for reimbursement, the Guarantor's right to recover contribution from any other guarantor or any other right or remedy of the Guarantor.

ARTICLE 3
DEALINGS WITH THE OBLIGORS AND OTHERS

3.1 No Release

The Beneficiaries, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability and obligations hereunder, may:

(a) grant time, renewals, extensions, indulgences, releases and discharges to any of the Obligors or any other guarantor or endorser;

(b) take or abstain from taking security or collateral from any of the Obligors or any other guarantor or endorser or from perfecting security or collateral of any of the Obligors or any other guarantor or endorser;

(c) accept compromises from any of the Obligors or any other guarantor or endorser;

(d) subject to the relevant Finance Documents, apply all money at any time received from any of the Obligors or from security upon such part of the Obligations as the Beneficiaries may see fit or change any such application in whole or in part from time to time as the Beneficiaries may see fit; or

(e) otherwise deal with any of the Obligors and all other Persons and security as the Beneficiaries may see fit.

3.2 No Exhaustion of Remedies

No Beneficiary shall be bound or obligated to exhaust its recourse against any of the Obligors or other Persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Article 6) before any Beneficiary shall be entitled to demand, enforce and collect payment from the Guarantor hereunder.

3.3 Evidence of Obligations

Any account settled or stated in writing by or between a Beneficiary and any of the Obligors shall be *prima facie* evidence that the balance or amount thereof appearing due to the same is so due.

3.4 No Set-off

In any claim by any Beneficiary against the Guarantor hereunder, the Guarantor shall not claim or assert any set-off, counterclaim, claim or other right that any of the Obligors or the Guarantor may have against such Beneficiary or any of them.

ARTICLE 4
CONTINUING GUARANTEE

4.1 Continuing Guarantee

This Guarantee shall be a continuing guarantee and shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Beneficiaries for any reason whatsoever (including the insolvency, bankruptcy or reorganization of any of the Obligors), all as though such payment had not been made.

4.2 Revival of Indebtedness

If at any time, all or any part of any payment previously received by a Beneficiary and applied to any Obligation must be rescinded or returned by the Beneficiary for any reason whatsoever (including the insolvency, bankruptcy or reorganization of any of the Obligors), such Obligation shall, for the purpose of this Guarantee, to the extent that such payment must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Beneficiary, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation as though such application by the Beneficiary had not been made.

LIMITED RECOURSE

4.3 Limited Recourse

Notwithstanding anything to the contrary in this Guarantee, in any other Finance Document or otherwise, after the occurrence of the Project Completion Date, the sole recourse of the Beneficiaries against the Guarantor in respect of the Obligations that thereafter remain outstanding shall be with respect to (a) the Equity Interests secured pursuant to the Securities Pledge Agreements or any amounts received upon the realization of such Equity Securities pursuant to the terms of the Securities Pledge Agreements and (b) the

Intercompany Debt assigned to the Collateral Agent, for the benefit of the Beneficiaries, pursuant to the Subordination, Postponement and Assignment or any amounts received upon the realization of such Intercompany Debt pursuant to the terms of the Subordination, Postponement and Assignment, and the Beneficiaries shall not under any circumstances have any right to payment from the Guarantor or against any property or assets of the Guarantor other than such Equity Securities or Intercompany Debt in respect of the Obligations.

ARTICLE 5
DEMAND FOR PAYMENT, EXPENSES AND INTEREST

5.1 Demand for Payment

The relevant Beneficiaries shall be entitled to make demand upon the Guarantor at any time upon and during the continuance of default in the performance or payment of any of the Obligations in accordance with the terms of the relevant Finance Document, and upon any such demand such Beneficiaries may collect from the Guarantor such Obligations. The Guarantor shall make payment to or performance in favour of the relevant Beneficiaries of all Obligations forthwith after demand therefor is made upon the Guarantor by the relevant Beneficiaries as aforesaid.

5.2 Stay of Acceleration

If acceleration of the time for payment of any amount payable by any of the Obligors in respect of the Obligations is stayed upon the insolvency, bankruptcy, arrangement or reorganization of any Obligor or any moratorium affecting the payment of the Obligations, all such amounts that would otherwise be subject to acceleration shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Beneficiaries.

5.3 Expenses

The Guarantor shall pay to the Beneficiaries all reasonable out of pocket costs and expenses, including all reasonable legal fees (on a solicitor and his own client basis) and other expenses incurred by the Beneficiaries from time to time in the enforcement, realization and collection of or in respect of this Guarantee. All such amounts shall be payable by the Guarantor on demand by the Beneficiaries.

5.4 Interest

Any payment obligation comprised in the Obligations guaranteed hereunder which is not paid when due hereunder shall bear interest, to the extent not already included in the Obligations, both before and after default or judgment, from the date of demand pursuant to Section 5.1 to the date of payment at the rate or rates provided in the relevant Finance Document for such Obligations or, in the event no such rate is provided for therein, at a rate per annum that is equal to the Default Rate. Any other amounts payable pursuant hereto, including pursuant to Section 5.3, which are not paid when due hereunder shall bear interest, both before and after default or judgment, from the date of demand pursuant to Section 5.1 to the date of payment or reimbursement thereof by the Guarantor at a rate per annum that is equal to the Default Rate. All such interest shall accrue daily and shall be payable by the Guarantor on demand by the Beneficiaries.

ARTICLE 6
SUBROGATION, ASSIGNMENT AND POSTPONEMENT

6.1 Subrogation

(a) Until all the Obligations have been performed, observed or irrevocably paid in full in cash, the Guarantor shall have no right of subrogation to, and waives to the fullest extent permitted by applicable law, any right to enforce any remedy which the Beneficiaries now have or may hereafter have against any of the Obligors in respect of the Obligations, and until such time the Guarantor waives any benefit of, and any right to participate in, any security, now or hereafter held by the Beneficiaries for the Obligations.

(b) If (i) the Guarantor performs or makes payment to the Beneficiaries of all amounts owing by the Guarantor under this Guarantee, and (ii) the Obligations are performed and irrevocably paid in full then the Beneficiaries will, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of the Beneficiaries' interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

6.2 Assignment and Postponement

(a) In addition to, and not in substitution of, any and all other security previously or concurrently delivered by the Guarantor or any other Person to any Beneficiary, all of which other security shall remain in full force and effect, all debts and liabilities, present and future, of the Obligors (or any of them) to the Guarantor are hereby assigned to the Beneficiaries and postponed to the Obligations, and all money received by the Guarantor in respect thereof will be held in trust for the Beneficiaries and forthwith upon receipt will be paid over to the Beneficiaries, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed, observed and indefeasibly paid in full.

(b) The Beneficiaries may, at any time, give notice of this Guarantee and the assignment granted pursuant to this Section 6.2(b) to the Obligors (or any of them) and may give notice to such Obligors to make any payment owing to the Guarantor by such Obligors to the Beneficiaries, and any payment or other proceeds in respect of debts and liabilities owing by the Obligors (or any of them) to the Guarantor received by the Guarantor from such Obligors whether before or after any notice is given by the Beneficiaries shall be held by the Guarantor in trust for the Beneficiaries and forthwith paid over to the Beneficiaries on request.

ARTICLE 7
GENERAL

7.1 Waiver of Notices

The Guarantor hereby waives promptness, diligence, presentment, demand of payment, notice of acceptance and any other notice with respect to this Guarantee and the Obligations guaranteed hereunder, except for the demand pursuant to Section 5.1.

7.2 Benefit of the Guarantee

This Guarantee shall enure to the benefit of the respective successors and permitted assigns of the Beneficiaries and be binding upon the successors of the Guarantor.

7.3 Foreign Currency Obligations

The Guarantor shall make payment relative to each Obligation in the currency (the "original currency") in which the relevant Obligor is required to pay such Obligation. If the Guarantor makes payment relative to any such Obligation to the Beneficiaries in a currency (the "other currency") other than the original currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the liability of the Guarantor hereunder in respect of such Obligation only to the extent of the amount of the original currency which the Beneficiaries are able to purchase with the amount of other currency it receives on the date of receipt in accordance with normal practice. If the amount of the original currency which the Beneficiaries are able to purchase is less than the amount of such currency originally due in respect of the relevant Obligation, the Guarantor shall indemnify and save the Beneficiaries harmless from and against any loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Beneficiaries and shall continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order. A certificate of the Beneficiaries as to any such loss or damage shall constitute *prima facie* evidence thereof, in the absence of manifest error.

7.4 Taxes; No Deduction etc., Reimbursement and Indemnity

For greater certainty, the provisions of Section 5.02 of the Project Facility Agreement will apply, *mutatis mutandis*, to all payments by the Guarantor under this Guarantee, whether in respect of principal, interest, interest on overdue and unpaid interest, fees or any other Obligations, as if such provisions were repeated at length herein.

7.5 No Waiver; Remedies

No failure on the part of the Beneficiaries to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

7.6 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

7.7 Amendments and Waivers

Any provision of this Guarantee may be amended, waived or a consent given in respect thereof with the concurrence of the Guarantor and the Collateral Agent on behalf of the Beneficiaries. Any waiver and any consent by the Collateral Agent on behalf of the Beneficiaries under any provision of this Guarantee must be in writing signed by the Collateral Agent and may be given subject to any conditions thought fit by the Collateral Agent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

7.8 Additional Security

This Guarantee is in addition and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Beneficiaries and any other rights or remedies it might have.

7.9 Notices

Any demand, notice or other communication (hereinafter in this Section referred to as a "**Communication**") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or facsimile addressed to the recipient as follows:

To the Collateral Agent on behalf of the Beneficiaries as follows:

Macquarie Bank Limited
1 Martin Place
Sydney, NSW 2000

Facsimile No.: +61 (2) 8232-3590
Attention: Executive Director, Metals & Energy Capital Division

with a copy to:

Macquarie Metals and Energy Capital (Canada) Ltd.
Suite 2400, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2B5

Attention: Mr. Chris Adams

Facsimile No.: (604) 605 1679

To the Guarantor:

Carpathian Gold Inc.
365 Bay St. Suite 300
Toronto, Ontario M5H 2V1

Attention: President and Chief Executive Officer

Facsimile No.: (416) 363-3883

or such other address or electronic communication number as may be designated by notice by any party to the other. Any Communication given by personal delivery or facsimile transmission shall be conclusively deemed to have been given on the day of actual delivery or transmittal thereof.

7.10 Assignment

The rights of the Beneficiaries under this Guarantee may be assigned by the Beneficiaries in accordance with the provisions of the Project Facility Agreement and without the consent of the Obligors or the Guarantor during the continuance of an Event of Default and, at all other times, with the prior written consent of the Guarantor (such consent not to be unreasonably withheld). The Guarantor may not assign its obligations under this Guarantee.

7.11 Time of Essence

Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Guarantor under this Guarantee may be strictly enforced by the Beneficiaries.

7.12 Financial Condition of the Obligors

The Guarantor is fully aware of the financial condition of each of the Obligors and acknowledges that it shall receive a benefit from the Beneficiaries entering into the Finance Documents. The Guarantor assumes all responsibility for being and keeping itself informed of the financial condition and assets of each of the Obligors, and of all other circumstances bearing upon the risk of non-payment, non-observance or non-performance of the Obligations and the nature, scope and extent of the risks which Guarantor assumes and incurs hereunder, and agrees that the Beneficiaries shall not have a duty to advise Guarantor of information known to it regarding such circumstances or risks.

7.13 Acknowledgement of Documentation

The Guarantor hereby acknowledges receipt of a true and complete copy of the other Finance Documents and all of the terms and conditions thereof.

7.14 Entire Agreement

This Guarantee constitutes the entire agreement between the Beneficiaries and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements,

expressed, implied or statutory, between such parties other than as expressly set forth herein or therein.

7.15 Governing Law

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

7.16 Attornment

The Guarantor and each of the Purchasers hereby irrevocably:

(a) submits for itself and its property in any legal action or proceeding relating to this Guarantee, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the Province of Ontario, and appellate courts from any of the same;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and

(c) agrees that nothing contained herein shall (i) limit the right of the Collateral Agent or any other Beneficiary to sue in any other jurisdiction, or (ii) limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

CARPATHIAN GOLD INC.

Per: _____
Name: Guy Charette
Title: Executive Vice President

Per: _____
Name:
Title

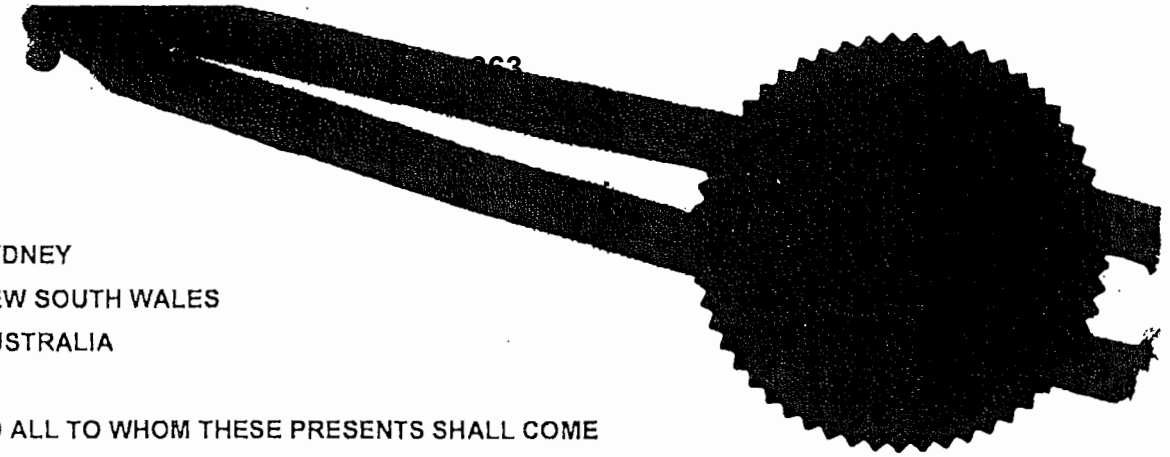
This is **Exhibit "G"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits



SYDNEY
NEW SOUTH WALES
AUSTRALIA

TO ALL TO WHOM THESE PRESENTS SHALL COME

I **PAUL JOSEPH HARBAUM** of 84/336 West Street, Naremburn, New South Wales, Australia **NOTARY PUBLIC** duly authorised admitted and sworn and practising in the State of New South Wales in the Commonwealth of Australia **DO HEREBY CERTIFY THAT:**

1 I was present at the offices of Macquarie Bank Limited, No. 1 Martin Place, Sydney, Australia at 1.00pm on 11 January 2013;

2 annexed to this certificate and signed by me on page number 14 for identification is a contract of 16 pages entitled "**DISCLOSED PLEDGE OF CLAIMS AND MEMBERSHIPS**" between Carpathian Gold Inc., Ore-Leave Capital (Brazil) Limited, Macquarie Bank Limited (ABN 46 008 583 542) (***Bank***) and OLV Coöperatie U.A.;

3 Robert McRobbie and Haydn Smith, each of whom I have known personally for at least 12 months, appeared before me on 11 January 2013 and I saw the face of each of them. They executed the contract as attorneys of the Bank under a Power of Attorney Fixed Income, Currencies and Commodities Group granted by the Bank on 22 November 2012 (***Power of Attorney***);

4 the signatures "R McRobbie" and "H. Smith" subscribed to the contract are of the own true and proper handwriting of Robert McRobbie and Haydn Smith respectively;

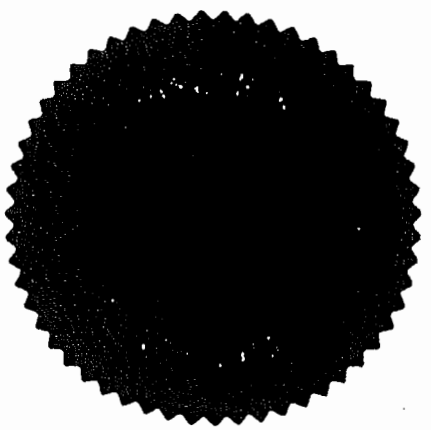
5 Haydn Smith is an executive director and an officer of the Fixed Income, Currencies and Commodities Group (***FICC***) of the Bank and, as such, a Part A attorney under the Power of Attorney;

6 Robert McRobbie is a division director and an officer of the Legal Risk Management Division of FICC of the Bank and, as such, a Part B attorney under the Power of Attorney;

7 the contract is of a type which may be signed by a Part A attorney and a Part B attorney of the Bank under the Power of Attorney; and

8 the contract being so executed is duly executed on behalf of, and binding on, the Bank in accordance with the provisions of Australian law relating to corporations.

IN FAITH AND TESTIMONY
whereof I have hereunto subscribed
my name and affixed my seal of office
at **SYDNEY** this 9th day of
January in the year two thousand and thirteen.



PAUL JOSEPH HARBAUM
NOTARY PUBLIC

EXECUTION VERSION

CARPATHIAN GOLD INC.

and

ORE-LEAVE CAPITAL (BRAZIL) LIMITED

as Pledgors

and

MACQUARIE BANK LIMITED

as Pledgee

and

OLV COÖPERATIE U.A.

as the Cooperative

DISCLOSED PLEDGE OF CLAIMS AND MEMBERSHIPS

CONTENTS

DEED OF PLEDGE OF CLAIMS AND MEMBERSHIPS

THIS DEED is made by:

1. **CARPATHIAN GOLD INC.**, a company incorporated and existing under the federal laws of Canada, having its head office at Suite 300, 365 Bay Street, Toronto, Ontario M5H 2VI, Canada ("**Carpathian Gold**");

2. **ORE-LEAVE CAPITAL (BRAZIL) LIMITED**, a company incorporated and existing under the laws of Barbados, having its registered office at Chancery House, High Street, Bridgetown, St Michael BB11128, Barbados WI ("**Ore-Leave Capital**") and together with Carpathian Gold Inc, the "**Pledgors**");

3. **MACQUARIE BANK LIMITED**, a company with limited liability organised under the laws of Australia, acting through its office at No 1, Martin Place, Sydney, NSW 2000, Australia (the "**Pledgee**"); and

4. **OLV COÖPERATIE U.A.**, a cooperative (*coöperatie*) incorporated under Dutch law, having its seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Prins Bernhardplein 200, 1097 JB, Amsterdam, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 52314146 (the "**Cooperative**").

IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions**

1.1.1 Unless a contrary indication appears, capitalised terms not defined in this Deed (as defined below) shall have the same meaning given to such terms in the Collateral Agreement (as defined below).

1.1.2 In addition the following terms shall have the following meaning:

"**Articles of Association**" means the articles of association (*statuten*) of the Cooperative as they currently stand and/or, as the case may be, as they may be amended from time to time;

"**Claims**" means any and all of the rights of each Pledgor in connection with the Membership, including but not limited to its entitlement to any account (including the Member's Accounts) held by, and rights to receive payments from, the Cooperative under the Articles of Association (including any Liquidation Payment (as defined below)), whether such rights now exist (*bestaan*), whether the same will be acquired by any of the Pledgors directly pursuant to a legal relationship now in existence (*rechtstreeks zal worden verkregen uit een nu reeds bestaande rechtsverhouding*) or whether the same will hereafter be acquired otherwise by any of the Pledgors, whether present

or future, whether due and payable and whether actual or contingent, to the extent these rights are capable of being pledged under Netherlands law;

"**Collateral Agreement**" means the collateral agency and inter-creditor agreement dated 11 January 2013 between, *inter alios*, Mineração Riacho dos Machados Ltda., the Pledgee and the Pledgors;

"**Deed**" means this deed of pledge;

"**Enforcement Event**" means any default (*verzuim*) in the proper performance of the Secured Obligations or any part thereof, provided that a Project Loan Default has occurred;

"**Future Security Assets**" means all Memberships and the Claims in the capital of the Cooperative acquired by the Pledgors after the date of this Deed;

"**Liquidation Payment**" means the liquidation payment described in Article 25(4) of the Articles of Association;

"**Member**" means a member (*lid*) of the Cooperative;

"**Member's Accounts**" means the member's account (*ledenkapitaalrekening*) and reserve account (*reserverekening*) as described in Article 23 of the Articles of Association;

"**Memberships**" means the memberships in the Cooperative, including any and all rights, interest and title in and to such membership and "**Membership**" means any one of them;

"**Obligations**" means the Project Loan Obligations (but, for the avoidance of doubt, excluding the Parallel Debt);

"**Secured Obligations**" means all present and future obligations owed by the Pledgors to the Pledgee pursuant to the Parallel Debt and all Obligations that are secured obligations pursuant to paragraph 3.1.2;

"**Security Assets**" means each Pledgor's Membership(s) and each Pledgor's Claims; and

"**Voting Rights**" means the voting rights in respect of the Membership.

1.2 **Interpretation**

Subject to any contrary indication, any reference in this Deed to a "**Clause**" or "**paragraph**" shall be interpreted as a reference to a clause or paragraph hereof.

1.3 **Continuing security**

Any reference made in this Deed to any Project Loan Document or to any agreement or document (under whatever name), where applicable, shall be deemed to be a reference to such Project Loan Document or such other agreement or document as the

same may have been, or at any time may be, extended, prolonged, amended, restated, supplemented, renewed or novated, as persons may accede thereto as a party or withdraw therefrom as a party in part or in whole or be released thereunder in part or in whole, and/or as facilities and/or financial services are or at any time may be granted, extended, prolonged, increased, reduced, cancelled, withdrawn, amended, restated, supplemented, renewed or novated thereunder including, without limitation,

(i) any increase or reduction in any amount available thereunder or any alteration of or addition to the purpose for which any such amount, or increased or reduced amount may be used,

(ii) any facility provided in substitution of, or in addition to, the facilities originally made available thereunder,

(iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing, and

(iv) any combination of the foregoing.

2. UNDERTAKING TO PLEDGE

Each Pledgor has agreed to grant to the Pledgee a first ranking right of pledge (*pandrecht eerste in rang*) over its Security Assets as security for the payment of the Secured Obligations.

3. PLEDGE

3.1 Pledge of Security Assets

3.1.1 To secure the payment of the Secured Obligations each Pledgor hereby grants to the Pledgee a first priority disclosed right of pledge over its Security Assets and grants in advance (*bij voorbaat*) to the Pledgee a right of pledge over the Future Security Assets, which rights of pledge are hereby accepted by the Pledgee.

3.1.2 If and to the extent that at the time of creation of this right of pledge, or at any time hereafter, an Obligation owed to the Pledgee cannot be validly secured through the Parallel Debt, such Obligation itself shall be a Secured Obligation.

3.1.3 In order to perfect the right of pledge created pursuant to paragraph 3.1.1, each Pledgor hereby, to the extent required, notifies the Cooperative of the right of pledge created hereby.

3.2 Registration

The Pledgee is entitled to present this Deed and any other document pursuant hereto for registration to any office, registrar or governmental body in any jurisdiction the Pledgee deems necessary or useful to protect its interests.

3.3 **Voting Rights**

3.3.1 The Voting Rights are hereby transferred to the Pledgee subject to the cumulative conditions precedent (*opschortende voorwaarden*) of:

(a) occurrence of a Project Loan Default, and

(b) notice by the Pledgee to the Cooperative that it, the Pledgee, will exercise the Voting Rights.

3.3.2 Prior to receipt by the Cooperative of a notice as referred to in paragraph 3.3.1(b) each Pledgor shall have the right to exercise the Voting Rights, provided that such Voting Rights shall be exercised in a manner that is not inconsistent with the terms of this Deed and the Project Loan Documents.

3.3.3 Forthwith upon receipt by the Cooperative of a notice as referred to in paragraph 3.3.1(b) each Pledgor shall no longer be entitled to exercise the Voting Rights.

3.3.4 If and to the extent a transfer of the Voting Rights pursuant to paragraph 3.3.1 is not enforceable or not effective, each Pledgor hereby grants a power of attorney to the Pledgee under the conditions precedent (*opschortende voorwaarden*) of (i) the occurrence of a Project Loan Default and (ii) a notice by the Pledgee to the Cooperative, pursuant to which the Pledgee is granted the right to exercise the Voting Rights.

3.3.5 If and to the extent the power of attorney in respect of the Voting Rights pursuant to clause 3.3.4 is not enforceable or not effective, each Pledgor hereby agrees to vote in the manner as requested by the Pledgee under the conditions precedent (*opschortende voorwaarden*) of (i) the occurrence of a Project Loan Default and (ii) a notice by the Pledgee to the Cooperative.

3.4 **Claims**

Only the Pledgee is entitled to receive and exercise the Claims pledged pursuant hereto. The Pledgee hereby authorises each Pledgor (as envisaged by Article 3:246 paragraph 4 Dutch Civil Code) to receive payment of the Claims. The Pledgee is entitled to revoke this authorisation upon the occurrence of a Project Loan Default, and the authorisation shall automatically cease to exist upon the occurrence of an Enforcement Event.

4. **REPRESENTATIONS, WARRANTIES AND COVENANTS**

4.1 **Representations and warranties**

4.1.1 Each Pledgor hereby represents and warrants to the Pledgee that the following is true and correct on the date hereof and on each date on which Security Assets are acquired by any of the Pledgors:

(a) each Pledgor is entitled to pledge the Security Assets as envisaged hereby;

(b) it is not aware of any adverse claims against the Membership or the Claims;

(c) its execution and performance of this Deed does not and will not conflict or contravene, and is not in default under, its articles of association;

(d) the right of pledge created hereby over the Security Assets is a first ranking right of pledge (*pandrecht eerste in rang*);

(e) this Deed constitutes a valid and binding agreement enforceable against each Pledgor in accordance with its terms;

(f) the Pledgors are the sole legal and beneficial owners of their respective Security Assets;

(g) the Security Assets have not been transferred in advance, nor have the Pledgors agreed to such a transfer or encumbrance in advance, other than where such Security Assets have been secured or will be secured under the Security; and

(h) the Cooperative has no Members other than the Pledgors.

4.2 **Covenants**

Each Pledgor hereby covenants that it will:

(a) ensure that it will comply with all applicable laws and requirements under Dutch law and any other obligations in all material aspects in relation to the Security Assets;

(b) other than as explicitly permitted under the terms of the Project Loan Documents, not release, settle or subordinate any Claims without the Pledgee's prior written consent;

(c) at the Pledgee's first request, promptly submit an up-to-date overview listing the Claims in the form designated by the Pledgee, which may include a print-out and/or an electronic data carrier containing the relevant data;

(d) at its own expense execute all such documents, exercise any right power or discretion exercisable, and perform and do all such acts and things as the Pledgee may request for creating, perfecting, protecting and/or enforcing the rights of pledge envisaged hereby;

(e) not pledge, otherwise encumber or transfer any Security Assets, whether or not in advance, or permit to subsist any kind of encumbrance other than as envisaged hereby or as explicitly permitted under the terms of the Project Loan Documents, or perform any act that may harm the rights of the Pledgee,

or permit to subsist any kind of attachment over the Security Assets, other than where such Security Assets have been secured or will be secured under the Security;

(f) immediately inform the Pledgee of any event or circumstance which may be of importance to the Pledgee for the preservation or exercise of the Pledgee's rights pursuant hereto and provide the Pledgee, upon its written request, with any other information in relation to the Security Assets or the pledge thereof as the Pledgee may request from time to time;

(g) immediately inform in writing persons such as a liquidator (*curator*) in bankruptcy (*faillissement*), an administrator (*bewindvoerder*) in a suspension of payment (*surseance van betaling*) or preliminary suspension of payment (*voorlopige surseance van betaling*) or a person making an attachment (*beslaglegger*), of the existence of the rights of the Pledgee pursuant hereto;

(h) to defend the rights and security interest of the Pledgee in the Security Assets against claims and demands of all other persons whomsoever, including taking or defending all legal proceedings;

(i) not resign as a Member or accept a termination of its Membership without (i) prior consultation and (ii) the prior written consent of the Pledgee;

(j) immediately inform the Pledgee if new Members are admitted as a Member and procure that these Members will pledge their Membership and Claims to the Pledgee in a deed in form and substance the same as this Deed;

(k) to the extent that under foreign rules of private international law, the creation of a security interest over the Security Assets is governed by any law other than Dutch law, perform all such acts as may be required to create, perfect, protect or enforce such security interest, to the extent requested to do so by the Pledgee; and

(l) except as explicitly permitted under the terms of the Project Loan Documents, not vote on any of the Membership without the consent of the Pledgee in favour of a proposal to (i) amend the Articles of Association, (ii) dissolve the Cooperative, (iii) apply for the bankruptcy (*faillissement*) or a suspension of payments (*surseance van betaling*) or preliminary suspension of payments (*voorlopige surseance van betaling*) of the Cooperative, or (iv) convert (*omzetten*), merge (*fuseren*) or demerge (*splitsen*) the Cooperative.

5. ENFORCEMENT

5.1 Any failure by the Pledgors to satisfy the Secured Obligations when due shall constitute a default (*verzuim*) in the performance of the Secured Obligations, without any reminder letter (*sommatie*) or notice of default (*ingebrekestelling*) being required.

5.2 Upon the occurrence of an Enforcement Event, the Pledgee may enforce its rights of pledge and take recourse against the proceeds of enforcement.

5.3 The Pledgors shall not be entitled to request the court to determine that the Security Assets pledged pursuant hereto shall be sold in a manner deviating from the provisions of Article 3:250 Dutch Civil Code.

5.4 The Pledgee shall not be obliged to give notice to the Pledgors or either of them of any intention to sell the pledged Security Assets (as provided in Article 3:249 Dutch Civil Code) or, if applicable, of the fact that it has sold the same Security Assets (as provided in Article 3:252 Dutch Civil Code).

5.5 All monies received or realised by the Pledgee in connection with the Security Assets shall be applied by the Pledgee in accordance with the relevant provisions of the Project Loan Documents, subject to the mandatory provisions of Dutch law on enforcement (*uitwinning*).

5.6 Without prejudice to Clauses 5.7 and 5.8 below and in accordance with Article 3 paragraphs 2 and 3 of the Articles of Association, the Pledgors as holders of the Memberships (acting as the Cooperative's general meeting) resolve to give and hereby give its unconditional and irrevocable consent to the right of pledge created under this Deed, the conditional transfer of Voting Rights pursuant to Clause 3.3 of this Deed and a possible transfer of the Membership, including but not limited to Member's Account and the Voting Rights, all of the foregoing pursuant to and in accordance with this Deed.

5.7 Upon the occurrence of an Enforcement Event, the Pledgee shall be entitled to the fullest extent permitted by applicable law, without further notice (including any notice referred to in Articles 3:249 or 3:252 of the Dutch Civil Code), advertisement, hearing or process of law of any kind, to sell and transfer all or part of the Security Assets in accordance with Netherlands law, and, where applicable, the Articles of Association including:

5.7.1 a sale of the Security Assets at a public auction in accordance with local custom and conditions in accordance with Article 3:250 of the Dutch Civil Code; or

5.7.2 an application for a court order authorising the sale of the Security Assets in the manner determined by the court, or authorising that the Security Assets remain with the Pledgee in payment of such amount as will be determined by the court in accordance with Article 3:251 of the Dutch Civil Code (the corresponding right to apply of each Pledgor is hereby excluded, and each Pledgor hereby waives and agrees not to exercise its right to apply for such a court order, which waiver is hereby accepted by the Pledgee).

5.8 The Pledgee shall also be irrevocably authorised, by the Pledgors, but shall not be obliged, to do the following in the event of such a sale:

5.8.1 to seek the approval of the corporate body designated under the Articles of Association as empowered to approve all proposed transfers of the Memberships;

5.8.2 to cause notice of such sale of the Security Assets to be served, also on behalf the Pledgors, upon the Cooperative in accordance with the law of The Netherlands and the Articles of Association; and

5.8.3 to cause any of the Security Assets to be registered in the name of the new owner(s) following the sale, to the extent required on behalf of the Pledgors, and to perform all such acts and to sign all such documents as are necessary for that purpose pursuant to Netherlands law or the provisions of the Articles of Association.

6. MISCELLANEOUS PROVISIONS

6.1 Waivers

6.1.1 To the fullest extent allowed by applicable law, each Pledgor waives any right it may have of first requiring the Pledgee to proceed against or claim payment from any other person or enforce any guarantee or security granted by any other person before exercising its rights pursuant hereto.

6.1.2 Each Pledgor hereby irrevocably and unconditionally waives (*doet afstand van*) any rights it has under or pursuant to any Dutch law provisions for the protection of grantors of security for the debts of third parties, including, to the extent relevant, any rights it may have pursuant to Articles 3:233, 3:234 and 6:139 Dutch Civil Code.

6.2 No implied waiver

Any waiver under this Deed must be given by notice to that effect. Where a party does not exercise any right under this Deed (which includes the granting by a party to any of the other parties of an extension of time in which to perform its obligations under any of these provisions), this is not deemed to constitute a forfeiture of that party's right under this Deed (*rechtsverwerking*).

6.3 Evidence of indebtedness

An excerpt from the Pledgee's records shall serve as conclusive evidence (*dwingend bewijs*) of the existence and the amounts of the Secured Obligations, subject to proof to the contrary.

6.4 Unenforceability

The Pledgor and the Pledgee hereby agree that they will negotiate in good faith to replace any provision hereof that may be held unenforceable with a provision that is enforceable and which is as similar as possible in substance to the unenforceable provision.

6.5 **No prejudice**

This Deed does not intend to prejudice, limit or affect any right of the Pledgee under any of the Project Loan Documents (or applicable banking conditions) and the Project Loan Documents do not intend to prejudice, limit or affect any right of the Pledgee under this Deed.

6.6 **Rescission**

Each party hereto waives, to the fullest extent permitted by law, its rights:

6.6.1 to dissolve (*ontbinden*) this Deed in case of failure in the performance of one or more of another party's obligations pursuant to Articles 6:265 of the Dutch Civil Code (*Burgerlijk Wetboek*) or on any other ground;

6.6.2 to suspend (*opschorten*) any of its obligations pursuant to Articles 6:52 of the Dutch Civil Code (*Burgerlijk Wetboek*) or on any other ground; and

6.6.3 to nullify (*vernietigen*) this Deed pursuant to Articles 6:228 of the Dutch Civil Code (*Burgerlijk Wetboek*) or on any other ground.

6.7 **Power of attorney**

Each Pledgor hereby grants, subject to the condition precedent (*opschortende voorwaarde*) of:

(a) the occurrence of a Project Loan Default; and/or

(b) any failure by the Pledgor to perform of any of its obligations under this Deed,

an irrevocable power of attorney to the Pledgee to perform on its behalf any and all obligations of such Pledgor hereunder, including the exercise of any ancillary rights (*nevenrechten*) as well as any other rights of such Pledgor in relation to the Security Assets (including but not limited to the right to exercise the Voting Rights), which authorisation permits the Pledgee to act or also act as such Pledgor's counterparty within the meaning of Articles 3:68 Dutch Civil Code.

6.8 **Costs**

6.8.1 All risks, taxes, fees, costs, charges and other expenses due or incurred in respect of or in connection with any of the Security Assets and/or the pledge thereof shall be exclusively for the account of the Pledgor.

6.8.2 All costs, charges and other expenses incurred by the Pledgee in the lawful exercise of the powers conferred upon it pursuant hereto (including any enforcement measure), or in relation to the negotiation, preparation, execution and administration of this Deed, as well as in connection with any variation, amendment or supplement to the terms of this Deed, and any costs, charges and other expenses incurred by the Pledgee in connection with any consent or waiver, shall be payable by the Pledgor to the Pledgee on first demand.

6.9 **Collateral Agreement**

Reference is made to the Collateral Agreement. Notwithstanding anything in this Deed to the contrary, this Deed secures only the Secured Obligations. In the event of any conflict or inconsistency between the provisions of the Collateral Agreement and this Deed, the Collateral Agreement shall control.

7. **TRANSFER**

7.1 **Power to transfer**

The Pledgee is entitled to transfer all or part of its rights and/or obligations pursuant hereto to any transferee and each Pledgor hereby in advance gives its irrevocable consent to, and hereby in advance irrevocably co-operates with, any such transfer (within the meaning of Articles 6:156 and 6:159 Dutch Civil Code).

7.2 **Transfer of information**

The Pledgee is entitled to impart any information concerning the Pledgors and/or the Security Assets to any transferee or proposed transferee.

8. **NOTICES**

All notices, demands, instructions and communications required or permitted to be given to or made upon any party hereto shall be given in accordance with the below notice details:

for each of Carpathian Gold, Ore-Leave Capital, the Cooperative and OLC Holdings B.V.:

c/o Carpathian Gold Inc.
365 Bay St. Suite 300
Toronto, Ontario M5H 2V1
Attention: President and Chief Executive Officer
Facsimile No.: (416) 363-3883

and in relation to the Cooperative and OLC Holdings B.V. with a copy to:

Intertrust (Netherlands) B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands
Attention: Mr. David J. Jaarsma
Facsimile No.: +31-20-521 4888
Electronic mail: david.jaarsma@intertrustgroup.com

For the Pledgee:

Macquarie Bank Limited
No. 1 Martin Place

Sydney, NSW 2000
Australia
Attention: Executive Director, Metals & Energy Capital Division
Facsimile No. +61 (2) 8232 3590

with a copy to:
Macquarie Metals and Energy Capital (Canada) Ltd.
Suite 2400, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2B5
Attention: Mr. Chris Adams
Facsimile No.: (604) 605 1679
Electronic mail: tcgmecvanprd@macquarie.com

9. TERMINATION

9.1 **Termination of pledge**

Unless terminated by operation of law, the Pledgee's rights of pledge created pursuant hereto shall be in full force and effect vis-à-vis each Pledgor until it shall have terminated, in part or in whole, as described in Clause 9.2 below.

9.2 **Termination by notice (*opzegging*) and waiver (*afstand*)**

The Pledgee will be entitled to terminate by notice (*opzegging*), in part or in whole, the rights of pledge created pursuant hereto in respect of all or part of the Security Assets and/or all or part of the Secured Obligations. If and insofar as the purported effect of any such termination requires a waiver (*afstand van recht*) by the Pledgee, each Pledgor hereby in advance agrees to such waiver.

10. THE COOPERATIVE

10.1 By signing this Deed the Cooperative:

10.1.1 acknowledges the right of pledge created over the Security Assets;

10.1.2 confirms that it has been notified of the right of pledge created over the Claims;

10.1.3 represents and warrants that to the best of its knowledge and belief the representations and warranties of each Pledgor made pursuant to paragraphs 4.1.1 (b) and 4.1.1 (f) are true and correct;

10.1.4 represents and warrants that this Deed constitutes a valid and binding agreement enforceable against the Cooperative in accordance with its terms;

10.1.5 shall not terminate or cooperate with any termination of any Membership of any of the Pledgors without (i) prior consultation and (ii) the prior written consent of the Pledgee;

10.1.6 shall at its own expense execute all documents, exercise any right, power or discretion exercisable and do all such acts as the Pledgee may reasonably request for creating, perfecting, protecting or enforcing the rights of pledge envisaged hereby;

10.1.7 shall immediately inform the Pledgee of any event or circumstance which may be of importance to the Pledgee for the preservation or exercise of the Pledgee's rights pursuant hereto and provide the Pledgee, upon its written request, with any other information in relation to the (pledge of its) Security Assets as the Pledgee may from time to time request;

10.1.8 immediately inform the Pledgee if new Members are admitted as a Member and procure that these Members will pledge their Membership and Claims to the Pledgee in a deed in form and substance the same as this Deed;

10.1.9 shall immediately inform in writing persons such as a liquidator in bankruptcy (*curator*), an administrator (*bewindvoerder*) in a (preliminary) suspension of payment or persons making an attachment, of the existence of the rights of pledge created pursuant hereto;

10.1.10 shall to the extent that under foreign rules of private international law, the creation of a security interest over the Security Assets is governed by any law other than Dutch law, perform all such acts as may be required to create, perfect, protect or enforce such security interest, to the extent requested to do so by the Pledgee; and

10.1.11 undertakes to register the right of pledge over the Security Assets in its membership register and to provide the Pledgee, as soon as practically possible, with a copy of the relevant entries in its membership register.

11. GOVERNING LAW AND JURISDICTION

11.1 Governing law

This Deed is governed by and shall be interpreted in accordance with Dutch law.

11.2 Jurisdiction

Any disputes arising from or in connection with this Deed shall be submitted in first instance to the competent court in Amsterdam, The Netherlands, without prejudice to the Pledgee's right to submit any disputes to any other competent court in The Netherlands or in any other jurisdiction.

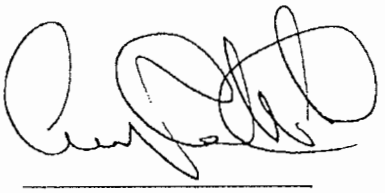
11.3 Power of attorney

If a party to this Deed is represented by an attorney or attorneys in connection with the execution of this Deed or any agreement or document pursuant hereto and the relevant power of attorney is expressed to be governed by Dutch law, such choice of law is hereby accepted by each other party, in accordance with section 14 Hague Convention

on the Law Applicable to Agency of the fourteenth day of March nineteen hundred and seventy-eight.

This Deed has been executed on 11 January 2013 by:

For and on behalf of Carpathian Gold,
as Pledgor



Name:
Title:

For and on behalf of Ore-Leave Capital,
as Pledgor

Name:
Title:

I, **Michael Kozub**, of **Toronto, Ontario**, Notary Public in and for the **Province of Ontario**, do hereby **CERTIFY** that on the **eleventh (11th)** day of **January, 2013** personally appeared before me a male person who identified himself to be **Guy Charette**, the Authorized Signatory of **Carpathian Gold Inc.**, an executing party to the above written document and did in my presence sign the same as and for his voluntary act and deed.

IN TESTIMONY WHEREOF I have hereunto set and ascribed my name and affixed my seal of office this **eleventh (11th)** day of **January** 2013.

Michael Kozub
Notary Public (Ontario)

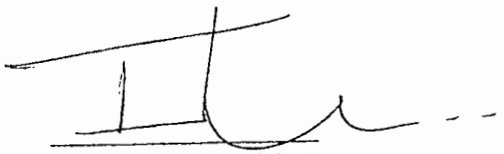
This Deed has been executed on January 11, 2013 by:

For and on behalf of Carpathian Gold,
as Pledgor

_____

Name:
Title:

For and on behalf of Ore-Leave Capital,
as Pledgor



Name: Trevor Carmichael
Title: Director

For and on behalf of Macquarie Bank Limited, as Pledgee

(Signed in Sydney, POA Ref: #938 dated 22nd November 2012)

Name: Robert McRobbie
Title: Division Director
Legal Risk Management

Haydn Smith
Executive Director
Macquarie Bank Limited

For and on behalf of OLV Coöperatie U.A., as Cooperative

Name:
Title:

Seen for the legalization of the signature of D.J. Jaarsma by me, J.L.F.J. Verasdonck, civil law notary, at Amsterdam, the Netherlands, without assuming any responsibility for the contents of the document.

Amsterdam, __ January 2013

For and on behalf of Macquarie Bank Limited, as Pledgee

_____

Name:
Title:

For and on behalf of OLV Coöperatie U.A., as Cooperative

Name: D.J. Jaarsma
Title: Managing Director

Seen for the legalization of the signature of D.J. Jaarsma by me, J.L.F.J. Verasdonck, civil law notary, at Amsterdam, the Netherlands, without assuming any responsibility for the contents of the document.

Amsterdam, 11 *January 2013*

Seen for the legalization of the signature(s) of:

D.J. Jaarsma,

by me, J.L.F.J. Verasdonck, civil law notary, at Amsterdam, The Netherlands, without assuming any responsibility for the contents of the document.
Amsterdam, 11 January 2013

mr. J.L.F.J. Verasdonck * notaris te Amsterdam *

This is **Exhibit "H"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

BARBADOS

DEED OF CHARGE OVER SHARES

This **DEED OF CHARGE OVER SHARES** is dated as of January 11, 2013.

BETWEEN: **CARPATHIAN GOLD INC.**, a corporation organized and subsisting under the federal laws of Canada ("**Carpathian**")

AND: **MACQUARIE BANK LIMITED** ("**MBL**"), as Collateral Agent (in such capacity, the "**Collateral Agent**") for the Beneficiaries under the Collateral Agency and Inter-creditor Agreement, for the benefit of itself and the other Beneficiaries.

AND: **ORE-LEAVE CAPITAL (BRAZIL) LIMITED**, a company incorporated and registered under the provisions of the Companies Act Chapter 308 of the Laws of Barbados with its registered office at Chancery House, High Street, Bridgetown, Barbados (the **"Company"**)

RECITALS:

1. Under a project facility agreement dated as of January 11, 2013 (as the same may be amended, restated or supplemented from time to time, the "**Project Facility Agreement**"), between Mineração Riacho dos Machados Ltda. (the "Borrower"), as borrower, Carpathian, OLC Holdings B.V. ("**Holdings**"), OLV Coöperatie U.A. ("**OLV**"), and the Company, as guarantors (collectively, the "**Guarantors**"), and MBL, as a Lender, a Hedge Provider, the Agent and the Collateral Agent (as each of those terms is defined in the Project Facility Agreement), under the terms of which, the Borrower has requested the Project Facility (as defined in the Project Facility Agreement) to finance in part the construction and operation of a gold mine at Riacho dos Machados in the northern region of Minas Gerais State, Brazil and the production and export of Product to persons located outside of Brazil, and the Lenders have agreed to provide the Project Facility to the Borrower on the terms and conditions herein set forth in the Project Facility Agreement.

2. Carpathian is the owner of all of the issued and outstanding shares in the capital of the Company as described in Schedule I hereto (referred to as the "**Charged Securities**"), and under the terms of the Project Facility Agreement, Carpathian has agreed to grant to the Collateral Agent for the benefit of all of the Beneficiaries a first priority lien over its Charged Securities to secure the Project Loan Obligations (as defined in Collateral Agency and Inter-creditor Agreement) (the "**Obligations**").

NOW THEREFORE in consideration of the premises, Carpathian hereby agrees with the Collateral Agent as follows:

SECTION 1. Definitions and Interpretation as used unless the context otherwise requires the following expressions shall bear the following respective meanings:

"Agreement"	means this Charge Over Shares; and
"Event of Default"	means each "Event of Default" or similar term, as such term is defined in the Project Facility Agreement or in any Finance Document.

Unless otherwise defined herein, capitalised terms used in this Agreement have the meaning ascribed thereto in the Project Facility Agreement. Headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement. All references to enactments herein shall, unless expressly declared otherwise, be reference to legislation of Barbados.

SECTION 2. Grant of Security Carpathian hereby charges, assigns and pledges to the Collateral Agent, and hereby grants to the Collateral Agent interest in the following (collectively, the "**Collateral**"):

(a) the Charged Securities and the certificates representing the Charged Securities and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Charged Securities;

(b) all additional shares of the Company from time to time acquired by Carpathian in any manner and the certificates representing such additional shares, and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares. Such additional shares shall become Charged Securities; and

(c) all proceeds of any and all of the foregoing Collateral (including, without limitation, proceeds that constitute property of the types described in clauses (a) and (b) of this Section 2).

Before any Event of Default, Carpathian shall be entitled to receive any and all dividends, distributions and interest paid or payable in cash in respect of any Collateral.

Before any Event of Default, the Collateral Agent shall be entitled to receive any and all dividends, distributions and interest paid or payable other than in cash in respect of same.

SECTION 3. Security for Obligations This Agreement secures the payment of the Obligations of the Obligors. Without limiting the generality of the foregoing, this Agreement secures to the extent permitted by applicable law, the

payment of all amounts that constitute part of the Obligations that would be owed by any Obligor to the Collateral Agent.

Notwithstanding the foregoing, this Agreement shall be impressed in the first instance with stamp duty covering US$1,000,000,000 of the Obligations; provided, however, that the Collateral Agent shall be and is hereby authorised at any time or times hereafter (without any further consent from, or consideration given to, the Company) to impress additional stamp duty hereon covering additional amounts of the Obligations. For the purposes hereof, the Collateral Agent is duly appointed the attorney-in-fact for the Carpathian, with power and authority in such capacity to execute and deliver in the name of and on behalf of Carpathian, such further documents or instruments necessary to effect the up-stamping of this Agreement, which Carpathian hereby expressly declares and acknowledges is coupled with an interest and shall be irrevocable.

SECTION 4. Delivery of Collateral All certificates or instruments representing or evidencing Collateral shall be delivered to and held by or on behalf of the Collateral Agent pursuant hereto and shall be in suitable form for transfer by delivery, accompanied by a duly executed instrument of transfer with the name of the transferee, date and consideration left blank and other consents or waivers as the Collateral Agent may require to enable the Collateral Agent to vest the same in itself or its nominees. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the right, at any time in its discretion and without notice to Carpathian to transfer to or to register in the name of the Collateral Agent or any of its nominees any or all of the Collateral, subject only to the revocable rights specified in Section 7(a). In addition, the Collateral Agent shall have the right at any time to exchange certificates or instruments representing or evidencing Collateral for certificates or instruments of small or larger denominations.

SECTION 5. Representations and Warranties All representations and warranties given by Carpathian in the Project Facility Agreement are incorporated herein. Carpathian further represents and warrants as follows:

(a) Carpathian is the legal and beneficial owner of the Collateral and that the Charged Securities have been duly authorised and validly issued and are fully paid and non-assessable.

(b) This Agreement and the pledge of the Collateral pursuant hereto create, a valid and perfected security interest in the Collateral, securing the payment of the Obligations and all filings and other actions necessary or desirable to perfect and protect such security interest and its priority have been duly taken.

SECTION 6. Further Assurances

(a) Carpathian agrees that from time to time, at the expense of Carpathian, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Collateral Agent may

request, in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby or the priority thereof or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral, (including, for certainty, all additional shares of the Company acquired from time to time by Carpathian in any manner). Without limiting the generality of the foregoing, Carpathian will: (i) if any Collateral shall be evidenced by a promissory note or other instrument, deliver and pledge to the Collateral Agent hereunder such note or instrument duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Collateral Agent and (ii) execute and file such financing or continuation statements, or amendments thereto and such other instruments or notices as may be necessary or desirable or as the Collateral Agent may reasonably request, in order to perfect and preserve the pledge, assignment and security interest granted or purported to be granted hereby.

(b) Carpathian will furnish to the Collateral Agent from time to time, statements and schedules further identifying and describing the Collateral, (including, for certainty, all additional shares of the Company acquired from time to time by Carpathian in any manner) and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

SECTION 7. Exercise of Shareholder Rights

(a) Before any Event of Default, Carpathian shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement, the Project Facility Agreement or any other Finance Documents.

(b) On or after any Event of Default, any and all

(i) dividends and other distributions paid or payable in cash in respect of any Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(ii) cash paid, payable or otherwise distributed in redemption of any Collateral.

shall be and shall be forthwith delivered to the Collateral Agent to hold as Collateral and shall, if received by Carpathian, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of Carpathian and be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

(c) Upon notice to Carpathian by the Collateral Agent following the occurrence and during the continuance of an Event of Default, all rights of Carpathian to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 7(a) shall immediately cease, and all such rights shall thereupon become vested in the Collateral Agent, which

shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights (but only for so long as an Event of Default shall continue).

SECTION 8. Transfer and Other Liens

(a) Carpathian shall not (i) sell, assign (by operation of law or otherwise), transfer or otherwise dispose of, or grant any option with respect to, any of the Collateral, unless such sale, assignment or transfer is made in accordance with the terms and conditions of any of the Finance Documents; or (ii) create or suffer to exist any lien or other security interest upon or with respect to any of the Collateral except for the pledge, charge, assignment and security interest created by this Agreement.

(b) Carpathian shall (i) from and after the date hereof, cause the Company not to issue any stock, shares or other securities in addition to or in substitution for the Charged Securities, except to Carpathian, and (ii) deliver or otherwise transfer to the Collateral Agent, immediately upon its acquisition (directly or indirectly) thereof, any and all certificates and duly executed instruments of transfer related to any additional stock, shares or other securities of the Company.

SECTION 9. Collateral Agent Appointed Attorney-in-Fact Carpathian hereby irrevocably appoints the Collateral Agent as Carpathian's attorney-in-fact, with full authority in the place and stead of Carpathian and in the name of Carpathian or otherwise, from time to time in the Collateral Agent's discretion, on and after any Event of Default to take any action and to execute any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement including without limitation:

(a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral,

(b) to receive, endorse and collect any drafts or other instruments and documents in connection with clause (a) above,

(c) to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce compliance with the rights of the Collateral Agent with respect to any of the Collateral, and

(d) to complete, date and deliver to the registered office of the Company, the executed share transfer to give effect to the transfer of the Charged Securities to the Collateral Agent or any other person or persons designated in writing (and named in the schedule to the share transfer annexed hereto as Schedule II) by the Collateral Agent.

SECTION 10. Collateral Agent May Perform If Carpathian fails to perform any agreement contained herein, the Collateral Agent may (but shall be under no obligation to) itself perform, or cause performance of, such agreement, and the

expenses of the Collateral Agent incurred in connection therewith shall be payable by Carpathian under Section 14(b).

SECTION 11. The Collateral Agent's Duties The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Collateral Agent has or is deemed to have knowledge of such matter, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property.

SECTION 12. Remedies On and after any Event of Default:

(a) The Collateral Agent may exercise in respect to the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the laws of Barbados and also may (i) require Carpathian to and Carpathian hereby agrees that it will at its expense and upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent that is reasonably convenient to both parties and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery and upon such other terms as the Collateral Agent may deem commercially reasonable. Carpathian agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to Carpathian of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by the Collateral Agent in respect of any sale of, collection from or other realisation upon all or any part of the Collateral may, in the discretion of the Collateral Agent, be held by the Collateral Agent as Collateral for, and/or then or at any time thereafter applied, at the direction of the Collateral Agent (after payment of any amounts payable to the Collateral Agent), in whole or in part by the Collateral Agent against all or any part of the Obligations in such order as the Collateral Agent shall elect. Any surplus of such cash or cash proceeds held by the Collateral Agent and remaining after payment in full of all the Obligations shall be paid over to Carpathian or to whomsoever may be lawfully entitled to receive such surplus.

(c) The Collateral Agent may exercise any and all rights and remedies of Carpathian in respect of the Collateral.

(d) All payments received by Carpathian in respect of the Collateral shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of Carpathian and shall be forthwith paid over to the Collateral Agent in the same form as so received (with any necessary endorsement).

SECTION 13. Acknowledgement and Covenants of the Company The Company acknowledges the pledge and delivery of the certificates representing the Charged Securities by Carpathian to the Collateral Agent in accordance with this Agreement and of the security interests granted in the Collateral by Carpathian. The Company covenants to the Collateral Agent as follows:

(a) that it shall maintain separate and apart from the share register of the Company, a record of the security interests created by this Agreement and of the interest of the Collateral Agent in the Charged Securities, which record shall be kept and maintained by the Company together with the corporate registers and records required in accordance with section 170 of the *Companies Act* of Barbados;

(b) that it shall not give its consent to any transfer of the Charged Securities by Carpathian (other than pursuant to this Agreement), unless such transfer is made in accordance with the terms and conditions of the Finance Documents ;

(c) that upon receipt of written notice of the Collateral Agent that an Event of Default has occurred and is continuing, and on any realisation of the security interests by the Collateral Agent in accordance with this Agreement, it shall consent to the transfer of the Charged Securities to the Collateral Agent, and shall do all things necessary to effect the registration of the shares in the name of the Collateral Agent or such other person as is designated in writing by the Collateral Agent;

(d) that upon written notice of the Collateral Agent that an Event of Default has occurred and is continuing, the Company shall pay to the Collateral Agent all dividends and other distributions made in respect of the Charged Securities, and pay to the Collateral Agent all interest and other payments made in respect of any part of the Collateral;

(e) that upon written notice of the Collateral Agent that an Event of Default has occurred and is continuing, the Company shall give to the Collateral Agent notice of any annual or special general meeting of the shareholders of the Company, as well as notice of any meeting at which the shareholders of the class represented by the Charged Securities are entitled to vote separately as a class; and

(f) at any time and from time to time, the Company shall promptly give to the Collateral Agent notice of any addition to the issued and outstanding, as well as of any substitution, reclassification, conversion or other similar dealing with or in respect of the Charged Securities.

SECTION 14. Indemnity and Expenses

(a) Carpathian agrees to indemnify the Collateral Agent from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Collateral Agent's gross negligence or wilful misconduct as determined by a final judgement of a court of competent jurisdiction.

(b) Carpathian will, upon demand, pay to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts that the Collateral Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realisation upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Collateral Agent hereunder or (iv) the failure by Carpathian to perform or observe any of the provisions hereof.

SECTION 15. Amendments and Waivers No amendment or waiver of any provision of this Agreement, and no consent to any departure by Carpathian herefrom, shall in any event be effective unless the same shall be in writing and signed by the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Collateral Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

SECTION 16. Addresses for Notices All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic, telex or cable communication) and mailed, telegraphed, telecopied, telexed, cabled or delivered to the respective addresses or facsimile numbers given below or such other address or facsimile number as shall be designated by a party in a written notice to the other parties complying as to delivery with the terms of this Section 16.

(a) To the Collateral Agent:

Macquarie Bank Limited
No. 1 Martin Place
Sydney, NSW 2000
Australia

Attention: Executive Director, Metals & Energy Capital Division
Facsimile No. +61 (2) 8232 3590

with a copy to:

Macquarie Metals and Energy Capital (Canada) Ltd.
Suite 2400, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2B5

Attention: Mr. Chris Adams
Facsimile No.: (604) 605 1679
Electronic mail: tcgmecvanprd@macquarie.com

(b) To Carpathian:

Carpathian Gold Inc.
365 Bay St. Suite 300
Toronto, Ontario M5H 2V1

Attention: President and Chief Executive Officer
Facsimile No.: (416) 363-3883
To the Agent:

(c) To the Company:

c/o Carpathian Gold Inc.
365 Bay St. Suite 300
Toronto, Ontario M5H 2V1

Attention: President and Chief Executive Officer
Facsimile No.: (416) 363-3883
To the Agent:

All such notices and other communications shall, when mailed, telecopied, telegraphed, telexed or cabled, respectively, be effective when deposited in the mails, telecopied, delivered to the telegraph company, confirmed by telex answer back or delivered to the cable company, respectively, addressed as aforesaid.

SECTION 17. Continuing Security Interest: Assignments Under the Project Facility Agreement This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the date of the full payment of all Obligations, or the cancellation or expiration of all Finance Documents (b) be binding upon each of Carpathian and the Company, its respective successors and assigns and (c) inure together with the rights and remedies of the Collateral Agent hereunder to the benefit of the Collateral Agent and its successors, transferees and permitted assigns. Without limiting the generality of the foregoing, the Collateral Agent may assign or otherwise transfer all or any portion of its rights and obligations under this Agreement to any person to whom all or any part of its rights, benefits and obligations under any Finance Documents are assigned or transferred in accordance with the provisions of any Finance Document and such person shall thereupon become vested with all the benefits in respect thereof granted to the Collateral Agent herein or otherwise. Neither Carpathian nor the Company may assign its obligations under this Agreement.

SECTION 18. Termination When the Collateral Agent has determined that all of the Obligations have been irrevocably and unconditionally paid and discharged in full, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Carpathian. Upon any such termination, the Collateral Agent will, at Carpathian's expense, execute and deliver to Carpathian such documents as Carpathian shall reasonably request to evidence such termination.

SECTION19. Governing Law; Jurisdiction; Waiver of Jury Trial

(a) This Agreement shall be governed by and construed in accordance with the laws of Barbados, except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than Barbados.

(b) Carpathian hereby irrevocably and unconditionally submits, for itself and its property to the non-exclusive jurisdiction of any Barbados court and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement or for recognition or enforcement of any judgement and Carpathian hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such Barbados court or, to the extent permitted by law, in such appellate court. Carpathian agrees that a final judgement in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgement or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to

bring any action or proceeding relating to this Agreement to which it is or is to be a party in the courts of any jurisdiction.

(c) Carpathian irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any Barbados court. Carpathian hereby irrevocably waives, to the fullest extent permitted by law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) To the extent that Carpathian has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgement, attachment in aid of execution or otherwise) with respect to itself or its property, Carpathian hereby irrevocably waives such immunity in respect of its obligations under this Agreement and without limiting the generality of the foregoing, agrees that the waivers set forth in this subsection 19(d) shall have the fullest scope permitted under the laws of Barbados and are intended to be irrevocable for purposes thereof.

SECTION 20. Limitation of Liability It is expressly understood and agreed to by Carpathian that nothing contained herein shall be construed as creating any liability on the Agent, Collateral Agent, any Hedge Provider or any Lender, individually or personally to perform any covenant either express or implied of Carpathian contained herein, all such liability, if any, being expressly waived by Carpathian and by any person claiming by, through or under Carpathian.

SECTION 21. Counterparts This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which collectively shall constitute one and the same instrument representing this Agreement between the parties hereto and it shall not be necessary for the proof of this Agreement that any party produce or account for more than one such counterpart.

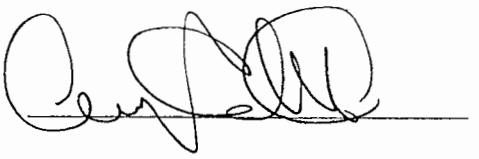
SECTION 22. Invalid Provisions If any provision of this Agreement is held to be illegal or invalid or unenforceable, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

SECTION 23. Conflict with Collateral Agency and Inter-creditor Agreement This Agreement is to be read and construed to the fullest extent possible in a manner consistent with the Collateral Agency and Inter-creditor Agreement; notwithstanding anything in this Agreement to the contrary, this Agreement secures only the Project Loan Obligations as set forth in the Collateral Agency and Inter-creditor Agreement. In the event that any provision herein is inconsistent with, conflicts with or is at variance with the Collateral Agency and Inter-creditor Agreement, the Collateral Agency and Inter-creditor Agreement shall prevail; provided always that no term of the Collateral Agency and Inter-creditor Agreement may limit or otherwise reduce or affect the extent of the security interest granted in this Agreement.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK

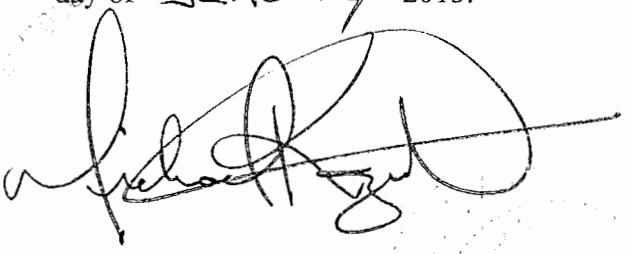
IN WITNESS WHEREOF each of Carpathian, the Collateral Agent and the Company has caused this Agreement to be duly executed and delivered by its officers thereunto duly authorised as of the date first above written.

EXECUTED and **DELIVERED**)
as a DEED by Guy Charette)
and by)
for and on behalf of)
CARPATHIAN GOLD INC.)
in the presence of:)



I, Michael Kozub of Toronto, ON Notary Public in and for Ontario do hereby **CERTIFY** that on the 11th day of January 2013 personally appeared before me a male/female person who identified himself/herself to be Guy Charette the Authorized Signatory of **CARPATHIAN GOLD INC.** an executing party to the above written document and did in my presence sign the same as and for his/her voluntary act and deed.

IN TESTIMONY WHEREOF I have hereunto set and ascribed my name and affixed my seal of office this 11th day of January 2013.



EXECUTED and **DELIVERED**	)	
as a DEED by	)	
and by	)	_____
for and on behalf of	)	
MACQUARIE BANK LIMITED	)	
in the presence of:	)	_____

Witness: _____

Name:

EXECUTED and **DELIVERED**	)	
as a DEED by	)	
and by	)	_____
for and on behalf of	)	
ORE-LEAVE CAPITAL (BRAZIL) LIMITED	)	
in the presence of:	)	_____

Witness: _____
Name:

SCHEDULE I

COMPANY	SHAREHOLDER	NUMBER OF SHARES	CLASS OF SHARES	PERCENTAGE OWNERSHIP OF COMPANY
Ore-Leave Capital (Brazil) Limited	**Carpathian Gold Inc.**	2	Common	100%

This is **Exhibit "I"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

EXECUTION VERSION

GENERAL SECURITY AGREEMENT
(CARPATHIAN GOLD INC.)

THIS AGREEMENT made as of October 8, 2013

BETWEEN:

CARPATHIAN GOLD INC., a company existing under the laws of Canada (hereinafter referred to as the "**Debtor**")

-and-

MACQUARIE BANK LIMITED, in its capacity as Collateral Agent under the Collateral Agency and Inter-Creditor Agreement (hereinafter referred to as the "**Collateral Agent**").

RECITALS:

WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of the Obligations, the security interest and assignment, mortgage and charge granted herein;

AND WHEREAS the Beneficiaries have appointed and authorized the Collateral Agent to act as their agent and attorney for the purpose of holding the security granted by the Debtor;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto, this Section and any schedules or attachments hereto, unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this agreement, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"**Borrower**" means Mineração Riacho dos Machados Ltda. and its successors.

"**Charge**" means the security interests, assignments, mortgages and charges created hereunder.

"**Collateral**" has the meaning set out in Section 2.1.

"**Collateral Agency and Inter-Creditor Agreement**" means the collateral agency and inter-creditor agreement dated 11 January, 2013, between, among others, Mineração Riacho dos Machados Ltda., the Debtor, and MBL, in various capacities, including without limitation as

Lender, Hedge Provider, Agent and Collateral Agent as the same may be amended, supplemented, modified or restated from time to time.

"**Excluded Collateral**" means all right, title and interest of the Debtor, directly or indirectly, in:

(a) the shares of Ore-Leave Capital (Barbados) Limited;

(b) the shares of Carpathian Gold Limited;

(c) the shares of SAMAX Romania Limited;

(d) the shares of SAMAX Romania S.R.L.; and

(e) the assets of SAMAX Romania S.R.L.

"**Extended Funding Date**" has the meaning ascribed thereto in the Project Facility Agreement.

"**Obligations**" means all Project Loan Obligations (as such term is defined in the Collateral Agency and Inter-Creditor Agreement) of the Debtor.

"**Project Completion Date**" has the meaning ascribed thereto in the Project Facility Agreement.

"**Project Facility Agreement**" has the meaning ascribed thereto in the Collateral Agency and Inter-Creditor Agreement, as such Project Facility Agreement has been amended from time to time.

1.2 Definitions used in the Collateral Agency and Inter-Creditor Agreement

Capitalized terms used herein without express definition shall, unless something in the subject matter or context is inconsistent therewith, have the same meanings as are ascribed to such terms in the Collateral Agency and Inter-Creditor Agreement.

1.3 Personal Property Security Act Definitions

The terms "accessions", "account", "chattel paper", "document of title", "goods", "instrument", "intangible", "inventory", "investment property", "money" and "proceeds" whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (Ontario) (the "**PPSA**"), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.4 Headings and References

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter

or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.5 Included Words

In this Agreement words importing the singular number only shall include the plural and *vice versa*, words importing any gender shall include all genders, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.6 Calculation of Interest

Whenever a rate of interest hereunder is calculated on the basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.7 Schedules

Any schedule to this Agreement is incorporated by reference and shall be deemed to be part of this Agreement.

ARTICLE 2
GRANT OF SECURITY

2.1 Security

As general and continuing security for the payment and performance of the Obligations, the Debtor, subject to the exceptions set out in Section 2.3, hereby grants to the Collateral Agent a security interest in all of the present and future undertaking, assets and property, both real and personal, of the Debtor (collectively, the "**Collateral**"), and as further general and continuing security for the payment and performance of the Obligations, the Debtor hereby assigns the Collateral to the Collateral Agent and mortgages and charges the Collateral to the Collateral Agent (with respect to real property, as and by way of a floating charge). Without limiting the generality of the foregoing, the Collateral shall include all right, title and interest that the Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

(a) Accounts Receivable: all debts, accounts, accounts receivables, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively, the "**Receivables**");

(b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease, or furnished or to be furnished under contracts for service, or that are work in

progress, or that are raw materials used or consumed in the business of the Debtor (collectively, the "**Inventory**");

(c) Equipment: all goods, machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory, including, without limiting the generality of the foregoing, the tangible personal property described in any schedule hereto executed by both the Debtor and the Collateral Agent;

(d) Chattel Paper: all chattel paper;

(e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

(f) Investment Property and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other investment property and all instruments (collectively, the "**Securities**");

(g) Intangibles: all intangibles not described in Section 2.1(a) including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;

(h) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;

(i) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a) to (h) inclusive, and all contracts, securities, instruments and other rights and benefits in respect thereof;

(j) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a) to (i) inclusive; and

(k) Proceeds: all proceeds of the property described in Sections 2.1(a) to (j) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property;

provided that the Charge shall not: (i) extend, include or apply to the last day of the term of any other lease now held or hereafter acquired by the Debtor, but should the Collateral Agent enforce the said Charge, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said Charge; (ii) render the Collateral Agent liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound; or (iii) extend, include or apply to the Excluded Collateral. The Collateral Agent hereby acknowledges and agrees that the Collateral shall not in any event include the Excluded Collateral.

2.2 Attachment of Security Interest

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby shall attach when the Debtor signs this Agreement and the Debtor has rights in the Collateral.

2.3 Exception for Contractual Rights

The security interest granted hereby does not and will not extend to, and Collateral will not include any agreement, right, franchise, licence or permit (the "**contractual rights**") to which the Debtor is a party or of which the Debtor has the benefit, to the extent that the creation of the security interest herein would constitute a breach of the terms of or permit any person to terminate the contractual rights, but the Debtor must hold its interest therein in trust for the Collateral Agent and will assign such contractual rights to the Collateral Agent forthwith upon obtaining the consent of the other party thereto. The Debtor agrees that it will, upon the request of the Collateral Agent, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the security interest.

ARTICLE 3
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

3.1 Representations and Warranties

The Debtor hereby represents and warrants to the Collateral Agent and the Beneficiaries that (and acknowledges that the Collateral Agent and the Beneficiaries are relying on the same):

(a) the address of the Debtor's chief executive office (as such term is utilized in the *Personal Property Security Act* (Ontario)) is that given at the end of this Agreement;

(b) the address of the office where the Debtor keeps its records respecting the Receivables is that given at the end of this Agreement;

(c) all of the tangible property and assets of the Debtor, real or personal, are located at 365 Bay Street, Suite 300, Toronto, Ontario M5H 2V1; and

(d) it has not granted "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property forming part of the Collateral to any person other than the Collateral Agent.

3.2 Survival of Representations and Warranties

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by any of the Beneficiaries or their legal counsel. Such representations and warranties shall survive until this Agreement has been terminated and discharged in accordance with Section 6.8 hereof.

3.3 Covenants

The Debtor covenants with the Collateral Agent that the Debtor shall:

(a) not change its name or its chief executive office or the location of the office where it keeps its records respecting the Receivables without giving 5 Banking Days' prior written notice thereof to the Collateral Agent;

(b) from time to time forthwith at the request of the Collateral Agent execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Collateral Agent to effectively carry out the full intent and meaning of this Agreement, including, without limitation, to enforce the Charge and remedies provided hereunder, or to better evidence and perfect the Charge, and, upon the occurrence of a Project Loan Default, the Debtor hereby irrevocably constitutes and appoints the Collateral Agent, or any receiver or receiver and manager appointed by the court or the Collateral Agent, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Collateral Agent or any such Receiver may consider it to be necessary or expedient;

(c) if and to the extent that under the laws applicable to any part of the Collateral, no valid or effective security interest can be created in such Collateral pursuant to this Agreement, the Debtor shall enter into such alternative or supplemental security agreements and take such steps and actions as the Collateral Agent may request in order to create a valid and effective security interest in the relevant Collateral, and, without limiting the generality of the foregoing, the Debtor and the Collateral Agent confirm that they have prior to the date hereof entered into the following supplemental security agreement: a deed of charge over shares in respect of Ore-Leave Capital (Brazil) Limited;

(d) pay to the Collateral Agent forthwith upon demand (i) all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Collateral Agent in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the Charge and (ii) all costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Collateral Agent in connection with enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and

(e) not grant "control" (within the meaning of such term under Section 1(2) of the PPSA) over any investment property forming part of the Collateral to any person other than the Collateral Agent.

ARTICLE 4
SECURITIES; ACCOUNT DEBTORS

4.1 Registration of Securities

The Collateral Agent may require that the Debtor have any Securities registered in the name of the Collateral Agent or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that, until a Project Loan Default has occurred and is continuing, the Debtor shall be entitled to exercise all voting power from time to time exercisable in respect of the Securities. The Beneficiaries shall not be responsible for any loss occasioned by the exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof. The Debtor shall from time to time forthwith upon the request of the Collateral Agent deliver to the Collateral Agent those Securities requested by the Collateral Agent duly endorsed for transfer to the Collateral Agent or its nominee to be held by the Collateral Agent subject to the terms of this Agreement.

4.2 Notification of Account Debtors

Before a Project Loan Default occurs, the Collateral Agent may, to the extent necessary under applicable law to preserve or perfect the Charge granted hereby, give notice of this Agreement and the Charge granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and, after the occurrence and during the continuance of a Project Loan Default, may give notice to any such account debtors or other person to make all further payments to the Collateral Agent, and, after the occurrence and during the continuance of a Project Loan Default, any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Collateral Agent shall be held by the Debtor in trust for the Collateral Agent and forthwith paid over to the Collateral Agent on request.

ARTICLE 5
REMEDIES

5.1 Remedies

(a) Upon the occurrence and during the continuance of any Project Loan Default any or all security granted hereby shall, at the option of the Collateral Agent, become immediately enforceable and, in addition to any right or remedy provided by law, the Collateral Agent will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently, or both, and are in addition to and not in substitution for any other rights or remedies the Collateral Agent may have:

(i) the Collateral Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "**Receiver**") of the Collateral (which term when used in this Section 5.1 shall include the whole or any part of the Collateral) and may remove or replace such

Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Collateral Agent" when used in this Section 5.1 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Collateral Agent shall not be in any way responsible for any misconduct or negligence of any such Receiver;

(ii) the Collateral Agent may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Collateral Agent at such place or places as may be specified by the Collateral Agent;

(iii) the Collateral Agent may take such steps as it considers desirable to maintain, preserve or protect the Collateral;

(iv) the Collateral Agent may carry on or concur in the carrying on of all or any part of the business of the Debtor;

(v) the Collateral Agent may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;

(vi) the Collateral Agent may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Collateral Agent may determine and without notice to the Debtor unless required by law and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or duly authorized representative of the Collateral Agent being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Debtor and all other persons claiming all or any part of the Collateral by, from, through or under the Debtor;

(vii) the Collateral Agent may accept the Collateral in satisfaction or partial satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;

(viii) the Collateral Agent may borrow money on the security of the Collateral for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the Charge;

(ix) the Collateral Agent may enter upon, occupy and use all or any of the Collateral occupied by the Debtor and use all or any of the Collateral for such time as the Collateral Agent requires to facilitate the realization of

the Collateral, free of charge, and the Collateral Agent and the Beneficiaries will not be liable to the Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges, depreciation or damages in connection with such actions;

(x) the Collateral Agent may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at a rate per annum equal to the rate of interest per annum then payable on the applicable Obligations pursuant to Project Loan Documents, as applicable, plus 4.0% per annum, shall be added to and form part of the Obligations hereby secured; and

(xi) the Collateral Agent may discharge any claim, Security Interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all reasonable costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured.

(b) The Collateral Agent and the Beneficiaries may:

(i) grant extensions of time,

(ii) take and perfect or abstain from taking and perfecting security,

(iii) give up securities,

(iv) accept compositions or compromises,

(v) grant releases and discharges; and

(vi) release any part of the Collateral or otherwise deal with the Debtor, debtors and creditors of the Debtor, sureties and others and with the Collateral and other security as the Collateral Agent sees fit,

without prejudice to the liability of the Debtor to the Collateral Agent and the Beneficiaries or the Beneficiaries' rights hereunder.

(c) The Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Collateral Agent, the Debtor or any other person, in respect of the Collateral.

(d) The Collateral Agent shall apply any proceeds of realization of the Collateral to payment of reasonable expenses in connection with the preservation and realization of the Collateral as above described and the Collateral Agent shall apply any balance of such proceeds to payment of the Obligations in accordance with the Collateral Agency and Inter-Creditor Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Collateral Agent and the Beneficiaries forthwith on demand. Subject to the requirements of applicable law, any surplus realized in excess of the Obligations shall be paid over to the Debtor.

(e) Any Receiver shall be entitled to exercise all rights and powers of the Collateral Agent hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Debtor and not of the Collateral Agent and the Debtor shall be solely responsible for the Receiver's acts or defaults and remuneration.

ARTICLE 6
GENERAL

6.1 Benefit of the Agreement

This Agreement shall be binding upon the successors and permitted assigns of the Debtor and shall benefit the successors and permitted assigns of the Collateral Agent and other Beneficiaries.

6.2 Collateral Agency and Inter-Creditor Agreement; Entire Agreement

(a) Reference is made to the Collateral Agency and Inter-Creditor Agreement. Notwithstanding anything in this Agreement to the contrary, this Agreement secures only the Project Loan Obligations (as defined in the Collateral Agency and Inter-Creditor Agreement) as set forth in the Collateral Agency and Inter-Creditor Agreement. In the event of any conflict or inconsistency between the provisions of the Collateral Agency and Inter-Creditor Agreement and this Agreement, the provisions of the Collateral Agency and Inter-Creditor Agreement shall control.

(b) This Agreement together, with the Project Loan Documents and the Collateral Agency and Inter-Creditor Agreement constitute the entire agreement between the Debtor and the Collateral Agent with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Beneficiaries and the Debtor except as expressly set forth therein and herein.

6.3 No Waiver

No delay or failure by the Beneficiaries in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.

6.4 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

6.5 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, facsimile or other electronic means, addressed to the recipient as follows:

To the Debtor:

Carpathian Gold Inc.
365 Bay Street, Suite 300
Toronto, Ontario M5H 2V1

Facsimile No.: (416) 363-3883
Attention: Chairman and Chief Executive Officer

To the Collateral Agent:

Macquarie Bank Limited
1 Martin Place
Sydney, NSW 2000

Facsimile No.: +61 (2) 8232-3590
Attention: Executive Director, Metals & Energy Capital Division

with a copy to:

Macquarie Metals and Energy Capital (Canada) Ltd.
Suite 2400, Bentall 5
550 Burrard Street
Vancouver, BC V6C 2B5

Facsimile No.: (604) 605 1679
Attention: Mr. Chris Adams

or such other address, electronic communication number, or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or communication made or given by personal delivery or by facsimile transmission or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by facsimile transmission or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Toronto time) on the first Banking Day following actual delivery or transmittal, as the case may be.

6.6 Modification; Waivers; Assignment

This Agreement may not be amended or modified in any respect except by written instrument signed by the Debtor and the Collateral Agent. No waiver of any provision of this Agreement by the Collateral Agent shall be effective unless the same is in writing and signed by the Collateral Agent, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it is given. The rights of the Collateral Agent (including those of any Beneficiary) under this Agreement may only be assigned in accordance with the requirements of the Collateral Agency and Inter-Creditor Agreement. The Debtor may not assign its obligations under this Agreement. Any assignee of a Beneficiary shall be bound hereby, *mutatis mutandis*.

6.7 Additional Continuing Security

This Agreement and the Charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Collateral Agent or the Beneficiaries and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Collateral Agent.

6.8 Discharge

The Debtor and the Collateral shall not be discharged from the Charge or from this Agreement except by a release or discharge in writing signed by the Collateral Agent. The Collateral Agent acknowledges and agrees that the Debtor and the Collateral shall be released and discharged from this Agreement on the date on which the Project Completion Date and the Extended Funding Date have been achieved.

6.9 No Release

The loss, injury or destruction of the Collateral shall not operate in any manner to release or discharge the Debtor from any of its liabilities to the Beneficiaries.

6.10 No Obligation to Act

Notwithstanding any provision of this Agreement or any other Project Loan Document, or the operation, application or effect hereof, the Collateral Agent, the other

Beneficiaries or any Receiver, or any representative or agent acting for or on behalf of the foregoing, shall not have any obligation whatsoever to exercise or refrain from exercising any right, power, privilege or interest hereunder or to receive or claim any benefit hereunder.

6.11 Admit to Benefit

Subject to Section 6.6, no person other than the Debtor and the Beneficiaries shall have any rights or benefits under this Agreement, nor is it intended that any such person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any security in favour of such person.

6.12 Time of the Essence

Time shall be of the essence with regard to this Agreement.

6.13 Waiver of Financing Statement, etc.

The Debtor hereby waives the right to receive from the Collateral Agent or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

6.14 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

6.15 Attornment

The Debtor and each of the Beneficiaries each hereby irrevocably:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the Province of Ontario, and appellate courts from any of the same;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and

(c) agrees that nothing contained herein shall (i) limit the right of the Collateral Agent or any other Beneficiary to sue in any other jurisdiction, or (ii) limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

6.16 Executed Copy

The Debtor hereby acknowledges receipt of a fully executed copy of this Agreement.

6.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[The remainder of this page has been intentionally left blank; signature page follows.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

CARPATHIAN GOLD INC.

Per: _____
Name: Dino Titaro
Title: Chairman and CEO

(Signed in Sydney, POA Ref: #938 dated 22nd November 2012)

MACQUARIE BANK LIMITED,
as Collateral Agent

Per: _____
Name: Margot Branson / Katie Choi
Title: Division Director / Division Director
Legal Risk Management / Macquarie Bank Limited

chief executive office of the Debtor and office where the Debtor keeps its records concerning the Receivables:

365 Bay Street, Suite 300
Toronto, Ontario M5H 2V1

This is **Exhibit "J"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

RUN NUMBER : 097
RUN DATE : 2016/04/06
ID : 20160406094534.88

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(12155)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.

FILE CURRENCY : 05APR 2016

ENQUIRY NUMBER 20160406094534.88 CONTAINS 17 PAGE(S), 2 FAMILY(IES).

418

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

ESC REF: 3370160
ESC CORPORATE SERVICES LTD.
445 KING STREET WEST, SUITE 400
TORONTO ON M5V 1K4

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj3 09/2013)

CONTINUED... 2

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
690961437

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	003		20131009 1311 1862 6195	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME				
02	DEBTOR								
03	NAME	BUSINESS NAME	CARPATHIAN GOLD INC.					ONTARIO CORPORATION NO.	
04		ADDRESS	365 BAY STREET, SUITE 300			TORONTO		ON	M5H 2V1
05	DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME				
06	NAME	BUSINESS NAME						ONTARIO CORPORATION NO.	
07		ADDRESS							
08	SECURED PARTY / LIEN CLAIMANT		MACQUARIE BANK LIMITED						
09		ADDRESS	1 MARTIN PLACE			SYDNEY, AUSTRALIA	NSW		2000

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR NO FIXED MATURITY DATE
10		X	X	X	X	X		

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE				

13 GENERAL COLLATERAL DESCRIPTION
14 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR OTHER
15 THAN THE EXCLUDED COLLATERAL. "EXCLUDED COLLATERAL" MEANS ALL RIGHT,
TITLE AND INTEREST OF THE DEBTOR, DIRECTLY OR INDIRECTLY, IN (A) THE

16	REGISTERING AGENT	BLAKE, CASSELS & GRAYDON LLP (J.SHAMES/MRO)				
17	ADDRESS	SUITE 4000, COMMERCE COURT WEST	TORONTO		ON	M5L 1A9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

RUN NUMBER : 097
RUN DATE : 2016/04/06
ID : 20160406094534.88

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(12157)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER						
00	690961437						
	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002		003		20131009 1311 1862 6195		
		DATE OF BIRTH	FIRST GIVEN NAME		INITIAL	SURNAME		
02	DEBTOR							
03	NAME	BUSINESS NAME					ONTARIO CORPORATION NO.	
04		ADDRESS						
		DATE OF BIRTH	FIRST GIVEN NAME		INITIAL	SURNAME		
05	DEBTOR							
06	NAME	BUSINESS NAME					ONTARIO CORPORATION NO.	
07		ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT							
09		ADDRESS						

	COLLATERAL CLASSIFICATION								
	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			

13 GENERAL COLLATERAL DESCRIPTION
14 SHARES OF ORE-LEAVE CAPITAL (BARBADOS) LIMITED, (B) SHARES OF
15 CARPATHIAN GOLD LIMITED, (C) SHARES OF SAMAX ROMANIA LIMITED, (D)
SHARES OF SAMAX ROMANIA S.R.L. AND (E) THE ASSETS OF SAMAX ROMANIA

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

420

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 690961437

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		003		003		20131009 1311 1862 6195		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR				
03	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
04		ADDRESS			
05	DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
06	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
07		ADDRESS			

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR NO FIXED MATURITY DATE
10									

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL S.R.L.
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		001		20160405 0922 1862 3402	

21 RECORD REFERENCED: FILE NUMBER 690961437

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22		X	D ASSIGNMENT		

	FIRST GIVEN NAME	INITIAL	SURNAME
23 REFERENCE DEBTOR/ TRANSFEROR			

24 BUSINESS NAME: CARPATHIAN GOLD INC.

25 OTHER CHANGE REASON/ DESCRIPTION

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02/05 DEBTOR/ TRANSFEREE				

03/ BUSINESS NAME

06 ONTARIO CORPORATION NO.

04/07 ADDRESS

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE: MACQUARIE BANK LIMITED

08 BRIO FINANCE HOLDINGS B.V.

09 ADDRESS: PRINS BERNHARDPLEIN 200, 1097 JB AMSTERDAM, NETHERLANDS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR NO FIXED MATURITY DATE
10								

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE GENERAL COLLATERAL DESCRIPTION				

16 REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT: NORTON ROSE FULBRIGHT CANADA LLP (EC/MT)

17 ADDRESS: 200 BAY STREET, SUITE 3800 TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2ts 09/2013)

Ontario

RUN NUMBER : 097
RUN DATE : 2016/04/06
ID : 20160406094534.88

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(12160)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	683994717

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	010		20130109 0934 1862 6057	P PPSA	10

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR							
03	NAME	BUSINESS NAME	CARPATHIAN GOLD INC.			ONTARIO CORPORATION NO.		
04		ADDRESS	365 BAY STREET, SUITE 300		TORONTO		ON	M5H 2V1

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR							
06	NAME	BUSINESS NAME				ONTARIO CORPORATION NO.		
07		ADDRESS						

08	SECURED PARTY / LIEN CLAIMANT	MACQUARIE BANK LIMITED		
09	ADDRESS	1 MARTIN PLACE, SYDNEY, NSW 2000,	SYDNEY	

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X		X					

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13	GENERAL	ALL RIGHT, TITLE AND INTEREST OF THE DEBTOR IN
14	COLLATERAL	(1) ALL PRESENT AND FUTURE INDEBTEDNESS, LIABILITIES AND OBLIGATIONS
15	DESCRIPTION	OF MINERACAO RIACHO DOS MACHADOS LTDA., OLV COOPERATIE U.A., OLC

16	REGISTERING AGENT	BLAKE, CASSELS & GRAYDON LLP (FXH/JMX)			
17	ADDRESS	BOX 25, COMMERCE COURT WEST	TORONTO	ON	M5L 1A9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER							
00	683994717							
	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002		010		20130109 0934 1862 6057		

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
02	DEBTOR				
03	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
04		ADDRESS			
	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR				
06	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
07		ADDRESS			
08	SECURED PARTY / LIEN CLAIMANT				
09		ADDRESS	AUSTRALIA		

	COLLATERAL CLASSIFICATION									
	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

HOLDINGS B.V., OR ORE-LEAVE CAPITAL (BRAZIL) LIMITED (COLLECTIVELY, THE "LOAN PARTIES") TO THE DEBTOR WHICH NOW ARE OR MAY HEREAFTER BECOME DUE OR OWING BY ANY LOAN PARTY TO THE DEBTOR,

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER 683994717							
01	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER 20130109 0934 1862 6057	REGISTERED UNDER	REGISTRATION PERIOD
		003		010				
02	DEBTOR	DATE OF BIRTH		FIRST GIVEN NAME	INITIAL	SURNAME		
03	NAME	BUSINESS NAME					ONTARIO CORPORATION NO.	
04		ADDRESS						
05	DEBTOR	DATE OF BIRTH		FIRST GIVEN NAME	INITIAL	SURNAME		
06	NAME	BUSINESS NAME					ONTARIO CORPORATION NO.	
07		ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT							
09		ADDRESS						

10	COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FIXED MATURITY DATE

11	MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.
12					

13 GENERAL COLLATERAL DESCRIPTION
14 (2) (A) ANY AND ALL (I) SHARES OF STOCK IN THE CAPITAL OF ORE-LEAVE
15 CAPITAL (BRAZIL) LIMITED ("OLC BRAZIL") AND (II) CLAIMS AND
MEMBERSHIPS IN THE CAPITAL OF OLV COOPERATIE U.A. ("OLV CO-OP")

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 9

425

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

RUN NUMBER : 097
RUN DATE : 2016/04/06
ID : 20160406094534.88

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 9
(12163)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 683994717

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		004		010		20130109 0934 1862 6057		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR				
03	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
04		ADDRESS			

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR				
06	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
07		ADDRESS			

08 SECURED PARTY / LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

ISSUED BY OR WITH RESPECT TO OLC BRAZIL OR OLV CO-OP, AS APPLICABLE, AND ALL SECURITIES ENTITLEMENTS AND OTHER INTERESTS IN CONNECTION THEREWITH, IN WHICH THE DEBTOR NOW OR IN THE FUTURE HAS ANY RIGHT,

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: CARPATHIAN GOLD INC.
FILE CURRENCY: 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 683994717

	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		005	010		20130109 0934 1862 6057		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR				
03	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
04		ADDRESS			
05	DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
06	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
07		ADDRESS			

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
TITLE OR INTEREST (COLLECTIVELY, THE "PLEDGED PROPERTY"),
(B) ALL CERTIFICATES AND INSTRUMENTS EVIDENCING OR REPRESENTING THE
PLEDGED PROPERTY,

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER						
00	683994717						
	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		006		010		20130109 0934 1862 6057		

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR			
03	NAME	BUSINESS NAME		ONTARIO CORPORATION NO.
04		ADDRESS		
	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR			
06	NAME	BUSINESS NAME		ONTARIO CORPORATION NO.
07		ADDRESS		

08	SECURED PARTY / LIEN CLAIMANT	
09		ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			

13	GENERAL	(C) ALL INTEREST, DIVIDENDS AND DISTRIBUTIONS (WHETHER IN CASH, KIND
14	COLLATERAL	OR STOCK) RECEIVED OR RECEIVABLE UPON OR WITH RESPECT TO ANY OF THE
15	DESCRIPTION	PLEDGED PROPERTY AND ALL MONEYS OR OTHER PROPERTY PAYABLE OR PAID ON

16	REGISTERING AGENT	
17		ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 683994717

CAUTION FILING | PAGE NO | OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | REGISTRATION PERIOD
01 007 010 20130109 0934 1862 6057

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
02 DEBTOR
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.
04 ADDRESS

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY OR NO FIXED MATURITY DATE
10

YEAR | MAKE | MODEL | V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION ACCOUNT OF ANY RETURN OR REPAYMENT OF CAPITAL WITH RESPECT TO ANY OF THE PLEDGED PROPERTY OR OTHERWISE DISTRIBUTED WITH RESPECT THERETO OR WHICH WILL IN ANY WAY BE CHARGED TO, OR PAYABLE OR PAID OUT OF, THE

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	683994717

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		008		010		20130109 0934 1862 6057		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR				
03	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
04		ADDRESS			
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR				
06	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
07		ADDRESS			

08	SECURED PARTY / LIEN CLAIMANT	
09		ADDRESS

	COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13	GENERAL	CAPITAL OF OLC BRAZIL OR OLV CO-OP ON ACCOUNT OF ANY SUCH PLEDGED
14	COLLATERAL	PROPERTY,
15	DESCRIPTION	(D) ALL OTHER PROPERTY THAT MAY AT ANY TIME BE RECEIVED OR RECEIVABLE

16	REGISTERING AGENT	
17		ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 14

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER						
00	683994717						
	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		009		010		20130109 0934 1862 6057		
		DATE OF BIRTH	FIRST GIVEN NAME		INITIAL	SURNAME		
02	DEBTOR							
03	NAME	BUSINESS NAME					ONTARIO CORPORATION NO.	
04		ADDRESS						
		DATE OF BIRTH	FIRST GIVEN NAME		INITIAL	SURNAME		
05	DEBTOR							
06	NAME	BUSINESS NAME					ONTARIO CORPORATION NO.	
07		ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT							
09		ADDRESS						

	COLLATERAL CLASSIFICATION								
	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

BY OR OTHERWISE DISTRIBUTED TO THE DEBTOR WITH RESPECT TO, OR IN SUBSTITUTION FOR, OR IN EXCHANGE OR REPLACEMENT FOR, ANY OF THE FOREGOING, AND

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	683994717

	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		010	010		20130109 0934 1862 6057		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR				
03	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
04		ADDRESS			
05	DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
06	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
07		ADDRESS			
08	SECURED PARTY / LIEN CLAIMANT				
09		ADDRESS			

	COLLATERAL CLASSIFICATION										
	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE	
10											

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13	GENERAL	(3) ALL PROCEEDS OF ANY OF THE FOREGOING, INCLUDING GOODS, DOCUMENTS
14	COLLATERAL	OF TITLE, CHATTEL PAPER, INVESTMENT PROPERTY, INSTRUMENTS, MONEY AND
15	DESCRIPTION	INTANGIBLES, ALL AS PROVIDED IN THE SECURITY AGREEMENTS.

16	REGISTERING AGENT	
17		ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE Ccurrency : 05APR 2016

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		001		20160405 0914 1862 3398	

21 RECORD REFERENCED — FILE NUMBER: 683994717

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22		X	D ASSIGNMENT		

	FIRST GIVEN NAME	INITIAL	SURNAME
23 REFERENCE DEBTOR/ TRANSFEROR			

24 BUSINESS NAME: CARPATHIAN GOLD INC.

25 OTHER CHANGE REASON/ DESCRIPTION

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02/ 05 DEBTOR/ 03/ TRANSFEREE				

06 BUSINESS NAME — ONTARIO CORPORATION NO.

04/07 ADDRESS

29 ASSIGNOR: MACQUARIE BANK LIMITED
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08 BRIO FINANCE HOLDINGS B.V.
09 ADDRESS: PRINS BERNHARDPLEIN 200, 1097 JB AMSTERDAM, NETHERLANDS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR NO FIXED MATURITY DATE
10								

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR 12 VEHICLE 13 GENERAL 14 COLLATERAL 15 DESCRIPTION				

16 REGISTERING AGENT OR
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS: NORTON ROSE FULBRIGHT CANADA LLP (EC/MT)
200 BAY STREET, SUITE 3800 TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 17

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj2ls 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CARPATHIAN GOLD INC.
FILE CURRENCY : 05APR 2016

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
690961437	20131009 1311 1862 6195	20160405 0922 1862 3402		
683994717	20130109 0934 1862 6057	20160405 0914 1862 3398		

434

4 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj3 09/2013)

Ontario

This is **Exhibit "K"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

Macquarie Bank Limited
ABN 46 008 583 542
Fixed Income, Currencies and Commodities

No.1 Martin Place
Sydney NSW 2000
GPO Box 4294
Sydney NSW 1164

Telephone (61 2) 8232 3333
Facsimile (61 2) 8232 8341
Internet http://www.macquarie.com.au
SWIFT MACQAU2S

28 August 2013

Mineração Riacho Dos Machados S/A
Carpathian Gold Inc.
Ore-Leave Capital (Brazil) Limited
OLV Coöperatie U.A.
OLC Holdings BV

MACQUARIE

Each care of:
365 Bay Street, Suite 300
Toronto, Ontario M5H 2V1

Dear Sirs

Facility Agreement for Riacho Dos Machados Gold Mine Project

1) We refer to the Facility Agreement for the Project Facility for the Riacho Dos Machados Gold Mine Project dated 11 January 2013 between Macquarie Bank Limited in its capacity as Administrative Agent and Collateral Agent ("**Agent**"), the Lenders and Hedge Providers listed in Schedule A of the agreement, Mineração Riacho Dos Machados S/A, in its capacity as borrower ("**Borrower**") and each of Carpathian Gold Inc. ("**CPN**"), Ore-Leave Capital (Brazil) Limited ("**OLCB**"), OLV Coöperatie U.A. ("**OLVC**") and OLC Holdings BV ("**OLCH**") in their capacity as guarantors, as amended from time to time ("**Facility Agreement**"). Unless the contrary intention appears, terms defined in the Facility Agreement have the same meaning in this letter.

Conditions precedent to amendments and extensions

2) Each of the amendments, consents and extensions contemplated by this letter agreement is subject to the overarching condition precedent that the equity raising announced by CPN on 19 August 2013 closes and CPN receives aggregate proceeds of C$19,400,000 and net proceeds after fees and expenses of C$18,000,000 ("**Equity Placement**"). If for any reason, the Equity Placement does not proceed to closing, the amendments, consents and extensions contemplated in this letter will not take effect.

Extension of dates for certain deliverables

3) Pursuant to:

a) clause 10.01(15)(c)(i), each of the Loan Parties agreed that by March 31, 2013, each Power Supply Agreement shall have been executed and delivered, all filings or recordings necessary or desirable in connection therewith shall have been made, and all stamp taxes, fees, duties or similar amounts in respect of all Power Supply Agreements shall have been paid by the Loan Parties to the applicable Official Bodies;

b) clause 10.01(15)(e), each of the Loan Parties agreed that prior to the commissioning of the Project and, in any event, no later than April 30, 2013, each Refining Agreement and the related Tripartite Agreement shall have been executed and delivered, all filings or recordings necessary or desirable in connection therewith shall have been made, and all stamp taxes, fees, duties or similar amounts in respect of all Refining Agreements and the related Tripartite Agreements shall have been paid by the Loan Parties to the applicable Official Bodies; and

c) clause 13.01(34) of the Facility Agreement, it is an Event of Default under the Facility Agreement if the registration of all relevant Security under the laws of Brazil has not been completed by 30 April 2013.

4) The Loan Parties acknowledge that the terms and conditions outlined in section 2 above remain outstanding and have requested an extension of time in which to satisfy these conditions.

5) The Agent hereby agrees to extend the date for satisfaction of the terms and conditions outlined in section 2 above to:

a) with respect to section 2(a), **31 March 2014**;

b) with respect to section 2(b), **15 September 2013**;

c) with respect to section 2(c), **31 December 2013**,

subject to the condition that the Loan Parties acknowledge and agree that the failure to satisfy any of these conditions by these extended dates will constitute an Event of Default for the purposes of the Facility Agreement.

Limited waiver and amendment with respect to excess trade creditors and accruals

6) Section 10.03(1) of the Facility Agreement provides that the Loan Parties shall not create, issue, incur, assume or become liable for any Indebtedness other than certain Permitted Indebtedness which includes, materially, pursuant to paragraph (c) of that definition, trade creditors and accruals in the ordinary course of business, on terms of payment up to, and outstanding less than, 90 days; provided that the aggregate of such Indebtedness for the Loan Parties, collectively, shall not exceed US$5,000,000 (or the Equivalent Amount in any other currency), subject to applicable holdbacks where amounts payable are in dispute or services performed or goods delivered are the subject of a dispute on grounds satisfactory to the Majority Creditors. The Borrower has advised that the current trade creditors and

accruals falling within this category of Permitted Indebtedness is, in aggregate for the Loan Parties, in excess of US$30,000,000.

7) Subject to compliance with the other terms and conditions set out in this letter agreement, as requested by the Loan Parties, the Agent, acting on the instructions of the Majority Creditors:

a) agrees to provide a limited waiver with respect to the breach of the trade creditor limits outlined in paragraph 6 above, provided that by the dates outlined in the table below, the Loan Parties ensure that the trade creditors and accruals are less than the respective amounts set out below:

Date for compliance	Maximum aggregate trade creditors and accruals falling within paragraph (c) of the definition of Permitted Indebtedness
By 31 August 2013.	US$30,000,000
By 30 September 2013.	US$24,000,000
By 31 October 2013.	US$20,000,000
By 31 December 2013.	US$16,000,000
By 31 January 2014.	US$12,000,000
By 28 February 2014 ("**Trade Creditor Compliance Date**") and onwards.	US$10,000,000

b) agrees that paragraph (c) of the definition of Permitted Indebtedness is amended by deleting the reference to "*$5,000,000*" and inserting "*$10,000,000*".

8) The limited waiver and the amendment contemplated by paragraph 7 above is subject to the conditions that:

a) the Borrower delivers to the Agent on Friday of each week until the Trade Creditor Compliance Date a full summary, including an aged report, of trade creditors and accruals then outstanding;

b) in calculating the "Costs to Complete" under the Facility Agreement, the calculation shall include an amount equal to the amount necessary to ensure that on and from the Trade Creditor Compliance Date, the amount of trade creditors and accruals falling within paragraph (c) of the definition of "Permitted Indebtedness" shall not exceed US$10,000,000; and

c) in calculating the total of amounts owing to trade creditors and accruals in the ordinary course of business from time to time after first gold pour, such

amounts shall include all amounts owing to trade creditors that were incurred during the course of construction at the Project that are still outstanding.

Request for Extension of Scheduled Export Repayment Dates

9) Due to delays in the construction of the Project, the first gold pour has been delayed and so the Loan Parties have requested an extension of time to meet the $8,500,000 scheduled export repayment that was due to be made under Tranche 1 and the $500,000 scheduled export repayment that was due to be made under Tranche 2 of the Project Facility on 31 December 2013.

10) As requested by the Loan Parties, the Agent, acting on the instruction of all of the Creditors, has agreed to amend the Facility Agreement as follows:

a) a new defined term of "***Equity Placement***" is inserted as follows:

*"**Equity Placement**" means the private equity placement announced by CPN on 19 August 2013 to raise a minimum amount of C$16,000,000."*

b) A new defined term of "***Extended Funding Date***" is inserted as follows:

*"**Extended Funding Date**" means the date on which:*

(a) the principal amount outstanding under Tranche 1 is less than the Facility Limit applicable for Tranche 1 on 31 December 2014, as set out in the Export Repayment Schedule in Schedule B; and

(b) the principal amount outstanding under Tranche 2 is less than the Facility Limit applicable for Tranche 2 on 31 December 2014, as set out in the Export Repayment Schedule in Schedule B; and

(c) the Debt Service Reserve Requirement is held in the Debt Service Reserve Account; and

(d) the amount in the Operating Account and the Proceeds Account equals or exceeds the Minimum Account Balance."

c) the definition of "***Outside Completion Date***" is amended by deleting the reference to "*June 30, 2013*" and inserting "*31 March 2014*";

d) section 6.01 is amended by:

(i) deleting the words "*On each Repayment Date*" and inserting "*Until the Extended Funding Date, on the last Business Day of each calendar month, and thereafter on each Repayment Date*".

(ii) inserting after each reference to "*Fiscal Quarter*" the following: "*(or calendar month, as applicable)*";

(iii) deleting the table set out in that section and inserting the following two sub-paragraphs:

"(a) until the Extended Funding Date: 100% of QECF: and

(b) thereafter:

Amount of Net Export Proceeds ("QECF")	*Applicable percentage of QECF to be applied as a mandatory prepayment*
< US $6,000,000	*35%*
≥ US $6,000,000 and < US $9,000,000	*45%*
≥ US $9,000,000	*55%"*

e) section 10.01(26) is deleted;

f) section 10.03(2)(b) is amended by inserting " *and the achievement of the Extended Funding Date*" after the words *"on and after the Completion Date*";

g) the last paragraph of section 10.03(7) is amended by inserting "on and after the Completion Date and the achievement of the Extended Funding Date" before the words "CPN may dispose of";

h) a new section 12.01(9A) shall be inserted as follows:

"At all times prior to the Project Completion Date:

*(a) the Borrower must not make any request for withdrawals from the Proceeds Account under section 12.01(8)(b) or (c) unless the request for such withdrawal is accompanied by a detailed summary of accounts payable, a forecast of the payments to be made from the proceeds of that withdrawal in the following four week period and a forecast total cost to reach positive cashflow ("**Withdrawal Summary**");*

(b) notwithstanding sub-paragraph (8) of this section 12.01, no withdrawal will be permitted from the Proceeds Account unless the Agent is satisfied with the information contained in the Withdrawal Summary and the amounts proposed to be withdrawn."

i) Schedule B is amended by deleting the tables set out in therein and inserting the following:

Repayment Date	Principal Repayment (US $)	Facility Limit (US $)
		65,000,000
December 31, 2013	0	65,000,000
March 31, 2014	5,000,000	60,000,000
June 30, 2014	2,300,000	57,700,000
September 30, 2014	5,500,000	52,200,000
December 31, 2014	17,500,000	34,700,000

March 31, 2015	6,500,000	28,200,000
June 30, 2015	8,000,000	20,200,000
September 30, 2015	4,000,000	16,200,000
December 31, 2015	5,500,000	10,700,000
March 31, 2016	5,500,000	5,200,000
June 30, 2016	5,200,000	0
September 30, 2016	0	0
December 31, 2016	0	0
March 31, 2017	0	0

Tranche 2 Repayment Date	**Principal Repayment (US $)**	**Facility Limit (US $)**
		25,000,000
December 31, 2013	0	25,000,000
March 31, 2014	1,500,000	23,5000,000
June 30, 2014	2,000,000	21,500,000
September 30, 2014	1,000,000	20,500,000
December 31, 2014	750,000	19,750,000
March 31, 2015	750,000	19,000,000
June 30, 2015	500,000	18,500,000
September 30, 2015	2,500,000	16,000,000
December 31, 2015	1,750,000	14,250,000
March 31, 2016	1,750,000	12,500,000
June 30, 2016	2,000,000	10,500,000
September 30, 2016	1,500,000	9,000,000
December 31, 2016	4,500,000	4,500,000
March 31, 2017	4,500,000	0

j) section 13.01 shall be amended by deleting sub-section (35) (*Cost to Complete*); and

k) section 13.01 shall be amended by inserting the following additional Events of Default:

"(37) If, at any time, the Equity Gap is greater than the then remaining proceeds of the Equity Placement.

(38) If the first gold pour at the Project has not occurred by 30 September, 2013.

(39) If the Project fails to produce at least 7,000 ounces of gold in:

(a) November 2013; and

(b)December 2013."

Additional conditions and consideration for amendments to Facility Agreement

11) In consideration for the Creditors agreeing to the amendments to the Facility Agreement contemplated by this letter agreement, the Loan Parties agree to the following terms and conditions:

a) the Borrower agrees that all of the proceeds from the Equity Placement will be deposited into the Proceeds Account;

b) CPN must deliver a preliminary corporate budget and estimate of corporate spending rates by no later than **September 30, 2013**;

c) CPN must deliver an updated and amended Annual Corporate Budget, in a form and substance satisfactory to the Majority Creditors, by no later than **Thursday, 31 October 2013**;

d) within 14 days of the execution of this letter agreement, CPN must grant a general security agreement ("**GSA**") over all of its assets and undertakings, with appropriate carve outs so as to ensure that CPN is not in breach of the terms of the subscription agreement between CPN and Barrick Gold Corporation. The Agent acknowledges and agrees that the GSA will be released on the date on which the Project Completion Date and the Extended Funding Date have been achieved;

e) the Loan Parties acknowledge and agree that any mandatory prepayments required under section 6.01 of the Facility Agreement (as amended by this Agreement) prior to the Extended Funding Date shall be applied in accordance with section 6.02 of the Facility Agreement save that amounts allocated to the repayment of principal shall be applied against the Principal Repayments due with respect to Tranche 1 and Tranche 2 during 2014 in inverse order of maturity;

f) the Borrower must ensure that the Debt Service Reserve Requirement is held in the Debt Service Reserve Account by no later than 30 June 2014;

g) on Monday of each week, the Loan Parties shall deliver a detailed report on the then current Costs to Complete with such supporting evidence as may be required by the Agent;

h) on Monday of each week until the Extended Funding Date, the Loan Parties shall deliver a grade control summary for the prior week of production at the Project, including such details and additional supporting evidence as may be required by the Agent;

i) the Borrower and the Majority Creditors agree that the Agent will not exercise any rights or remedies with respect to any breach of the DSCR (Forecast) under section 10.04(1)(c) of the Facility Agreement with respect to the Fiscal Quarter ending 30 December 2014 at any time prior to 30 June 2014, provided that on and from 1 July 2014, the Borrower is in compliance with the DSCR (Forecast) under section 10.04(1)(c) of the Facility Agreement with respect to the Fiscal Quarter ending 30 December 2014;

j) within 5 days of the date of acceptance of this Agreement, the Borrower must deliver to the Agent evidence satisfactory to the Agent and the Lenders' Counsel in Brazil that all necessary registrations have been made with the Central Bank of Brazil in respect of the anticipated Export Repayment Schedule for all proceeds from drawdowns under Tranche 1 and Tranche 2 of the Project Facility;

k) within 10 days of the date of acceptance of this Agreement, the Borrower must deliver to the Agent evidence satisfactory to the Agent and the Lenders' Counsel in Brazil that all necessary registrations have been made with the Central Bank of Brazil in respect of:

i) the amendments to the Export Repayment Schedule as contemplated by this letter agreement;

ii) the corresponding amendment to the delivery schedule under the GPA and the SPA; and

l) the Borrower shall engage Mike McKivett from Jang Consulting Pty Ltd to return to the Project in the middle of September 2013 so as to complete the grade control review with respect to the Project and the Borrower shall adopt all recommendations proposed by Mike McKivett as a result of that review unless the Borrower can provide evidence, satisfactory to the Agent, that it is not appropriate for the Borrower to do so.

12) The Loan Parties acknowledge and agree that the failure to satisfy any of the covenants, undertakings or conditions outlined in this letter agreement will constitute an Event of Default for the purposes of the Facility Agreement.

General

13) This letter and the Facility Agreement are the only agreements relating to the subject matter set forth herein and set forth the entire understanding of the parties with respect thereto. In the event the terms of this letter and of the Facility Agreement are in conflict, the terms of this letter shall govern.

14) Save as expressly set out in this letter, nothing in this letter shall be deemed to:

a) be an amendment to the terms of any Finance Document;

b) be a waiver of or consent by the Creditors to any breach or potential breach (present or future) of any provision of the Finance Documents;

c) be a waiver of an Event of Default or Potential Event of Default;

d) prejudice or adversely affect any right, power, authority, discretion or remedy arising under any Finance Document; or

e) discharge, release or otherwise affect any liability or obligation arising under any Finance Document,

and the Creditors otherwise reserve all of their rights under the Finance Documents.

15) This letter shall constitute a Finance Document for the purposes of the Facility Agreement. This letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this letter by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

16) Would you please confirm the Loan Parties' acknowledgement and agreement to the terms and conditions outlined in this letter by signing and returning a copy of this letter to the Agent for our records. The extensions set out in this letter are not effective until the Agent has received a counterpart(s) of this letter duly executed by the Borrower and each Guarantor.

Yours sincerely,

Macquarie Bank Limited, in its capacity as Administrative Agent

Name: Katie Choi
Title: Division Director
Macquarie Bank Limited
Metals and Energy Capital Division

Name: Robert McRobbie
Title: Division Director
Legal Risk Management
Legal Risk Management Division

[Acceptance signature page follows]

(Signed in Sydney, POA Ref: #938
dated 22nd November 2012)

Acceptance of letter agreement

ACCEPTED AND AGREED THIS Aug. 29, 2013

Borrower

The terms and conditions set out in the preceding letter are hereby agreed and accepted by Mineração Riacho Dos Machados S/A

Mineração Riacho Dos Machados S/A
By:
Per:

(The signatory warrants that he/she is duly authorised by Mineração Riacho Dos Machados S/A to enter into this agreement on its behalf).

Guarantors

The terms and conditions set out in the preceding letter are hereby agreed and accepted by each of the Guarantors set out below. Each signatory warrants that he/she is duly authorised by the respective Guarantor to enter into this agreement on its behalf).

Carpathian Gold Inc.
By:
Per:

Ore-Leave Capital (Brazil) Limited
By:
Per:

OLV Coöperatie U.A.
By:
Per:

OLC Holdings B.V.
By:
Per:

This is **Exhibit "L"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

FORBEARANCE AND AMENDMENT AGREEMENT

THIS FORBEARANCE AND AMENDMENT AGREEMENT (this "**Agreement**") is made as of October 18, 2013 and is entered into among Mineração Riacho Dos Machados Ltda, in its capacity as borrower (the "**Borrower**"), each of Carpathian Gold Inc. ("**CPN**"), Ore-Leave Capital (Brazil) Limited, OLV Coöperatie U.A. and OLC Holdings BV in their capacity as guarantors, (together the "**Guarantors**"), and Macquarie Bank Limited in its capacity as Administrative Agent and Collateral Agent (the "**Agent**"), for and on behalf of the Lenders and Hedge Providers listed in Schedule A of the Facility Agreement (as hereinafter defined).

RECITALS:

A. Reference is made to the Project Facility Agreement dated as of 11 January 2013 (as such Project Facility Agreement may have been further amended, supplemented or otherwise modified from time to time, the "**Facility Agreement**") among the Borrower, the Guarantors, the Agent and the Lenders and Hedge Providers listed in Schedule A of the Facility Agreement (the "**Lenders**"). Capitalized terms used but not otherwise defined herein have the meanings given to them in the Facility Agreement.

B. The Borrower and the Guarantors (each an "**Obligor**" and collectively, the "**Obligors**") have advised the Agent that the following Events of Default have occurred (together the "**Disclosed Defaults**"):

Under the Facility Agreement:

(1) the Loan Parties failed to deliver a copy of the Refining Agreement by 15 September 2013 as required under s 10.01(15)(e) of the Facility Agreement (an Event of Default under s 13.01(4) of the Facility Agreement);

(2) the Loan Parties have failed to obtain, perfect and maintain all relevant ROF registrations and deliver evidence of such ROF registrations to the Agent, as required under s 10.01(32) of the Facility Agreement(an Event of Default under s 13.01(4) of the Facility Agreement);

(3) the Borrower has failed to ensure that, at all times, the aggregate balance in the Proceeds Account and the Operating Account shall equal or exceed the Minimum Account Balance, as required under s 12.04 of the Facility Agreement (an Event of Default under s 13.01(4) of the Facility Agreement);

(4) production at the Project is below 80% of the forecast production amounts set out in s 13.01(16) of the Facility Agreement for the months of July, August and September 2013 constituting an Event of Default under s 13.01(16) of the Facility Agreement;

(5) the Equity Gap is greater than the remaining proceeds from the Equity Placement constituting an Event of Default under s 13.01(37) of the Facility Agreement;

(6) CPN and the other Loan Parties have failed to maintain a Current Ratio (on a consolidated basis) of not less than 1.20:1 as required under s 10.04(3) of the

Facility Agreement and constituting an Event of Default under s 13.01(3) of the Facility Agreement;

(7) as at the date of this Agreement, given the delay in construction at the Project and the significant short fall in funds expected to get the Project to Project Completion, a Material Adverse Event has occurred constituting an Event of Default under s 13.01(21).

Under the Letter Agreement dated 28 August 2013 ("August Letter"), breaches of which were acknowledged to be Events of Default for the purposes of the Facility Agreement:

(8) the Borrower failed to deliver to the Agent evidence satisfactory to the Agent and the Lenders' Counsel in Brazil that all necessary registrations have been made with the Central Bank of Brazil in respect of the anticipated Export Repayment Schedule for all proceeds from drawdowns under Tranche 1 and Tranche 2 of the Project Facility within 5 days of the acceptance of the August Letter, as required under paragraph 11(j) of the August Letter; and

(9) the Borrower failed to deliver to the Agent evidence satisfactory to the Agent and the Lenders' Counsel in Brazil that all necessary registrations have been made with the Central Bank of Brazil in respect of:

(a) the amendments to the Export Repayment Schedule as contemplated by the August Letter; and

(b) the corresponding amendment to the delivery schedule under the GPA and the SPA,

in each case within 10 days of the date of acceptance of the August Letter, as required by paragraph 11(k) of the August Letter; and

Under the 2002 ISDA Master Agreement and Schedule made between MRDM and Macquarie Bank Limited ("MBL"), in its capacity as Hedge Provider, dated 11 January 2013 ("ISDA Agreement"):

(10) the Borrower has failed to provide evidence, in a form and substance satisfactory to MBL, of the successful registration of each Transaction to satisfy the regulatory requirement of Resolution 3.833 of the National Monetary Council, published on 28 January 2010, within 5 Business Days of the Trade Date for all Transactions as required under Part 3(b) of the Schedule to the ISDA Agreement.

C. The Borrower has requested, and the Agent has agreed, subject to the terms and conditions hereof, that the Agent will forbear from exercising the rights and remedies of the Creditors under the Facility Agreement and the other Finance Documents with respect to the Disclosed Defaults during the Forbearance Period (as hereinafter defined).

D. The Borrower has requested, and the Agent has agreed, subject to the terms and conditions hereof, to provide an additional Tranche 3 under the Facility Agreement, the availability of which shall be in the absolute discretion of the Lenders.

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

1. **Agent's Agreement to Forbear**. The Agent confirms and agrees not to exercise any rights or remedies resulting from the Disclosed Defaults, and hereby agrees to forbear from exercising any such rights or remedies in respect of the Disclosed Defaults during the period from the date hereof until the earlier of: (A) **Thursday, 31 October 2013**, and (B) the date on which the Agent shall have terminated its forbearance hereunder in accordance with the terms of this Agreement (such period being the "**Forbearance Period**") *provided*, however, that (i) the Secured Obligations shall continue to bear interest at the rate of interest specified in the Facility Agreement and the other Finance Documents and will be paid in the manner provided for in the Facility Agreement and the other Finance Documents, (ii) each of the Loan Parties acknowledges and agrees that the Creditors shall have no obligation to make any further Advances or provide any other financial accommodation to the Borrower, (iii) except as expressly set forth herein, each Loan Party shall comply with all limitations, restrictions or prohibitions that would otherwise be effective or applicable under the Facility Agreement or any of the other Finance Documents during the continuance of any Event of Default, and (iv) other than with respect to the forbearance relating to the Disclosed Defaults, nothing herein shall restrict, impair or otherwise affect the Agent's right to file, register, record or deliver a notice of default or document of similar effect under any applicable law.

For greater certainty, except for the Disclosed Defaults, this Agreement does not relate to any other Default or Event of Default which may presently exist or which may occur in the future, or be deemed to establish a course of conduct or justify an expectation by any of the Loan Parties that the Agent will take any further action or not take any action.

The Forbearance Period may be terminated immediately by the Agent (in its sole discretion) at any time upon notice to the Borrower (on its own behalf and on behalf of the Guarantors) following the occurrence of any Default or Event of Default (other than the Disclosed Defaults), or following any failure by the Borrower or any Guarantor to observe or perform any covenant in this Agreement. The Forbearance Period will terminate automatically at 5:00 p.m. (Eastern time) on **Thursday, 31 October 2013**, unless the Agent (i) has terminated the Forbearance Period prior to that date in accordance with the terms of this Agreement; or (ii) otherwise agrees to extend the Forbearance Period in writing. Upon any such termination of the Forbearance Period, the Agent shall be entitled immediately to exercise all rights and remedies under the Facility Agreement and the other Finance Documents.

2. **Amendments: Additional Tranche 3.** The Loan Parties have requested, and the Agent has advised that the Lenders have agreed to provide an additional Tranche 3 under the Facility Agreement of up to **US$5,000,000**. The Loan Parties acknowledge and agree that the amount and the times at which Tranche 3 may be made available by the Lenders, will be in the sole discretion of the Lenders, and the Lenders shall have no obligation to provide any amounts to the Borrower under Tranche 3.

To implement Tranche 3 under the Facility Agreement, the Loan Parties and the Agent, on behalf of the Creditors, agree to the following amendments to the Facility Agreement:

(a) the definition of "***Availability Period***" is amended by deleting the reference to "*June 30, 2013*" and inserting "*November 30, 2013*";

(b) the definition of "***Interest Period***" is amended by adding the following to the end of that definition:

"*and provided further that an Interest Period shall expire on or prior to the date on which the Tranche under which the applicable Advance is drawn is to be repaid in full.*"

(c) the definition of "***Project Facility***" is deleted and replaced with the following:

"***Project Facility***" *means the non-revolving pre-export credit facility in the maximum principal amount of up to US$95,000,000, to be made available to the Borrower by the Lenders in three tranches (Tranche 1, Tranche 2 and Tranche 3) in accordance with the provisions hereof, subject to any reduction or cancellation in accordance with the provisions hereof.*

(d) a new defined term of "***Tranche 3***" is inserted as follows:

"***Tranche 3***" *means the third tranche of the Project Facility in the amount of up to US$5,000,000, to be made available by the Lenders to the Borrower, in such amounts and at such times as the Lenders shall determine, in their sole discretion.*

(e) a new defined term of "***Tranche 3 Interest Rate***" is inserted as follows:

"***Tranche 3 Interest Rate***" *means 15% per annum;*

(f) section 5.01(1) is amended by deleting the first sentence of section 5.01(1) and inserting the following:

"*The Borrower shall pay interest on each Advance during each Interest Period applicable thereto in US Dollars at a rate per annum, expressed on the basis of a 360 day year, equal to: (a) with respect to Tranche 1 and Tranche 2, the Reference Rate with respect to such applicable Interest Period plus the Margin; and (b) with respect to Tranche 3, the Tranche 3 Interest Rate.*"

(g) section 6.02 is amended by inserting prior to the reference to "*Tranche 2*" the following "*Tranche 3, secondly in respect of scheduled repayments of principal under*";

(h) section 7.01(1)(a) is amended by inserting "*(except in the case of Tranche 3)*" after the reference to "*in quarterly instalments*";

(i) Schedule A is amended by deleting the reference to "*US $90,000,000*" in Part I and inserting "*US $95,000,000*";

(j) Schedule B is amended by inserting the following:

Tranche 3 Repayment Date	**Principal Repayment (US $)**	**Facility Limit (US $)**
From date of first drawdown under Tranche 3.		Up to 5,000,000, subject to discretion of the Agent
30 November 2013.	5,000,000 (or such lesser amount as may be outstanding under Tranche 3).	0

3. **Consideration for Forbearance and Tranche 3; Additional Facility Covenants**. In consideration of the Agent's agreement to forbear as set forth in Section 1 above, and the provision of Tranche 3 under the Facility Agreement, as set forth in Section 2 above, each of the Loan Parties covenants and agrees that, in each case notwithstanding any provision to the contrary set forth in the Facility Agreement or in any other Finance Documents:

(a) in consideration for providing Tranche 3 to the Borrower under the Facility Agreement, the Borrower shall pay a non-refundable facility fee to the Lenders in an amount equal to 5% of each Advance under Tranche 3. This Facility Fee may be paid from the proceeds of each Advance under Tranche 3;

(b) during the Forbearance Period, the Borrower will deliver to the Agent on a weekly basis as and for the prior week, in a form and substance satisfactory to the Agent (which shall not be binding on the Agent or restrictive of the Agent's rights under the Facility Agreement):

(i) a detailed analysis of trade creditors and accruals and accounts payable;

(ii) a cash flow forecast for the following week; and

(iii) an updated estimate of Costs to Complete;

(c) in accordance with section 13.04 (*Default Interest*) of the Facility Agreement, the Interest Rate applicable to Advances under Tranche 1 and Tranche 2 shall accrue at an interest rate equal to the interest rate otherwise in effect for Advances outstanding at such time plus 4.00% per annum, with interest to the extent permitted by

Applicable Law, on all overdue interest at the same increased rate until such time as the Agent advises the Loan Parties otherwise;

(d) each Drawdown Notice for drawdowns under Tranche 3 must attach the following, each of which must be in form and substance satisfactory to the Agent:

(i) a detailed analysis of accounts payable;

(ii) a detailed list of creditors to be paid from the proceeds of the drawdown;

(iii) a cash flow forecast for the following week; and

(iv) an updated estimate of Costs to Complete;

(e) section 2.04(1)(c) of the Facility Agreement shall not apply to amounts drawn under Tranche 3;

(f) the Loan Parties shall deliver a copy of the Refining Agreement with Johnson Matthey Limited by **Monday, 21 October 2013**;

(g) the Loan Parties must obtain and perfect, and deliver evidence to the Agent, in a form and substance satisfactory to the Agent and the Lenders' Counsel, of all relevant Central Bank of Brazil and ROF registrations with respect to amounts drawn under Tranche 3 as required under ss 2.04(3) and 10.01(32) of the Facility Agreement;

(h) the Loan Parties must make all necessary amendments to the Security and file all required documentation and registrations in connection with the increased Facility Limit and the Security, all in a form and substance satisfactory to the Agent and the Lenders' Counsel, within 10 Business Days of each drawdown under Tranche 3;

(i) it shall be an additional Event of Default under the Facility Agreement if the Costs to Complete increase in a material way from those contemplated at the date of signing this Agreement;

(j) the acknowledgement in section B(7) of this Agreement, of the occurrence of a Material Adverse Event constituting an Event of Default under s 13.01(21) of the Facility Agreement, is based on the facts and circumstances existing at the date of this Agreement and that acknowledgement does not restrict or prevent the Agent from determining that an additional Material Adverse Event has occurred after the date of this Agreement based on any change in existing, or new, facts and circumstances after the date of this Agreement;

(k) the Borrower must deliver evidence satisfactory to the Agent and the Lenders' Counsel in Brazil that all necessary ROF and Central Bank of Brazil registrations have been made in respect of the anticipated Export Repayment Schedule for all proceeds from drawdowns under Tranche 1 and Tranche 2 of the Project Facility by **Thursday, 31 October 2013**;

(l) the Borrower must deliver evidence satisfactory to the Agent and the Lenders' Counsel in Brazil that all necessary ROF and Central Bank of Brazil registrations in respect of:

A. the amendments to the Export Repayment Schedule as contemplated by the August Letter; and

B. the corresponding amendment to the delivery schedule under the GPA and the SPA,

by no later than **Thursday, 31 October 2013**;

(m) the Borrower must provide evidence, in a form and substance satisfactory to MBL, of the successful registration of each Transaction under the Hedging Arrangements to satisfy the regulatory requirement of Resolution 3.833 of the National Monetary Council, published on 28 January 2010, with respect to all Transactions entered into prior to the date of this Agreement by **Thursday, 31 October 2013**;

(n) the Loan Parties must continue to co-operate with and provide all assistance reasonably requested by the Agent and its advisors and consultants (including, without limitation, the Lenders' Counsel, Metifex Pty Ltd ("**Metifex**") and FTI Consulting Canada Inc. ("**FTI**")) including, without limitation, assistance to allow the consultants to provide ongoing monitoring and reporting on the physical construction milestones and Costs to Complete estimates for the Project. The Loan Parties acknowledge that the Agent intends to appoint an independent engineer to remain on site at the Project for such periods as the Agent may require until Project Completion is achieved;

(o) as and when requested by the Agent, the Loan Parties must continue to provide updates in a form and substance satisfactory to the Agent on the progress of the alternative strategic transactions being considered by the Loan Parties to secure sufficient longer term funding for the Project; and

(p) within 10 days of the date of acceptance of this Agreement, each of the Loan Parties shall have delivered to the Agent (i) evidence of the corporate authority of each such party to execute, deliver and perform its obligations under this Agreement and, as applicable, all other agreement and documents executed in connection therewith, and (ii) such other documents and instruments as the Agent may reasonably require in connection with this Agreement, all of the foregoing of which shall be in form and substance satisfactory to the Agent and the Creditors.

The Loan Parties acknowledge and agree that the failure to satisfy any of the covenants, undertakings or conditions outlined in this Agreement will constitute an Event of Default for the purposes of the Facility Agreement and shall give the Agent the right to terminate the Forbearance Period.

4. **Representations.** Each of the Loan Parties jointly and severally represents and warrants to the Agent that, as of the date hereof:

(a) This Agreement has been duly authorized, executed and delivered by each Loan Party, and this Agreement, the Facility Agreement, as amended hereby, and the other Finance Documents, constitute legal, valid and binding obligations of each Loan Party, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditor's rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) The representations and warranties of each Loan Party set forth in the Facility Agreement and each other Finance Document are true and correct on and as of the date hereof, except where any such representation or warranty expressly relates to a different date, in which case such representation or warranty is true and correct as of such different date and except to the extent such representation and warranties may be rendered untrue or incorrect by the existence of the Disclosed Defaults.

(c) Except for the Disclosed Defaults, as at the date hereof, each of the Credit Parties is in full compliance with its respective covenants in the Facility Agreement and each other Finance Document, and no Default or Event of Default has occurred and is continuing.

(d) Neither the execution, delivery or performance of this Agreement and all documents and instruments delivered in connection herewith, nor the consummation of the transactions contemplated hereby or thereby, does or shall contravene, result in a breach of, or violate (i) any provision of any of the Loan Parties' constating document, (ii) any Applicable Law, or (iii) any material contract or material licence of any Loan Party.

(e) The Creditors' security interests in the Collateral continue to be valid, binding, and enforceable first-priority security interests which secure the Secured Obligations (subject only to the Permitted Liens) and no tax or judgment liens are currently in effect or registered against the Loan Parties.

5. **Conditions to Effectiveness**. This Agreement shall not become effective until the satisfaction of all of the following conditions precedent:

(a) Upon the effectiveness of this Agreement, the representations and warranties made by each of the Loan Parties in this Agreement, the Facility Agreement and each other Finance Document shall be true and correct on and as of the date hereof (except where such representation or warranty expressly relates to a different date, and except to the extent such representation and warranties may be rendered untrue or incorrect by the existence of the Disclosed Defaults) and no Defaults or Events of Default shall have occurred and be continuing other than the Disclosed Defaults and the Agent shall have received a certificate of an authorized officer of the Borrower to such effect.

(b) The Agent shall have received this Agreement, duly executed by each of the Loan Parties.

6. **Facility Agreement in Effect**. Except as specifically stated herein, all terms, conditions, covenants, representations and warranties in the Facility Agreement and the other Finance Documents shall continue in full force and effect in accordance with the provisions thereof, as amended herein, and the Security issued or granted in connection therewith is hereby ratified and confirmed and shall continue in full force and effect. Any failure by any Loan Party to observe or perform any covenant, condition or agreement herein shall constitute an immediate Event of Default under the Facility Agreement. Except as specifically provided herein, nothing herein shall constitute a modification or an alteration of the terms, conditions or covenants of the Facility Agreement or the other Finance Document nor shall relieve or release any Loan Party in any way from any of their respective duties, obligations, covenants or agreements under the Facility Agreement or under any other Finance Document. From and after the date hereof, the term "Agreement" in the Facility Agreement, and all references to the Facility Agreement in any of the other Finance Documents, shall mean the Facility Agreement, as amended by this Agreement and the term "Finance Documents" in the Facility Agreement and in the other Finance Documents shall include, without limitation, this Agreement and any agreements, instruments and other documents executed and delivered in connection herewith.

7. **Confirmation.** Each of the Guarantors hereby acknowledges, confirms and agrees that notwithstanding the forbearance and amendments to the Facility Agreement and the other Finance Documents herein contained, the terms and conditions hereof and the execution and delivery of this Agreement by the parties hereto (including, without limitation, the modification of covenants contained in the Facility Agreement and the other Finance Documents as set out herein) and whether or not any conditions precedent contained herein have been fulfilled:

(a) all adjustments or modifications to the obligations underlying any guarantee granted by such Guarantor in favour of the Agent for and on behalf of the Creditors have been made and are permitted under the terms and conditions of such guarantee; and

(b) any guarantee granted by such Guarantor in favour of the Agent for and on behalf of the Creditors (including, without limitation, all obligations of such Guarantor thereunder) shall remain in full force and effect as a valid and binding continuing guarantee in accordance with its terms without impairment or novation thereof for all present and future debts and liabilities, direct or indirect or otherwise now or at any time or from time to time hereafter due or owing from such Guarantor and the Borrower to the Agent and the Creditors.

8. **Applicable Law**. This Agreement shall be construed in accordance with and governed by the laws of the Province of Ontario, Canada.

9. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which, when taken together, shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

10. **Expenses**. The Borrower agrees to reimburse the Agent for its documented out-of-pocket costs, fees and expenses in connection with this Agreement and the Specified Defaults, including, without limitation:

(a) the legal fees and disbursements of the Lenders' Counsel;

(b) the fees, costs and expenses of Metifex, engineering consultants for the Agent; and

(c) the fees, costs and expenses of FTI, financial advisors and consultants for the Agent..

To the extent that the Borrower fails to pay or reimburse the Agent for its documented out of pocket expenses referred to above, the Loan Parties acknowledge and agree that these amounts shall form part of the Secured Obligations under the Facility Agreement.

11. **Waiver and Release**. Each of the Loan Parties acknowledges that the actions of the Agent in connection with the Facility Agreement and the other Finance Documents and the obligations of each of the Loan Parties thereunder and in entering into this Agreement and the other Finance Documents have been fair and reasonable and that the Agent has not acted in a managerial capacity with respect to any of the Loan Parties or has any fiduciary duty to any of the Loan Parties in connection with this Agreement, the Facility Agreement or the other Finance Documents. Each of the Loan Parties confirms that they have had the benefit of independent legal counsel in connection with the preparation and negotiation of this Agreement, the Facility Agreement and the other Finance Documents. Each of the Loan Parties hereby waives, and agrees not to assert or cause to be asserted, any defences, rights or claims with respect to the foregoing, and each of the Loan Parties hereby releases and remises the Agent from any and all claims with respect thereto arising up to the date of this Agreement other than in respect of any gross negligence or wilful misconduct on the part of the Agent. Furthermore, each of the Loan Parties acknowledges that, in executing and delivering this Agreement, the Facility Agreement and the other Finance Documents, the Borrower and the Guarantors have acted and continue to act freely and without duress.

12. **Successors and Assigns**. This Agreement shall be binding upon the parties hereto and their successors and permitted assigns and shall enure to the benefit of the Agent, the Lenders, and their respective successors and assigns. This Agreement shall not be assigned by the Borrower or any of the Guarantors but may be assigned by the Agent and the Creditors in accordance with the provisions of the Facility Agreement (as amended hereby) and the other Finance Documents.

13. **Severability**. The provisions of this Agreement are intended to be severable. If any provision hereof is held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

14. **Notices**. Except as otherwise expressly provided herein, all notices, requests, demands, directions and communications by one party to the other shall be sent by telecopy or similar means of recorded communication or hand delivery, and shall be effective when hand delivered or, in the case of telecopy or similar means of recorded communication, when received. All such notices shall be given to a party at its address given in accordance with the Facility Agreement.

[Balance of this page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Forbearance and Amending Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

AGENT

Macquarie Bank Limited

By: _____
Name: Katie Choi
Title: Division Director
Macquarie Bank Limited

By: _____
Name:
Title: Robert McRobbie
Division Director
Legal Risk Management

(Signed in Sydney, POA Ref: #938
dated 22nd November 2012)

BORROWER

Mineração Riacho dos Machados Ltda

By: _____
Name: DANIEL KIVARI
Title: Administrador

GUARANTORS

Carpathian Gold Inc.

By: _____
Name:
Title:

By: _____
Name:
Title:

Ore-Leave Capital (Brazil) Limited

By: _____
Name:
Title:

By: _____
Name:
Title:

50871969.1

50873328.1

IN WITNESS WHEREOF, the parties hereto have caused this Forbearance and Amending Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

AGENT

Macquarie Bank Limited

By: _____
Name: Katie Choi
Title: Division Director
Macquarie Bank Limited

By: _____
Name: **Robert McRobbie**
Title: **Division Director**
Legal Risk Management

(Signed In Sydney, POA Ref: #938
dated 22nd November 2012)

BORROWER

Mineração Riacho dos Machados Ltda

By: _____
Name:
Title:

GUARANTORS

Carpathian Gold Inc.

By: _____
Name:
Title:

By: _____
Name:
Title:

Ore-Leave Capital (Brazil) Limited

By: _____
Name:
Title:

By: _____
Name:
Title:

OLV Coöperatie U.A.

By: _____
Name:
Title:

By: _____
Name:
Title:

OLC Holdings BV

By: _____
Name:
Title:

By: _____
Name:
Title:

This is **Exhibit "M"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

PROMISSORY NOTE
US$273,112,133.80
Dated: 31 March 2016

US$ 273,112,133.80 (two hundred seventy-three million, one hundred and twelve thousand, one hundred thirty-three US dollars and eighty cents)

Payable at sight

Place of Payment: City of Rio de Janeiro, State of Rio de Janeiro, Brazil

FOR VALUE RECEIVED, the undersigned **Mineração Riacho dos Machados Ltda.**, a business limited liability company (*sociedade empresária limitada*) duly organized and validly existing under the laws of the Federative Republic of Brazil with head offices at Fazenda Francisco Sá 2, no. 346, Mato da Roça, CEP 39529-000, in the City of Riacho dos Machados, State of Minas Gerais, Federative Republic of Brazil, enrolled with the Corporate Taxpayer's Roll of the Ministry of Finance ("CNPJ/MF") under Nr. 08.832.667/0001-62 ("Obligor"), by this Promissory Note hereby irrevocably and unconditionally **promises to pay** on demand, in immediately available and freely transferable funds, to the order of BRIO GOLD INC., a corporation incorporated and operating under the laws of Ontario ("Creditor"), or to the order of BRIO FINANCE HOLDINGS B.V., a company incorporated and operating under the laws of Netherlands, the amount in Reais equivalent to US$273,112,133.80 (two hundred seventy-three million, one hundred and twelve thousand, one hundred thirty-three US dollars and eighty cents) on the date of payment at the exchange rate (sale) set forth in SISBACEN data system, at PTAX, currency 220. For the avoidance of doubt, "SISBACEN data system" means the electronic information system of the Central Bank of Brazil, provided that in the case the SISBACEN data system is unavailable or the PTAX, currency 220 exchange rate cannot be determined on the date of payment of this Promissory Note, the amount of this Promissory Note shall be converted into Reais (or such other lawful currency of the Federative Republic of Brazil) on such payment date at the exchange rate calculated in accordance with the methodology set forth in the Trade Association for the Emerging Markets (EMTA) BRL Industry Service Rate BRL12, as reported on the website of the EMTA (which, at the date hereof, is located at http://emta.org). THIS PROMISSORY NOTE MAY BE PRESENTED FOR PAYMENT UNTIL MARCH 31, 2017. **Mineração Riacho dos Machados Ltda.** hereby waives all requirements as to diligence, presentment, protest and notice of any kind with respect to this Promissory Note.

This Promissory Note shall be governed by and construed in accordance with the laws of the Federative Republic of Brazil.

Place of Issuance: City of Rio de Janeiro, State of Rio de Janeiro, Brazil

Date of Issuance: 31 March 2016

ISSUER:

MINERAÇÃO RIACHO DOS MACHADOS LTDA.

By: Carla Fernandes Moura Tavares
Title: Administrator (*Diretora Presidente*)

Cartório Hamilton Serruya
CARTÓRIO DO RECREIO 089227
4º TABELIONATO DE NOTAS AB594094
Av. das Américas 18401 - Recreio dos Bandeirantes - Rio de Janeiro - CEP: 22790-703 / Tel: (21) 3434-8400

Reconheço por AUTENTICIDADE a firma de: CARLA FERNANDES MOURA TAVARES
Cod: XOOOOO273269
Rio de Janeiro, 31 de março de 2016. Conf. por:
4º OFÍCIO DE NOTAS-Comarca da Capital
Bruna Borghesi Ferreira
Substituta do Tabelião

This is **Exhibit "N"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

OPTION AGREEMENT

This Agreement is dated as of November 20, 2015 among

MACQUARIE BANK LIMITED, a corporation subsisting under the laws of Australia,

("**Macquarie**")

and

BRIO GOLD INC., a corporation existing under the laws of Ontario,

("**Brio**")

RECITALS:

A. Macquarie is the sole legal and beneficial owner of the Assigned Assets;

B. Macquarie has agreed to provide to Brio an option pursuant to which upon exercise: (i) Brio would acquire from Macquarie all of the Assigned Assets together with all of Macquarie's rights and benefits in respect of the Assigned Assets; (ii) Brio would receive from Macquarie an assignment of Macquarie's Security in respect of the Assigned Assets; and (iii) Brio would assume all of Macquarie's obligations and liabilities under the Assigned Assets, all upon and subject to the terms and conditions set out herein.

NOW THEREFORE, FOR VALUE RECEIVED, the parties agree as follows:

Article 1
INTERPRETATION

1.1 Certain Defined Terms.

In this Agreement (including the Recitals) capitalized terms which are not otherwise defined have the meanings assigned to them in the PLF or, in the case of terms used in the definition of "Gold Arrangement Receipts", the GPA and the SPA, and the following terms have the following meanings:

(1) "**Additional Funding Amount**" has the meaning set out in Section 2.5.

(2) "**Additional Funding Approval**" has the meaning set out in Section 2.5.

(3) "**Additional Funding Notice**" has the meaning set out in Section 2.5.

(4) "**Agreement**" means this Option Agreement, as may be amended from time to time in accordance herewith.

(5) "**Assigned Assets**" means the rights, assets, property and undertakings of Macquarie set out in Schedule "A" hereto that are the subject matter of this Option, including all rights, incomes, claims, titles, interests and benefits in, to and under such rights, assets, property and undertakings, as well as any and all kinds of rights, assets, property and undertakings arising out of or in connection with claims, security or any monies payable under the rights, assets, property and undertakings as may be amended and supplemented from time to time including any replacement or renewal thereof.

(6) "**Assignment and Assumption Agreement**" has the meaning set out in Section 2.4.

(7) "**Canadian Approval and Vesting Order**" has the meaning set out in Section 2.8.

(8) "**Cash Flow Forecast**" has the meaning set out in Section 2.5.

(9) "**Claim**" means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim or demand resulting therefrom or any other claim or demand of whatever nature or kind.

(10) "**Encumbrance**" means any mortgage, charge, hypothec, assignment, pledge, lien, trust, claim of secured lender, vendor's privilege, supplier's right of reclamation or revendication or other security interest or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), in favour of any person.

(11) "**Exercise Date**" has the meaning set out in Section 2.4.

(12) "**Exercise Period**" means the period beginning on the Signature Date and ending on the earlier of the (i) Exercise Date, and (ii) Termination Date.

(13) "**Exercise Period Funding**" has the meaning set out in Section 2.5.

(14) "**Exercise Period Funding Cap Notice**" has the meaning set out in Section 2.5.

(15) "**Financial Assets Agreements**" means the agreements pertaining to the Assigned Assets together with any security documents.

(16) "**First Payment Amount**" has the meaning set out in Section 2.2.

(17) "**Gold Arrangement Receipts**" means:

(i) for each delivery of Payable Au to Macquarie under the terms of the GPA or the SPA, as applicable, an amount calculated as follows:

(Ounces of Payable Au received by Macquarie) x (Market Price – Gold Price); and

(ii) any other amounts paid by the Borrower or CPN to Macquarie pursuant to the GPA or the SPA.

(18) "**knowledge**" with respect to Macquarie means the actual knowledge of those representatives of Macquarie involved in the day to day management of transactions contemplated in the Assigned Assets.

(19) "**MAE Notice**" has the meaning set out in Section 2.5.

(20) **"Material Adverse Event"** means any change, event, or violation which has a material adverse effect on the Project, except, any change, event, or violation resulting from or relating to: (a) any change in currency exchange rates or commodity prices; (b) any adoption, proposal, implementation or change in applicable laws or any interpretation thereof by any Official Body (provided that in the case of (a) and (b) above, such conditions do not have a materially disproportionate effect on the Project relative to other companies in the Borrower's industry); or (c) the failure, in and of itself, of the Project to meet any internal or public projections, forecasts or estimates of future revenues, future cash flows or future earnings.

(21) "**Net Funding Amount**" means the Exercise Period Funding and any Additional Funding Amount (including, for avoidance of doubt, any Additional Funding Amount in respect of which Top Up Funding Amounts have been received by Macquarie) less: (i) any amounts reimbursed to Macquarie from the cash flows generated by the Project; (ii) any Gold Arrangement Receipts received by Macquarie; and (iii) any Top Up Funding Amounts received by Macquarie, in each case during the Exercise Period.

(22) "**Obligors**" means collectively, Mineração Riacho Dos Machados Ltda. (the "**Borrower**"), Carpathian Gold Inc. ("**CPN**"), Ore-Leave Capital (Brazil) Limited ("**OLC Brazil**"), OLC Holdings BV ("**OLC**"), and OLV Coöperatie U.A. ("**OLV**")

(23) "**Option**" has the meaning set out in Section 2.1.

(24) "**PLF**" means the project facility agreement between the Borrower, as borrower, CPN, OLC Brazil, OLV and OLC in their capacities as guarantors and Macquarie in its capacities as administrative agent,

collateral agent, lender and hedge provider dated January 11, 2013, as amended.

(25) "**Project**" means the Riacho Dos Machados Gold Project, Minas Gerais, Brazil.

(26) "**Second Payment Amount**" means $45,000,000, subject to any adjustment pursuant to Section 2.6.

(27) "**Security**" means the security that secures the obligations of the Obligors pursuant to the Financial Assets Agreements, including, without limitation, the documents set out in Schedule "B" hereto, but excluding any Security that Macquarie and Brio agree shall be released and discharged, each acting reasonably, or otherwise dealt with pursuant to an arrangement to be agreed by Macquarie and Brio, each acting reasonably, rather than assigned to Brio pursuant to the Assignment and Assumption Agreement.

(28) "**Signature Date**" means the date on which the last party hereto signed this Agreement.

(29) "**Specified Assigned Assets And Security**" means the instruments listed on Schedule "E" hereto.

(30) "**Termination Date**" has the meaning set out in Section 2.3.

(31) "**Top Up Funding Amount**" has the meaning set out in section 2.5.

(32) "**Top Up Funding Notice**" has the meaning set out in section 2.5.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to a "Section" followed by a number and/or letter refer to the specified section of this Agreement.

1.3 Extended Meanings.

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4 Currency.

All references to $ shall be to United States dollars.

Article 2
OPTION

2.1 Option.

Subject to the terms of this Agreement, Macquarie hereby grants to Brio the sole and exclusive right and option (the "**Option**") to acquire all of Macquarie's right, title, benefits and interests in respect of the Assigned Assets and the Security including (i) all accounts, debts, dues, demands, choses in action and claims howsoever arising that are now due, owed, owing or accruing due or that may hereafter become due, owed, owing or accruing due under the Assigned Assets and the Security and all claims of whatsoever nature or kind that Macquarie now or may hereafter have under the Assigned Assets and the Security; and (ii) all securities, bills, notes, judgments, chattel mortgages, mortgages and any other security interests and all other rights and benefits that now or may hereafter be held, owned or vested in Macquarie in respect of or as security for any of the said accounts, debts, dues, demands, choses in action and claims in respect of the Assigned Assets and the Security.

2.2 First Option Payment.

Immediately following the execution and delivery of this Agreement by the parties hereto, Brio shall pay to Macquarie $6,000,000 (the "**First Payment Amount**") by wire transfer pursuant to the wire instructions set out in Schedule "D" hereto. For the avoidance of doubt, the parties agree that the only circumstances in which all or any part of the First Payment Amount shall be refundable is in accordance with section 2.5(6) of this Agreement.

2.3 Termination of Option.

The Option granted to Brio pursuant to Section 2.1 shall terminate on the earlier of February 15, 2016 or such date as provided pursuant to Section 2.5, (the "**Termination Date**"), unless on or before such date Brio has exercised the Option in accordance with Section 2.4.

2.4 Exercise of Option.

Brio may exercise the Option only by (i) paying to Macquarie on a date (the "**Exercise Date**") that is on or prior to the Termination Date the Second Payment Amount by wire transfer pursuant to the wire instructions set out in Schedule "D" hereto, and (ii) assuming all obligations and liabilities of Macquarie under the Assigned Assets accruing from and after the date hereof pursuant to the assignment and assumption agreement substantially in the form attached hereto as Schedule "C", subject to any amendments agreed between the parties prior to execution ("**Assignment and Assumption Agreement**"). On the Exercise Date, each of the parties hereto shall execute the Assignment and Assumption Agreement and shall take all steps required pursuant to the Assignment and Assumption Agreement to carry out the effect of the exercise of the Option.

2.5 Project Funding during the Exercise Period

(1) The Parties acknowledge and agree that it is intended that cash flow generated by the Project during the Exercise Period shall be used to fund the costs and expenses of CPN, the Borrower and the Project that are incurred during the Exercise Period, substantially in accordance with the cash flow forecast delivered to Brio on the date hereof (the "**Cash Flow Forecast**").

(2) Macquarie covenants with Brio (and, for avoidance of doubt, not with the Obligors) that, subject to this Section 2.5, if during the Exercise Period, the cash flow generated by the Project is insufficient to fund the costs and expenses of CPN, the Borrower and the Project during the Exercise Period in accordance with the Cash Flow Forecast, Macquarie will continue to provide funding to the Borrower under Tranche 3 of the PLF ("**Exercise Period Funding**") until the Net Funding Amount has reached $8,000,000.

(3) The parties acknowledge and agree that to the extent that any surplus cash flow is generated by the Project during the Exercise Period, it will be applied as follows:

(i) first, to reimburse to Macquarie any amounts advanced by Macquarie as Exercise Period Funding or Additional Funding Amounts, during the Exercise Period; and

(ii) second, any remaining balance of cash flow generated by the Project will remain with the Borrower to fund future costs and expenses of the Borrower, CPN and the Project in accordance with the Cash Flow Forecast.

(4) If at any time during the Exercise Period, Macquarie provides Exercise Period Funding to the Borrower under Tranche 3 of the PLF that results in a Net Funding Amount of at least $8,000,000, then Macquarie shall issue a written notice to Brio advising that this has occurred (an **"Exercise Period Funding Cap Notice**"). Following the issuance of an Exercise Period Funding Cap Notice by Macquarie, upon any written notice by Macquarie to Brio of any additional funding requirements of CPN, the Borrower or the Project, which notice shall include an updated forecast of cash flows to be prepared by the Obligors (an "**Additional Funding Notice**"), Brio may advise Macquarie in writing that Brio approves the amounts required (as stated by Macquarie in the Additional Funding Notice) to fund additional funding requirements of CPN, the Borrower and the Project as reflected in the updated forecast of cash flows ("**Additional Funding Approval**") within 5 Business Days of receiving an Additional Funding Notice. Following receipt of Additional Funding Approval from Brio, Macquarie will continue to provide funding to the Borrower under

Tranche 3 of the PLF up to the amount included in the Additional Funding Approval received from Brio in a manner consistent with the updated forecast of cash flows (the amount of such funding actually advanced by Macquarie to the Borrower being the "**Additional Funding Amount**"). If Brio has not provided the Additional Funding Approval to Macquarie within 5 Business Days of the sending by Macquarie to Brio of any Additional Funding Notice, the Option shall immediately terminate.

(5) If at any time during the Exercise Period, and following receipt of any required Additional Funding Approvals, Macquarie provides Additional Funding Amounts to the Borrower such that the Net Funding Amount is at least $11,000,000, then Macquarie shall issue a written notice to Brio advising that this has occurred (a "**Top Up Funding Notice**"). Following the issuance of a Top Up Funding Notice by Macquarie, upon the delivery of any subsequent Additional Funding Notice from Macquarie to Brio, Brio shall, if Brio again advises Macquarie in writing that Brio approves the amounts required (as stated by Macquarie in the Additional Funding Notice) to fund additional funding requirements of CPN, the Borrower and the Project, as reflected in the updated forecast of cash flows through a further Additional Funding Approval, simultaneously pay to Macquarie by wire transfer pursuant to the wire instructions set out in Schedule "D" hereto, an amount equal to the requested Additional Funding Amount that is set out in the Additional Funding Notice ("**Top Up Funding Amount**"), in each case within 5 Business Days of receiving that Additional Funding Notice. If Brio has not provided the Additional Funding Approval and the Top Up Funding Amount to Macquarie within 5 Business Days of the sending by Macquarie to Brio of any Additional Funding Notice subsequent to the issuance by Macquarie of a Top Up Funding Notice, the Option shall immediately terminate.

(6) If, at any time during the Exercise Period, a Material Adverse Event with respect to the Project occurs:

(i) Macquarie may issue a written notice (an "**MAE Notice**") to Brio advising that the Material Adverse Event has occurred and stating that such notice constitutes an MAE Notice under this Agreement; and

(ii) If an MAE Notice has been issued by Macquarie, the Termination Date for the Option shall be accelerated to the date that is 5 Business Days after the date of the MAE Notice.

Upon receipt of an MAE Notice, Brio may elect to exercise the Option in accordance with Section 2.4 on or prior to the accelerated Termination Date or terminate the Option with immediate effect. If Macquarie has issued the MAE Notice and Brio elects to terminate the Option, to the extent that the Net Funding Amount is less than $6,000,000, then Brio

shall be refunded a portion of the First Payment Amount equal to $6,000,000 less the Net Funding Amount.

2.6 Adjustments to the Second Payment Amount.

The Second Payment Amount shall be increased by the amount, if any, that the Net Funding Amount exceeds $6,000,000 and decreased by the amount, if any, that the Net Funding Amount is less than $6,000,000.

In addition, the parties hereby agree that the Second Payment Amount shall be increased by $5,000,000 in the event that:

(i) the Net Funding Amount is zero or less; and

(ii) the simple average of the AM and PM fix price for gold (based on the LBMA Gold Price) over any consecutive ten trading days prior to the Exercise Date is equal to or greater than $1,250 per ounce.

2.7 Termination Payment

If (i) Brio does not exercise the Option, (ii) one or more Additional Funding Approvals have been provided by Brio, and (iii) Additional Funding Amounts have been advanced to the Borrower by Macquarie, then upon the Termination Date Brio shall pay to Macquarie an amount equal to the Net Funding Amount less $6,000,000.

2.8 Further Assurances.

For a period not exceeding 3 months from the exercise of the Option, Macquarie shall provide such further materials and information to Brio in respect of the Assigned Assets as Brio may reasonably request, provided such materials and information are not subject to any existing confidentiality obligations of Macquarie that have not been waived by the parties thereto.

2.9 Cooperation by Macquarie.

During the Exercise Period, Macquarie shall keep Brio regularly informed of the status of the Assigned Assets and the Security and shall:

(1) not take any steps to accelerate or enforce or take any action or initiate any proceeding to accelerate or enforce the payment or repayment of any debt of the Obligors, whether against the Obligors or any property of the Obligors without the prior written consent of Brio;

(2) forbear from exercising any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions

against the Obligors or their property, unless otherwise consented to by Brio;

(3) not transfer any of its interests in the Assigned Assets or the Security and shall not sell any participation interests in the Assigned Assets or the Security or pledge its interest in the Assigned Assets or the Security to any other party; and

(4) not permit any amendment, restatement, modification, replacement or termination of, or waiver or forebearance under, the Financial Asset Agreements or the Assigned Assets without the consent of Brio (such consent not to be unreasonably withheld or delayed), provided that Brio's consent will not be required if amendments are required to give effect to the terms of this Agreement.

(5) In addition, upon exercise of the Option, Macquarie shall, for a period not exceeding 3 months from the exercise of the Option, provide such cooperation as Brio or its assignee may reasonably request in seeking and obtaining a final Order of the Ontario Superior Court of Justice (Commercial List) approving a credit bid transaction for the sale and vesting of any property subject to or secured by the Assigned Assets to Brio or its assignee free and clear of all Encumbrances (the "**Canadian Approval and Vesting Order**"). Any third party costs and expenses (including legal fees) to be incurred by Macquarie in providing such co-operation shall be paid to Macquarie by Brio in advance. Furthermore, upon the exercise of the Option, Macquarie will, for a period not exceeding 3 months from the exercise of the Option, promptly provide to Brio all such information within its possession or under its control as Brio or its assignee may reasonably require to obtain and enter the Canadian Approval and Vesting Order, provided that any third party costs and expenses (including legal fees) to be incurred by Macquarie in providing such information shall be paid to Macquarie by Brio in advance.

For greater certainty, nothing herein would prevent Brio from assigning any of its rights in connection with a proposed credit bid transaction to any party as determined by Brio.

Article 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Macquarie.

Macquarie hereby represents and warrants to Brio as of the date of this Agreement as follows, and acknowledges that in reliance on such representations and warranties, Brio has entered into this Agreement:

(1) Macquarie is a corporation duly incorporated and validly existing under the laws of Australia;

(2) Macquarie is the sole legal and beneficial owner of the Assigned Assets and the Security with good title thereto, free and clear of all Liens and Encumbrances and any other rights or adverse claims of others, and which are not, to the knowledge of Macquarie, subject to any defence, counterclaim or set-off and, for greater certainty Macquarie is the sole Lender under the PLF and the sole Purchaser (as defined in the Collateral Agency Agreement) under the GPA and the SPA;

(3) As of the date hereof, the aggregate principal amount outstanding under the PLF is $265,994,316.91 and the aggregate interest amount outstanding under the PLF is $2,037,575.22;

(4) Macquarie has full corporate power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(5) this Agreement constitutes a valid and legally binding obligation of Macquarie, enforceable against Macquarie in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts;

(6) there is no contract, option or any other right of another binding upon or which at any time in the future may become binding upon Macquarie to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Assigned Assets or the Security other than pursuant to the provisions of this Agreement;

(7) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Macquarie will result in the violation of:

(a) any of the provisions of the constating documents or by-laws of Macquarie;

(b) any agreement or other instrument to which Macquarie is a party or by which Macquarie is bound; or

(c) any Applicable Law in respect of which Macquarie must comply.

(8) there are no obligations owed by any of the Obligors to Macquarie or any of its Affiliates other than pursuant to the Assigned Assets, and following the assignment, sale and transfer of the Assigned Assets pursuant to the exercise of the Option, neither Macquarie nor any of its Affiliates shall have any Claim, outstanding obligation owing from or right of recourse against any of the Obligors;

(9) Macquarie is not in default or breach of any contract or commitment under the Assigned Assets or the Security and there exists no condition, event or act that, with the giving of notice or lapse of time or both, would constitute such a default or breach by Macquarie, and all such contracts and commitments are in good standing and in full force and effect as amended;

(10) Macquarie is not a party to or bound by any guarantee, indemnification, surety or similar obligation to a third party pertaining to the Assigned Assets or the Security;

(11) there are no outstanding orders, notices or similar requirements relating to the Assigned Assets or the Security issued by any Official Body to Macquarie (or, to the knowledge of Macquarie, issued by an Official Body to any other person) and there are no matters under discussion between Macquarie and any Official Body (or, to the knowledge of Macquarie, between an Official Body to any other person) relating to orders, notices or similar requirements relating to the Assigned Assets or the Security ;

(12) there are no Claims, actions or proceedings (whether or not purportedly on behalf of Macquarie) in connection with the Assigned Assets or the Security :

(a) to the knowledge of Macquarie, pending or threatened against or affecting, or which could affect, the Assigned Assets or the Security, or

(b) before or by any Official Body.

(13) no approvals or consents of any Official Body, third party or otherwise are required to permit the assignment, sale and transfer of the Assigned Assets or the Security contemplated hereby except as required under any insurance carried by Macquarie (which consent with respect to insurance carried by Macquarie has been obtained);

(14) true and complete copies of each of the instruments comprising the Specified Assigned Assets And Security, and all material amendments thereto, have been delivered to Brio;

(15) to the knowledge of Macquarie, none of the instruments comprising the Assigned Assets or the Security are invalid, unenforceable (subject to qualifications contained in transaction legal opinions, copies of which have been provided to Brio) or have been repudiated provided, however, that no representation is given regarding the tax treatment of the Assigned Assets; and

(16) to the knowledge of Macquarie, the Security is effective and has created in favour of the Collateral Agent a legal, valid, binding and enforceable first

priority Lien in the collateral described therein and proceeds thereof to secure payment and performance of the obligations stated to be secured thereby and all steps required to be taken to establish and perfect such Security have been duly taken.

3.2 Representations and Warranties of Brio.

Brio hereby represents and warrants to Macquarie and acknowledges that in reliance on such representations and warranties, Macquarie has entered into this Agreement:

(1) Brio is a corporation established and validly existing under the laws of Ontario;

(2) Brio has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(3) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Brio will result in the violation of:

(i) any of the provisions of the constating documents or by-laws of Brio;

(ii) any agreement or other instrument to which Brio is a party or by which Brio is bound; or

(iii) any Applicable Law in respect of which Brio must comply;

(4) this Agreement constitutes a valid and legally binding obligation of Brio, enforceable against Brio in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts; and

(5) Brio is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not committed or threatened to commit any act of bankruptcy.

Article 4
GENERAL

4.1 Assignment.

No party may assign this Agreement or any right or interest herein without the prior written consent of the other parties except that Brio may assign this Agreement to an Affiliate thereof, without consent of any other party hereto. This Agreement enures to

the benefit of and binds the parties and their respective successors and permitted assigns.

4.2 Counterparts.

This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

4.3 Entire Agreement.

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

4.4 Further Assurances and Waiver.

Each party agrees that it shall from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to the provisions and intent of this Agreement and to complete the transactions contemplated by this Agreement. Each party hereto also hereby waives all notice and other procedural requirements which may otherwise be required to effect the things and actions contemplated herein contained in all relevant documents.

4.5 Fees and Expenses.

Except as otherwise provided in this Agreement, each of the parties will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred.

4.6 Public Announcement.

Except as required by law, no public announcement or press release concerning the assignment, sale and transfer of the Assigned Assets may be made by Macquarie or Brio without the prior consent and joint approval of Macquarie and Brio.

4.7 Remedies Cumulative.

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy

precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

4.8 Governing Law and Jurisdiction.

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. For the purpose of all legal proceedings this Agreement and the courts of the Province of Ontario will have non-exclusive jurisdiction to entertain any action arising under this Agreement. Macquarie and Brio each attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

4.9 Waivers.

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the parties to this Agreement entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

4.10 Agent

Macquarie has entered into this agreement in its personal capacity and in its capacities as administrative agent and collateral agent under the PLF.

4.11 Survival

All covenants, representations and warranties of each party contained in this Agreement will survive the Signature Date and will continue in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this agreement has been agreed and accepted on the date first written above.

MACQUARIE BANK LIMITED

Per: _____

Name:

Title:

Signed at:

Paul Weston
Associate Director

Andrew Gates
Division Director

BRIO GOLD INC.

Per: _____

Name: Gil Clausen

Title: Chief Executive Officer

Signed at:

SCHEDULE A

Assigned Assets

1 The PLF, as amended

2 The GPA, as amended

3 The SPA, as amended

4 Guarantee of Carpathian Gold Inc. with respect to the PLF dated January 11, 2013

5 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the PLF dated January 11, 2013

6 Guarantee of OLV Cooperatie U.A. with respect to the PLF dated January 11, 2013

7 Guarantee of OLC Holdings B.V. with respect to the PLF dated January 11, 2013

8 Guarantee of Carpathian Gold Inc. with respect to the GPA and SPA dated January 11, 2013

9 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the GPA and SPA dated January 11, 2013

10 Guarantee of OLV Cooperatie U.A. with respect to the GPA and SPA dated January 11, 2013

11 Guarantee of OLC Holdings B.V. with respect to the GPA and SPA dated January 11, 2013

SCHEDULE B

Security

Capitalized terms below have the meanings assigned to them in the Collateral Agency Agreement as applicable.

Name of document	Date	Parties
General Security Agreement	11 January 2013	OLC Holdings B.V. The Collateral Agent
General Security Agreement	11 January 2013	Ore-Leave Capital (Brazil) Ltd. The Collateral Agent
General Security Agreement	11 January 2013	OLV Coöperatie U.A. The Collateral Agent
General Security Agreement	8 October 2013	CPN The Collateral Agent
General Security Agreement	2 May, 2014	The Company The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	CPN The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	OLC Holdings B.V. The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	Ore-Leave Capital (Brazil) Ltd. The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	OLV Coöperatie U.A. The Collateral Agent
Deed of Pledge of Registered Shares	11 January 2013	OLV Coöperatie U.A. The Collateral Agent OLC Holdings B.V.
Disclosed Pledge of Claims and Memberships	11 January 2013	CPN Ore-Leave Capital (Brazil) Ltd. The Collateral Agent OLV Coöperatie U.A.

Name of document	Date	Parties
Deed of Charge Over Shares	11 January 2013	CPN The Collateral Agent Ore-Leave Capital (Brazil) Ltd.
Quota Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	OLC Holdings B.V. OLV Coöperatie U.A. The Collateral Agent The Company CPN
Collateral Agency Agreement	11 January 2013 (and as amended 8 October 2013)	The Company The Collateral Agent The Agent The Original Obligors The Original Purchaser The Original Project Loan Finance Parties
Assignment of Insurance	11 January 2013	CPN The Company The Collateral Agent
Assignment of Insurance	1 May 2014	CPN The Company The Collateral Agent
Public Deed of Amendment and Restatement of Mortgage	11 January 2013 (and as amended on 23 May 2014 and 19 June 2015)	The Collateral Agent The Company CPN
First Amendment and Restatement Agreement to the Mineral Rights Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary

Name of document	Date	Parties
Gold Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Machinery and Equipment Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Credit Rights and Receivables Pledge Agreement and other Covenants	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Conditional Assignment of Contracts and other Covenants	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A.
Conditional Assignment of Mineral Rights Agreement	11 January 2013 (and as amended on 25 November 2013 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A.

SCHEDULE C

Form of Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT

Dated as of November 20, 2015

among

MACQUARIE BANK LIMITED
and

[BRIO GOLD INC.]

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement is dated as of November 20, 2015 among

MACQUARIE BANK LIMITED, a corporation subsisting under the laws of Australia,

("**Macquarie**")

and

[BRIO GOLD INC., a corporation existing under the laws of Ontario,]

("Brio")

RECITALS:

A. Macquarie is the sole legal and beneficial owner of the Assigned Assets with good title thereto, free and clear of all Liens and Encumbrances and any other rights or adverse claims of others, and which are not subject to any defence, counterclaim or set-off;

B. Pursuant to the Option Agreement, Macquarie provided Brio an option pursuant to which upon exercise: (i) Brio would acquire from Macquarie all of the Assigned Assets together with all of Macquarie's rights and benefits in respect of the Assigned Assets; (ii) Brio would receive from Macquarie an assignment of Macquarie's Security (as defined in the Option Agreement) in respect of the Assigned Assets; and (iii) Brio would assume all of Macquarie's obligations and liabilities under the Assigned Assets, all upon and subject to the terms and conditions set out in the Option Agreement;

C. Brio has elected to exercise the option provided by Macquarie to Brio pursuant to the Option Agreement and therefore Macquarie wishes to sell and Brio wishes to purchase all of the Assigned Assets together with all of Macquarie's rights and benefits under the Assigned Assets and Brio has agreed to assume all of Macquarie's obligations and liabilities under the Assigned Assets.

D. In connection with the purchase, sale and assumption of the Assigned Assets, Macquarie wishes to transfer and Brio wishes to receive the security in respect of the Assigned Assets.

NOW THEREFORE, FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 - INTERPRETATION

1.1 Certain Defined Terms. In this Agreement (including the Recitals) capitalized terms which are not otherwise defined have the meanings assigned to them in the PLF and the following terms have the following meanings:

(1) "**Affiliate**" means, with respect to any person, any other person that controls or is controlled by or is under common control with the referent person.

(2) "**Applicable Law**" means (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority whether or not having the force of law.

(3) "**Assigned Assets**" means the rights, assets, property and undertakings of Macquarie set out in Schedule "A" hereto that are the subject matter of the assignment, sale and transfer effected by Section 2 of this Agreement, including all rights, incomes, claims, titles, interests and benefits in, to and under such rights, assets, property and undertakings, as well as any and all kinds of rights, assets, property and undertakings arising out of or in connection with claims, security or any monies payable under the rights, assets, property and undertakings as may be amended and supplemented from time to time including any replacement or renewal thereof.

(4) "**Canadian Approval and Vesting Order**" has the meaning set out in Section 2.5.

(5) "**Claim**" means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim or demand resulting therefrom or any other claim or demand of whatever nature or kind.

(6) "**Closing Date**" means the date of this Agreement.

(7) "**CPN**" means Carpathian Gold Inc.

(8) "**Credit Bid Transaction**" means the transfer of 100% of the issued shares of Ore-Leave Capital (Brazil) Limited and 99.9998% of the membership interests of OLV Coöperatie U.A., which are in each case owned by CPN, to Brio or its assignee by way of a credit bid for the Assigned Assets by Brio or its assignee.

(9) "**Encumbrance**" means any mortgage, charge, hypothec, assignment, pledge, lien, trust, claim of secured lender, vendor's privilege, supplier's right of reclamation or revendication or other security interest or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), in favour of any person.

(10) "**Financial Asset Agreements**" means the agreements pertaining to the Assigned Assets together with any ancillary or security documents, certificates or other documents relating thereto.

(11) "**GPA**" means the gold purchase agreement as amended, entered into by Macquarie, CPN and Mineração Riacho Dos Machados Ltda. dated May 4, 2010, pursuant to which (i)(A) Macquarie made an upfront payment to Mineração Riacho Dos Machados Ltda. of $15,000,000 in two tranches and (B) Macquarie is required to pay Mineração Riacho Dos Machados Ltda. a maximum price per ounce of gold delivered to Macquarie of $400 (subject to an inflation escalator) in exchange for (ii)(A) Mineração Riacho Dos Machados Ltda. delivering to Macquarie an amount of gold equal to 6.25% of ounces of gold produced from the Project.

(12) "**Governmental Authority**" means any domestic or foreign legislative, executive, judicial or administrative body or person having or purporting to have jurisdiction in the relevant circumstances.

(13) "**knowledge**" with respect to Macquarie means the actual knowledge of those representatives of Macquarie involved in the day to day management of transactions contemplated in the Assigned Assets.

(14) "**Obligors**" means Mineração Riacho Dos Machados Ltda., CPN, OLC Holdings BV, OLV Coöperatie U.A. and Ore-Leave Capital (Brazil) Limited.

(15) "**Option Agreement**" means the Option Agreement entered into between Macquarie and Brio dated as of the date hereof.

(16) "**PLF**" means the project facility agreement between Mineração Riacho Dos Machados Ltda., as borrower, Carpathian Gold Inc., OLC Holdings BV, OLV Coöperatie U.A. and Ore-Leave Capital (Brazil) Limited in their capacities as guarantors and Macquarie in its capacities as administrative agent, collateral agent, lender and hedge provider dated January 11, 2013, as amended.

(17) "**Purchase Price**" means the amount of US$45 million, subject to the adjustments contained in the Option Agreement.

(18) "**SPA**" means the gold sale and purchase agreement as amended, entered into by Macquarie, CPN and Mineração Riacho Dos Machados Ltda. dated October 25, 2012, pursuant to which (i)(A) Macquarie paid to Mineração Riacho Dos Machados Ltda. an upfront payment of $15,000,000 (B) Macquarie is required to pay Mineração Riacho Dos Machados Ltda. a maximum price per ounce of gold delivered to Macquarie of $400 (subject to an inflation escalator) in exchange for (ii) Mineração Riacho Dos Machados Ltda. delivering to Macquarie an amount of gold equal to 6.25% of ounces of gold produced from the Project.

1.2 Interpretation Not Affected by Headings, etc. The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect

the construction or interpretation of this Agreement. Unless otherwise indicated, all references to a "Section" followed by a number and/or letter refer to the specified section of this Agreement.

1.3 Extended Meanings. Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.1 Currency. All references to $ shall be to United States dollars.

1.2 Control. For the purposes of this Agreement, (a) a person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate; (b) a person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that person and the person is able to direct the business and affairs of the entity; and (c) the general partner of a limited partnership controls the limited partnership. A person who controls an entity is deemed to control any entity that is controlled, or deemed to be controlled, by the entity. A person is deemed to control, within the meaning of Section 1.4(a) or (b), an entity if the aggregate of (i) any securities of the entity that are beneficially owned by that person, and (ii) any securities of the entity that are beneficially owned by any entity controlled by that person, is such that, if that person and all of the entities referred to in (ii) that beneficially own securities of the entity were one person, that person would control the entity.

SECTION 2 - ASSIGNMENT, SALE AND TRANSFER

2.1 Assigned Assets. Macquarie hereby irrevocably assigns, sells, conveys and transfers to Brio all of Macquarie's right, title, benefits and interests under the Assigned Assets including (i) all accounts, debts, dues, demands and choses in action howsoever arising that are now due, owed, owing or accruing due or that may hereafter become due, owed, owing or accruing due under the Financial Asset Agreements and all claims of whatsoever nature or kind that Macquarie now or may hereafter have under the Financial Asset Agreements; (ii) all securities, bills, notes, judgments, chattel mortgages, mortgages and any other security interests and all other rights and benefits that now or may hereafter be held, owned or vested in Macquarie in respect of or as security for any of the said accounts, debts, dues, demands, choses in action and claims in respect of the Assigned Assets.

2.2 Purchase Price. In consideration of the assignment, sale and transfer effected by Section 2.1, Brio (or its assignee) assumes pursuant to this Agreement all of Macquarie's obligations and liabilities under the Assigned Assets and concurrently herewith has paid to Macquarie the Purchase Price.

2.3 Payment. Concurrently herewith Brio has paid the Purchase Price to Macquarie by wire transfer pursuant to the wire instructions set out as Schedule "B" hereto.

2.4 Deliveries. Concurrently herewith Macquarie shall deliver to Brio original copies of all documents relating to the Assigned Assets.

2.5 Cooperation by Macquarie.

For a period of three months following the Closing Date, Macquarie shall cooperate with Brio in seeking and obtaining a final Order of the Ontario Superior Court of Justice (Commercial List) approving the Credit Bid Transaction and vesting any property subject to the Credit Bid Transaction in Brio free and clear of all Encumbrances, such order to be in form and substance acceptable to Brio in its sole discretion (the "**Canadian Approval and Vesting Order**"). Any third party costs and expenses (including legal fees) to be incurred by Macquarie in providing such co-operation shall be paid to Macquarie by Brio in advance. For a period of three months following the Closing Date, Macquarie will promptly provide to Brio all such information within its possession or under its control as Brio may reasonably require to obtain and enter the Canadian Approval and Vesting Order, provided that any third party costs and expenses (including legal fees) to be incurred by Macquarie in providing such information shall be paid to Macquarie by Brio in advance.

2.6 Agent and Collateral Agent

The parties acknowledge and agree that Brio shall be, effective on the Closing Date, the Agent, Collateral Agent, Lender and Hedge Provider under and as defined in the PLF and the Purchaser (as defined in the Collateral Agency Agreement) under the SPA and the GPA and shall have the rights and obligations of the Agent, Collateral Agent, Lender, Hedge Provider and Purchaser (as applicable) thereunder and any reference to Macquarie by name or defined term in the Financial Asset Agreements shall be construed as a reference to Brio. Each of the parties shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as any other party may reasonably require from time to time for the purpose of giving effect to the resignation of Macquarie as Agent and Collateral Agent under the Financial Asset Agreements.

2.7 Release of Interest in Collateral. Upon the assignment of the Assigned Assets to Brio as provided in this Agreement, Macquarie, for itself, shall have no right, title or interest in any property or assets of the Obligors (including by way of security) and Macquarie agrees, to the extent necessary to give effect to the foregoing, to release and discharge any and all security interests it may hold in the property or assets of the Borrower. Macquarie shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as Brio may reasonably require from time to time for the purpose of giving effect to this release and discharge and assignment.

2.8 Further Assurances. Macquarie shall provide such further materials and information to Brio in respect of the Assigned Assets as Brio may reasonably request not subject to any existing confidentiality obligations of Macquarie that have not been waived.

SECTION 3 - ASSUMPTION OF OBLIGATIONS

3.1 Assumption by Brio. Brio hereby assumes all obligations and liabilities of Macquarie under the Assigned Assets accruing from and after the date hereof.

3.2 Obligations and liabilities not assumed. Subject to Section 3.1 and except as otherwise expressly provided in this Agreement, Brio does not assume and will not be liable for any

obligations or liabilities of Macquarie whatsoever including payment of any taxes whatsoever that may be or become payable by Macquarie including any income or corporation taxes resulting from or arising as a consequence of the assignment, sale and transfer by Macquarie to Brio of the Assigned Assets.

SECTION 4 - REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Macquarie. Macquarie hereby represents and warrants to Brio as of the date of this Agreement as follows, and acknowledges that in reliance on such representations and warranties, Brio has entered into this Agreement:

(1) Macquarie is a corporation duly incorporated and validly existing under the laws of Australia

(2) Macquarie is the sole legal and beneficial owner of the Assigned Assets with good title thereto, free and clear of all Liens and Encumbrances and any other rights or adverse claims of others, and which are not, to the knowledge of Macquarie, subject to any defence, counterclaim or set-off and, for greater certainty, Macquarie is the sole Lender and Hedge Provider under the PLF and the sole Purchaser under the GPA and the SPA;

(3) As of the date hereof, the aggregate principal amount outstanding under the PLF is $265,994,316.91 and the aggregate interest amount outstanding under the PLF is $2,037,575.22;

(4) Macquarie has full corporate power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(5) this Agreement constitutes a valid and legally binding obligation of Macquarie, enforceable against Macquarie in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts;

(6) there is no contract, option or any other right of another binding upon or which at any time in the future may become binding upon Macquarie to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Assigned Assets other than pursuant to the provisions of this Agreement;

(7) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Macquarie will result in the violation of:

(a) any of the provisions of the constating documents or by-laws of Macquarie; or

(b) any agreement or other instrument to which Macquarie is a party or by which Macquarie is bound; or

(c) any Applicable Law in respect of which Macquarie must comply.

(8) there are no obligations owed by any of the Obligors to Macquarie or any of its Affiliates other than pursuant to the Assigned Assets, and following the assignment, sale and transfer of the Assigned Assets pursuant to section 2.1, neither Macquarie nor any of its Affiliates shall have any Claim, outstanding obligation owing from or right of recourse against any of the Obligors;

(9) Macquarie is not in default or breach of any contract or commitment under the Assigned Assets and there exists no condition, event or act that, with the giving of notice or lapse of time or both, would constitute such a default or breach by Macquarie, and all such contracts and commitments are in good standing and in full force and effect as amended, copies of which amendments have been provided to Brio, thereto and Macquarie is entitled to all benefits thereunder;

(10) Macquarie is not a party to or bound by any guarantee, indemnification, surety or similar obligation to a third party pertaining to the Assigned Assets;

(11) there are no outstanding orders, notices or similar requirements relating to the Assigned Assets or the Security issued by any Official Body to Macquarie (or, to the knowledge of Macquarie, issued by an Official Body to any other person) and there are no matters under discussion between Macquarie and any Official Body (or, to the knowledge of Macquarie, between an Official Body to any other person) relating to orders, notices or similar requirements relating to the Assigned Assets or the Security;

(12) there are no Claims, actions or proceedings (whether or not purportedly on behalf of Macquarie) in connection with the Assigned Assets:

(a) to the knowledge of Macquarie, pending or threatened against or affecting, or which could affect, the Assigned Assets, or

(b) before or by any Governmental Authority.

(13) no approvals or consents of any Governmental Authority, third party or otherwise are required to permit the assignment, sale and transfer of the Assigned Assets contemplated hereby; except as required under any insurance carried by Macquarie (which consent with respect to insurance carried by Macquarie has been obtained);

(14) true and complete copies of each of the instruments comprising the Assigned Assets have been delivered to Brio;

(15) to the knowledge of Macquarie, none of the instruments comprising the Assigned Assets are invalid, unenforceable (subject to qualifications contained in transaction legal opinions, copies of which have been provided to Brio) or have been repudiated; provided, however, that no representation is given regarding the tax treatment of the Assigned Assets; and

(16) to the knowledge of Macquarie, the Security is effective and has been created in favour of the Collateral Agent a legal, valid, binding and enforceable first priority Lien in the collateral described therein and proceeds thereof to secure payment and performance of the obligations stated to be secured thereby and all steps required to be taken to establish and perfect such Security have been duly taken.

4.2 Representations and Warranties of Brio. Brio hereby represents and warrants to Macquarie and acknowledges that in reliance on such representations and warranties, Macquarie has entered into this Agreement:

(1) Brio is a corporation established and validly existing under the laws of Ontario;

(2) Brio has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(3) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Brio will result in the violation of:

(a) any of the provisions of the constating documents or by-laws of Brio;

(b) any agreement or other instrument to which Brio is a party or by which Brio is bound; or

(c) any Applicable Law in respect of which Brio must comply

(4) this Agreement constitutes a valid and legally binding obligation of Brio, enforceable against Brio in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts; and

(5) Brio is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not committed or threatened to commit any act of bankruptcy.

SECTION 5 - GENERAL

5.1 Survival. All covenants, representations and warranties of each party contained in this Agreement will survive the Closing Date and will continue in full force and effect.

5.2 Assignment. No party may assign this Agreement or any right or interest herein without the prior written consent of the other parties except that Brio may assign this Agreement to an Affiliate thereof, without consent of any other party hereto. This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

5.3 Counterparts. This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

5.4 Entire Agreement. This Agreement and the Option Agreement and all documents contemplated by or delivered under or in connection with this Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

5.5 Further Assurances and Waiver. Each party agrees that it shall from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to the provisions and intent of this Agreement and to complete the transactions contemplated by this Agreement. Each party hereto also hereby waives all notice and other procedural requirements which may otherwise be required to effect the things and actions contemplated herein contained in all relevant documents.

5.6 Fees and Expenses. Each of the parties will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred.

5.7 Public Announcement. Except as required by law, no public announcement or press release concerning the assignment, sale and transfer of the Assigned Assets may be made by Macquarie or Brio without the prior consent and joint approval of Macquarie and Brio.

5.8 Remedies Cumulative. The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

5.9 Governing Law and Jurisdiction. This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. For the purpose of all legal proceedings the courts of the Province of Ontario will have non-exclusive jurisdiction to entertain any action arising under this Agreement. Macquarie and Brio each attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

5.10 Waivers. No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the parties to this Agreement entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

Schedule "A"
Assigned Assets

1 The PLF, as amended

2 The GPA, as amended

3 The SPA, as amended

4 Guarantee of Carpathian Gold Inc. with respect to the PLF dated January 11, 2013

5 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the PLF dated January 11, 2013

6 Guarantee of OLV Cooperatie U.A. with respect to the PLF dated January 11, 2013

7 Guarantee of OLC Holdings B.V. with respect to the PLF dated January 11, 2013

8 Guarantee of Carpathian Gold Inc. with respect to the GPA and SPA dated January 11, 2013

9 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the GPA and SPA dated January 11, 2013

10 Guarantee of OLV Cooperatie U.A. with respect to the GPA and SPA dated January 11, 2013

11 Guarantee of OLC Holdings B.V. with respect to the GPA and SPA dated January 11, 2013

Schedule "B"
Wire Instructions

Account Holding Institution:	Macquarie Bank Limited
SWIFT:	MACQAU2S
Beneficiary:	Macquarie Bank Limited OBU
SWIFT:	MACQAU2SOBU
Beneficiary Account Number:	CN01938570

Correspondent Bank:	Bank of New York Mellon, New York
SWIFT:	IRVTUS3N
ABA Routing Code:	021000018
Account Number:	8900055375
Chips UID:	236386

SCHEDULE D

Wire Transfer Instructions

Account Holding Institution:	Macquarie Bank Limited
SWIFT:	MACQAU2S
Beneficiary:	Macquarie Bank Limited OBU
SWIFT:	MACQAU2SOBU
Beneficiary Account Number:	CN01938570
Correspondent Bank:	Bank of New York Mellon, New York
SWIFT:	IRVTUS3N
ABA Routing Code:	021000018
Account Number:	8900055375
	Chips UID: 236386

SCHEDULE "E"

Specified Assigned Assets And Security

1 The project facility agreement between the Borrower, as borrower, CPN, OLC Brazil, OLV and OLC in their capacities as guarantors and Macquarie in its capacities as administrative agent, collateral agent, lender and hedge provider dated January 11, 2013.

2 The purchase agreement dated as of May 4, 2010 among CPN, as guarantor, the Borrower, as seller, and MBL, as purchaser, with respect to the purchase of a percentage of the Project Production (defined as "Payable Au" under such agreement) by MBL from the Borrower from the Project, as amended and restated pursuant to a Second Amending Agreement made between the Borrower, MBL and CPN dated October 25, 2012.

3 The sale and purchase agreement dated as of 25 October, 2012 among CPN, as guarantor, the Borrower, as seller, and MBL, as purchaser, with respect to the purchase of the "Acquisition Right" (as defined under the SPA) by MBL from the Borrower in consideration for the payment by MBL to the Borrower of the SPA Purchase Price.Guarantee of Carpathian Gold Inc. with respect to the PLF dated January 11, 2013.

4 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the PLF dated January 11, 2013.

5 Guarantee of OLV Cooperatie U.A. with respect to the PLF dated January 11, 2013

6 Guarantee of OLC Holdings B.V. with respect to the PLF dated January 11, 2013

7 Guarantee of Carpathian Gold Inc. with respect to the GPA and SPA dated January 11, 2013

8 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the GPA and SPA dated January 11, 2013

9 Guarantee of OLV Cooperatie U.A. with respect to the GPA and SPA dated January 11, 2013

10 Guarantee of OLC Holdings B.V. with respect to the GPA and SPA dated January 11, 2013

11 General Security Agreement dated October 8, 2013 granted by Carpathian Gold Inc. to and in favour of Macquarie, as collateral agent;

12 Share Mortgage dated January 11, 2013 granted by Carpathian Gold Inc. to and in favour of Macquarie as collateral agent with respect to the Ore-Leave Capital (Brazil) Limited shares; and

13 Disclosed Pledge of Claims and Memberships dated January 11, 2013 granted by , inter alios, Carpathian Gold Inc. with respect to the OLV Cooperatie U.A. equity.

This is **Exhibit "O"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

RESTRUCTURING AGREEMENT

This Agreement is dated as of November 20, 2015 among

MACQUARIE BANK LIMITED, a corporation subsisting under the laws of Australia,

("**Macquarie**")

and

BRIO GOLD INC., a corporation existing under the laws of Ontario,

("**Brio**")

and

CARPATHIAN GOLD INC., a corporation existing under the laws of Canada,

("**CPN**")

and

MINERAÇÃO RIACHO DOS MACHADOS LTDA., a corporation existing under the laws of Brazil

(the "**Borrower**")

and

ORE-LEAVE CAPITAL (BRAZIL) LIMITED, a corporation existing under the laws of Barbados,

("**OLC Brazil**")

and

OLV COÖPERATIE U.A., a holding co-operative existing under the laws of Netherlands,

("**OLV**")

and

OLC HOLDINGS BV, a limited liability corporation existing under the laws of Netherlands.

("**OLC**")

RECITALS:

A. Macquarie granted Brio the Option to acquire Macquarie's right, title, benefits and interests in respect of the Assigned Assets and the Security.

B. Upon Brio exercising the Option, Brio, or its assignee, will: (i) acquire from Macquarie all of the Assigned Assets together with all of Macquarie's rights and benefits in respect of the Assigned Assets; (ii) receive from Macquarie an assignment of Macquarie's Security in respect of the Assigned Assets; and (iii) assume all of Macquarie's obligations and liabilities under the Assigned Assets, all upon and subject to the terms and conditions set out herein.

C. Upon Brio exercising the Option, Brio proposes to take steps to effect the Credit Bid Transaction.

NOW THEREFORE, FOR VALUE RECEIVED, the parties agree as follows:

Article 1
INTERPRETATION

1.1 Certain Defined Terms.

In this Agreement (including the Recitals) capitalized terms which are not otherwise defined have the meanings assigned to them in the PLF and the following terms have the following meanings:

(1) "**Agreement**" means this Restructuring Agreement, as may be amended from time to time in accordance herewith.

(2) "**Assigned Assets**" means the rights, assets, property and undertakings of Macquarie set out in Schedule "A" hereto that are the subject matter of the Option, including all rights, incomes, claims, titles, interests and benefits in, to and under such rights, assets, property and undertakings, as well as any and all kinds of rights, assets, property and undertakings arising out of or in connection with claims, security or any monies payable under the rights, assets, property and undertakings as may be amended and supplemented from time to time including any replacement or renewal thereof.

(3) "**Assignment and Assumption Agreement**" means the assignment and assumption agreement to be entered into between Macquarie and Brio in the form contemplated in the Option Agreement.

(4) "**Canadian Approval and Vesting Order**" means an Order of the Ontario Superior Court of Justice approving the Credit Bid Transaction in form and substance acceptable to CPN and Brio or its assignee (each acting reasonably).

(5) "**Cash Flow Forecast**" means the cash flow forecast delivered by CPN to Macquarie and Brio on the Signature Date.

(6) "**Closing**" means the closing of the Credit Bid Transaction.

(7) "**CPN Guarantee**" means the guarantees of CPN with respect to the obligations of the Borrower pursuant to the Financial Assets Agreement.

(8) "**Credit Bid Transaction**" means the transfer of 100% of the issued shares of Ore-Leave Capital (Brazil) Limited and 99.9998% of the membership interests of OLV Coöperatie U.A., which are in each case owned by CPN, to Brio or its assignee by way of a credit bid for the Assigned Assets by Brio or its assignee.

(9) "**Financial Assets Agreements**" means the agreements pertaining to the Assigned Assets together with any security documents.

(10) "**GPA**" means the gold purchase agreement as amended, entered into by Macquarie, CPN and the Borrower dated May 4, 2010, pursuant to which (i)(A) Macquarie made an upfront payment to the Borrower of $15,000,000 in two tranches and (B) Macquarie is required to pay the Borrower a maximum price per ounce of gold delivered to Macquarie of $400 (subject to an inflation escalator) in exchange for (ii)(A) the Borrower delivering to Macquarie an amount of gold equal to 6.25% of ounces of gold produced from the Project.

(11) "**Obligors**" means collectively, the Borrower, CPN, OLC Brazil, OLV and OLC, and "**Obligor**" means any one of them.

(12) "**Option**" means the exclusive right and option granted by Macquarie to Brio to acquire all of Macquarie's right, title, benefits and interests in respect of the Assigned Assets and the Security, as set out in the Option Agreement.

(13) "**Option Agreement**" means the Option Agreement entered into as of the date hereof between Brio and Macquarie in respect of the Assigned Assets.

(14) "**PLF**" means the project facility agreement between the Borrower, as borrower, CPN, OLC Brazil, OLV and OLC in their capacities as guarantors and Macquarie in its capacities as administrative agent, collateral agent, lender and hedge provider dated January 11, 2013, as amended.

(15) "**Project**" means the Riacho Dos Machados Gold Project, Minas Gerais, Brazil.

(16) "**Security**" means the security that secures the obligations of the Obligors pursuant to the Financial Assets Agreements, including, without limitation, the documents set out in Schedule "B" hereto.

(17) "**Signature Date**" means the date on which the last party hereto signed this Agreement.

(18) "**SPA**" means the gold sale and purchase agreement as amended, entered into by Macquarie, CPN and the Borrower dated October 25, 2012, pursuant to which (i)(A) Macquarie paid to the Borrower an upfront payment of $15,000,000 (B) Macquarie is required to pay the Borrower a maximum price per ounce of gold delivered to Macquarie of $400 (subject to an inflation escalator) in exchange for (ii) the Borrower delivering to Macquarie an amount of gold equal to 6.25% of ounces of gold produced from the Project.

(19) "**Subscription Agreement**" has the meaning set out in Article 4.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to a "Section" followed by a number and/or letter refer to the specified section of this Agreement.

1.3 Extended Meanings.

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4 Currency.

All references to $ shall be to United States dollars.

Article 2
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Brio.

Brio hereby represents and warrants to the Obligors and Macquarie and acknowledges that in reliance on such representations and warranties, the Obligors and Macquarie have entered into this Agreement:

(20) Brio is a corporation established and validly existing under the laws of Ontario;

(21) Brio has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(22) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Brio will result in the violation of:

(i) any of the provisions of the constating documents or by-laws of Brio;

(ii) any agreement or other instrument to which Brio is a party or by which Brio is bound; or

(iii) any Applicable Law in respect of which Brio must comply;

(23) this Agreement constitutes a valid and legally binding obligation of Brio, enforceable against Brio in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts; and

(24) Brio is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not committed or threatened to commit any act of bankruptcy.

2.2 Representations and Warranties of the Obligors.

Each of the Obligors hereby represents and warrants to Brio and Macquarie, and acknowledges that in reliance on such representations and warranties, Brio and Macquarie have entered into this Agreement:

(1) each of the Obligors is a corporation established and validly existing under the laws of the jurisdiction set forth on the cover page of this Agreement;

(2) each of the Obligors has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(3) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by any of the Obligors will result in the violation of:

(i) any of the provisions of the constating documents or by-laws of any Obligor;

(ii) any agreement or other instrument to which any Obligor is a party or by which any Obligor is bound; or

(iii) any Applicable Law in respect of which any Obligor must comply; and

(4) each of the Obligors has received and reviewed a copy of the Option Agreement;

(5) each Obligor hereby represents and warrants to Macquarie and to Brio that the Assigned Assets are not subject to any defence, counterclaim or set off on the part of any Obligor; and

(6) This Agreement constitutes a valid and legally binding obligation of each Obligor, enforceable against each Obligor in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts.

Article 3
OBLIGORS

3.1 Consent and Waiver.

Each Obligor consents to the transactions contemplated under the Option Agreement and under the Assignment and Assumption Agreement and waives all notice and other requirements under all documents relating to the Assigned Assets in order to carry out

the transaction contemplated under the Option Agreement, the Assignment Agreement and hereunder.

3.2 Defaults.

Neither Macquarie nor Brio (nor Brio's assignee) shall be treated as waiving any existing (or future) rights arising from or in connection with any defaults (howsoever described) or otherwise under any Assigned Asset or the Security by virtue of entering into the Option Agreement, the Assignment and Assumption Agreement or this Agreement and arrangements contemplated herein and therein.

3.3 Assigned Assets.

Each Obligor hereby represents and warrants to Macquarie and to Brio that the Assigned Assets and the Security are not subject to any defence, counterclaim or set off.

3.4 Confirmation of Guarantees and Security.

Each Obligor hereby confirms that the instruments comprising the Assigned Assets and any and all liabilities accrued and security granted thereunder are currently valid, binding and enforceable first-priority security interests which secure such Assigned Assets (subject only to Permitted Liens) and no tax or judgment liens are currently in effect or registered against such Obligor.

Each Obligor further confirms and agrees that, both before and after giving effect to the Assignment and Assumption Agreement, it shall not in any way challenge or interfere with the security granted under the Assigned Assets and the Financial Asset Agreements or the obligations of such Obligor thereunder.

3.5 Covenants Regarding the Project.

The Obligors covenant to Brio and (until exercise of the Option) to Macquarie to conduct their businesses in the ordinary course to the extent reasonable having regard to their financial condition for the overall purpose of preserving the value of the Assigned Assets and the Project, except as otherwise contemplated in this Agreement. Without limiting the generality of the foregoing, the Obligors shall:

(1) not enter into any material agreements pertaining to the Project or the Assigned Assets or the Security, except as contemplated by this Agreement or as agreed to by Brio and (until exercise of the Option) by Macquarie, provided that the Obligors may continue to enter into forbearance agreements with Macquarie with respect to the Assigned Assets in a manner consistent with past practices with the consent of Brio (such consent not to be unreasonably withheld or delayed), or as otherwise contemplated in the Option Agreement;

(2) preserve intact their current business organization, keep available the services of their employees and maintain good relations with, and the goodwill of, suppliers, customers, landlords, creditors and all other persons having business relationships pertaining to the Project consistent with past practices and policies;

(3) maintain possession and control of the Assigned Assets and the Security and all assets and property relating to the Project and keep in good standing all property and mining rights and permits pertaining to the Project;

(4) operate all mines and mining properties relating to the Project in the ordinary course consistent with past practices and policies of the Obligors;

(5) provide Brio and (until exercise of the Option) Macquarie with reasonable access to key operational and financial personnel;

(6) immediately notify Brio and (until exercise of the Option) Macquarie of any material developments in connection with the Assigned Assets or the Security or the operation of the Project, including without limitation any actual or threatened catastrophic events or labour strikes;

(7) not to divert any funds away from the Borrower, except as necessary to pay obligations in accordance with the provisions of the Option Agreement;

(8) provide Brio and (until exercise of the Option) Macquarie with reasonable access to the Project site; and

(9) provide Brio and (until exercise of the Option) Macquarie with weekly reports on the status of the operations of the Project, including weekly production statements and statements of cash flows.

In addition, the Obligors shall provide to Brio and (until exercise of the Option) Macquarie:

(10) updated forecasts of cash flows of CPN, the Borrower and the Project as and when requested by Macquarie or Brio;

(11) a weekly report on any variances from the Cash Flow Forecast or any updated forecast of cash flows delivered pursuant to Section 3.5(10) above. The Obligors shall promptly provide any information reasonably requested by Brio or Macquarie in respect of such variances.

3.6 Cooperation.

Each Obligor and Brio (or its assignee) hereby agree to work cooperatively and in good faith with each other upon the exercise of the Option to implement the Credit Bid

Transaction as soon as possible after the exercise of the Option. In connection with the foregoing, each Obligor and Brio (or its assignee) hereby agree to work cooperatively and in good faith with each other to: (i) seek the appointment of a limited receiver acceptable to Brio and CPN over CPN's shares in OLC Brazil and OLV pursuant to an order of the Ontario Superior Court of Justice (Commercial List) acceptable to CPN and Brio; (ii) obtaining the Canadian Approval and Vesting Order; and (iii) obtain any other order of the Ontario Superior Court of Justice (Commercial List) approving the implementation of the Credit Bid Transaction by any alternative means acceptable to CPN and Brio, each acting reasonably. Notwithstanding any other provision in this Agreement, any costs or expenses of the Obligors relating to cooperation by the Obligors with Brio to obtain the Canadian Approval and Vesting Order or other matters described in this Section 3.6 will be paid in advance by Brio.

Article 4
SUBSCRIPTION

CPN and Brio shall negotiate in good faith and enter into a subscription agreement (the "**Subscription Agreement**") to include customary representations, warranties and covenants for an equity subscription with respect to a US$1,000,000 subscription by Brio of common shares in the capital of CPN, at a price to be agreed between CPN and Brio, each acting reasonably, subject to the requirements of the Canadian Securities Exchange. The subscription described in this Article 4 shall be completed immediately following Closing.

Article 5
MACQUARIE CONSENT

By the execution of this Agreement, Macquarie hereby irrevocably consents, pursuant to any agreement or understanding between Macquarie and any Obligor, to (i) the execution and delivery by the Obligors of this Agreement, (ii) the execution and delivery by the Obligors (or any one of them) of all further documents necessary or appropriate to give effect to the provisions and intent of this Agreement, (iii) all further action necessary or appropriate on the part of the Obligors (or any one of them) to give effect to the provisions and intent of this Agreement, and (iv) the Obligors completing the transactions contemplated by this Agreement.

Article 6
GENERAL

6.1 Assignment.

No party may assign this Agreement or any right or interest herein without the prior written consent of the other parties. Notwithstanding the foregoing, Brio may assign any of its rights in connection with the Credit Bid Transaction to an Affiliate, provided that Brio shall not assign its rights under the Assignment and Assumption Agreement to any party that is not an Affiliate. This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

6.2 Releases

Upon Closing, Brio shall deliver to (A) CPN a release of the CPN Guarantee and its obligations under the Financial Assets Agreements and the Security, and (B) the directors of each of the Obligors, full releases and discharges of any liabilities in respect of the Financial Assets Agreements and the Security.

6.3 Counterparts.

This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

6.4 Entire Agreement.

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

6.5 Further Assurances and Waiver.

Each party agrees that it shall from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to the provisions and intent of this Agreement and to complete the transactions contemplated by this Agreement. For greater certainty, the Obligors shall from time to time take all further action necessary and appropriate to facilitate the transfer from Macquarie to Brio of the Assigned Assets. Each party hereto also hereby waives all notice and other procedural requirements which may otherwise be required to effect the things and actions contemplated herein contained in all relevant documents.

6.6 Fees and Expenses.

Except as otherwise provided in this Agreement, each of the parties will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred. Notwithstanding the foregoing, any costs or expenses of the Obligors relating to the cooperation by the Obligors with Brio in obtaining the Canadian Approval and Vesting Order and other matters relating to court approval of the Credit Bid Transaction will be paid in advance by Brio.

6.7 Public Announcement.

Each party shall consult with and obtain the consent of the other party or parties (which consent is not to be unreasonably withheld) prior to making or issuing any public announcement, press release, or similar publicity or disclosure with respect to this Agreement or any agreement entered into contemporaneously herewith or with respect to any activities under this Agreement or any such other agreements. As early as practicable, and not less than 24 hours, before a party makes any public announcement concerning this Agreement or activities undertaken pursuant thereto (unless the disclosing party demonstrates that earlier disclosure is required by law), such party shall first give the other party or parties notice of the intended announcement, including a copy of such proposed announcement, and the other party or parties shall have the right to comment on such announcement. If a party is required by law to make earlier disclosure, it will provide a copy of such disclosure to the other party or parties as soon as practicable thereafter.

For greater certainty, Macquarie and Brio acknowledge the obligation of CPN to disseminate a press release announcing the entering into of this Agreement, and hereby consent to the dissemination by CPN of a press release substantially in the form attached as Schedule "C" hereto.

6.8 Remedies Cumulative.

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

6.9 Governing Law and Jurisdiction.

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. For the purpose of all legal proceedings this Agreement and the courts of the Province of Ontario will have non-exclusive jurisdiction to entertain any action arising under this Agreement. The Obligors, Macquarie and Brio each attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

6.10 Waivers.

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the parties to this Agreement entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

6.11 Agent

Macquarie has entered into this agreement in its personal capacity and in its capacities as administrative agent and collateral agent under the PLF.

6.12 Survival

All covenants, representations and warranties of each party contained in this Agreement will survive the Signature Date and will continue in full force and effect.

6.13 Term

This Agreement shall be automatically terminated and the parties shall have no further obligations to each other upon the earlier of (i) the Termination Date under the Option Agreement, (ii) the date on which the share subscription contemplated by the Subscription Agreement is closed, and (iii) June 30, 2016, unless otherwise agreed between the Obligors and Brio in writing.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this agreement has been agreed and accepted on the date first written above.

MACQUARIE BANK LIMITED

Per: _____

Name: Mark Topfer
Title: Senior Managing Director
Signed at:

Andrew Gates
Managing Director

Signed in London, POA #1721
(executed 3 Oct 2014)

BRIO GOLD INC.

Per: _____

Name: Gil Clausen

Title: Chief Executive Officer

Signed at:

CARPATHIAN GOLD INC.

Per: _____

Name: John Hick
Title: Chairman
Signed at: Toronto, ON, Canada

MINERAÇÃO RIACHO DOS MACHADOS LTDA.

Per: _____

Name: Carla Fernandes Moura
Title: Administrator
Signed at: Belo Horizonte, Brazil

ORE-LEAVE CAPITAL (BRAZIL) LIMITED

Per: _____

Name: Michael Kozub
Title: Director
Signed at: Toronto, ON, Canada

OLV COÖPERATIE U.A.

Per: _____

Name: Michael Kozub
Title: Director
Signed at: Toronto, ON, Canada

OLC HOLDINGS BV

Per: _____

Name: Michael Kozub
Title: Director
Signed at: Toronto, ON, Canada

CARPATHIAN GOLD INC.

Per: _____

Name: John Hick
Title: Chairman
Signed at: Toronto, ON, Canada

MINERAÇÃO RIACHO DOS MACHADOS LTDA.

Per: _____

Name: Carla Fernandes Moura
Title: Administrator
Signed at: Belo Horizonte, Brazil

ORE-LEAVE CAPITAL (BRAZIL) LIMITED

Per: _____

Name: Michael Kozub
Title: Director
Signed at: Toronto, ON, Canada

OLV COÖPERATIE U.A.

Per: _____

Name: Michael Kozub
Title: Director
Signed at: Toronto, ON, Canada

OLC HOLDINGS BV

Per: _____

Name: Michael Kozub
Title: Director
Signed at: Toronto, ON, Canada

SCHEDULE "A"
ASSIGNED ASSETS

1 The PLF, as amended

2 The GPA, as amended

3 The SPA, as amended

4 Guarantee of Carpathian Gold Inc. with respect to the PLF dated January 11, 2013

5 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the PLF dated January 11, 2013

6 Guarantee of OLV Cooperatie U.A. with respect to the PLF dated January 11, 2013

7 Guarantee of OLC Holdings B.V. with respect to the PLF dated January 11, 2013

8 Guarantee of Carpathian Gold Inc. with respect to the GPA and SPA dated January 11, 2013

9 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the GPA and SPA dated January 11, 2013

10 Guarantee of OLV Cooperatie U.A. with respect to the GPA and SPA dated January 11, 2013

11 Guarantee of OLC Holdings B.V. with respect to the GPA and SPA dated January 11, 2013

SCHEDULE "B"
SECURITY

Capitalized terms below have the meanings assigned to them in the Collateral Agency Agreement as applicable.

Name of document	Date	Parties
General Security Agreement	11 January 2013	OLC Holdings B.V. The Collateral Agent
General Security Agreement	11 January 2013	Ore-Leave Capital (Brazil) Ltd. The Collateral Agent
General Security Agreement	11 January 2013	OLV Coöperatie U.A. The Collateral Agent
General Security Agreement	8 October 2013	CPN The Collateral Agent
General Security Agreement	2 May, 2014	The Company The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	CPN The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	OLC Holdings B.V. The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	Ore-Leave Capital (Brazil) Ltd. The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	OLV Coöperatie U.A. The Collateral Agent
Deed of Pledge of Registered Shares	11 January 2013	OLV Coöperatie U.A. The Collateral Agent OLC Holdings B.V.
Disclosed Pledge of Claims and Memberships	11 January 2013	CPN Ore-Leave Capital (Brazil) Ltd. The Collateral Agent OLV Coöperatie U.A.

Name of document	Date	Parties
Deed of Charge Over Shares	11 January 2013	CPN The Collateral Agent Ore-Leave Capital (Brazil) Ltd.
Quota Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	OLC Holdings B.V. OLV Coöperatie U.A. The Collateral Agent The Company CPN
Collateral Agency Agreement	11 January 2013 (and as amended 8 October 2013)	The Company The Collateral Agent The Agent The Original Obligors The Original Purchaser The Original Project Loan Finance Parties
Assignment of Insurance	11 January 2013	CPN The Company The Collateral Agent
Assignment of Insurance	1 May 2014	CPN The Company The Collateral Agent
Public Deed of Amendment and Restatement of Mortgage	11 January 2013 (and as amended on 23 May 2014 and 19 June 2015)	The Collateral Agent The Company CPN
First Amendment and Restatement Agreement to the Mineral Rights Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary

Name of document	Date	Parties
Gold Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Machinery and Equipment Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Credit Rights and Receivables Pledge Agreement and other Covenants	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Conditional Assignment of Contracts and other Covenants	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A.
Conditional Assignment of Mineral Rights Agreement	11 January 2013 (and as amended on 25 November 2013 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A.

SCHEDULE "C"
CPN PRESS RELEASE

Carpathian Gold Inc. Announces Restructuring

(Toronto, Ontario – November ■, 2015) Carpathian Gold Inc. (CSE:CPN) (the "**Corporation**" or "**Carpathian**") advises that, as a result of an agreement (the "**Option Agreement**") entered into between Macquarie Bank Limited ("**Macquarie**") and Brio Gold Inc. ("**Brio**"), Brio has been granted an option to (i) acquire all of Macquarie's rights and interests in the project loan facility, the gold purchase agreement and the gold sale and purchase agreement and related guarantees previously entered into by Macquarie and the Corporation, Mineracão Riacho dos Machados Ltda. ("**MRDM**") and certain other subsidiaries of Carpathian (collectively, the "**Obligors**"), and (ii) receive from Macquarie an assignment of Macquarie's security in respect of the foregoing agreements (all of the foregoing agreements and the security are collectively referred to as the "**Financial Assets**").

Pursuant to the Option Agreement, Macquarie has agreed to forbear from exercising any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions against the Obligors under the Financial Assets until the earlier of (i) the exercise or early termination of the Option Agreement and (ii) February 15, 2016. Under the Option Agreement, to the extent that cash flows from the Project are insufficient to meet ongoing costs and expenses, Macquarie has agreed with Brio to continue to provide funding to MRDM, subject to the terms and conditions set out in the Option Agreement. Any drawdowns requested by MRDM under the project loan facility remain subject to the discretion of Macquarie.

Furthermore, the Corporation has entered into an agreement with Brio and Macquarie (the "**Restructuring Agreement**") whereby the Corporation and Brio have agreed that, in the event Brio exercises its option to acquire the Financial Assets under the Option Agreement, the Corporation will work with Brio with respect to a restructuring procedure to be initiated by Brio with the objective of transferring 100% ownership of MRDM's Riacho dos Machados gold project in Minas Gerais, Brazil (the "**Project**") to Brio (the "**Restructuring**"). Pursuant to the Restructuring Agreement, Brio will deliver to the Corporation and its directors a full release and discharge with respect to any liability under the Financial Assets, including the Corporation's guarantee thereof. Following the Restructuring, the Corporation shall continue to own its Romanian assets, but shall have no ownership or interest in, or liabilities in respect of, MRDM or the Project.

As well, upon closing of the Restructuring, Brio has agreed to a US$1 million subscription of common shares of the Corporation, the whole at a price to be mutually agreed and subject to the requirements of the Canadian Securities Exchange.

About Carpathian

Carpathian is an exploration and development company whose primary business is gold production at its 100% owned Riacho dos Machados Gold Project in Brazil. In addition, it is also focussed on advancing its exploration and development plans on its 100% owned Rovina Valley Au-Cu Project located in Romania.

Forward-Looking Statements: Statements and certain information contained in this press release and any documents incorporated by reference may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation which may include, but is not limited to,

information with respect to the Corporation's expected production from, and further potential of, the Corporation's properties; the Corporation's ability to raise additional funds; the future price of minerals, particularly gold and copper; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Often, but not always, forward-looking statements/information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements/information is based on management's expectations and reasonable assumptions at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out herein.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Carpathian and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include: uncertainties of mineral resource estimates; the nature of mineral exploration and mining; variations in ore grade and recovery rates; cost of operations; fluctuations in the sale prices of products; volatility of gold and copper prices; exploration and development risks; liquidity concerns and future financings; risks associated with operations in foreign jurisdictions; potential revocation or change in permit requirements and project approvals; competition; no guarantee of titles to explore and operate; environmental liabilities and regulatory requirements; dependence on key individuals; conflicts of interests; insurance; fluctuation in market value of Carpathian's shares; rising production costs; equipment material and skilled technical workers; volatile current global financial conditions; and currency fluctuations; and other risks pertaining to the mining industry. Although Carpathian has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein or incorporated by reference are made as of the date of this presentation or as of the date of the documents incorporated by reference, as the case may be, and Carpathian does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained or incorporated by reference in this document is presented for the purpose of assisting shareholders in understanding the financial position, strategic priorities and objectives of the Corporation for the periods referenced and such information may not be appropriate for other purposes.

The CSE does not accept responsibility for the adequacy or accuracy of this news release.

Contact Information:

Carpathian Gold Inc.

Guy Charette, Interim Chief Executive Officer
+1(416) 368-7744 Ext. 233
+1(416) 363-3883 (FAX)

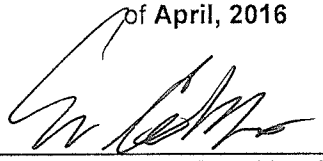
info@carpathiangold.com
www.carpathiangold.com

This is **Exhibit "P"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**



A Commissioner for taking Affidavits

ASSIGNMENT AND ASSUMPTION AGREEMENT

Dated as of 17 February, 2016

among

MACQUARIE BANK LIMITED
and

BRIO GOLD INC.

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement is dated as of February 17, 2016 among

MACQUARIE BANK LIMITED, a corporation subsisting under the laws of Australia,

("**Macquarie**")

and

BRIO GOLD INC., a corporation subsisting under the laws of Ontario

("**Brio**")

RECITALS:

A. Macquarie is the sole legal and beneficial owner of the Assigned Assets with good title thereto, free and clear of all Liens and Encumbrances and any other rights or adverse claims of others, and which are not subject to any defence, counterclaim or set-off;

B. Pursuant to the Option Agreement, Macquarie provided Brio an option pursuant to which upon exercise: (i) Brio or its assignee would acquire from Macquarie all of the Assigned Assets together with all of Macquarie's rights and benefits in respect of the Assigned Assets; (ii) Brio or its assignee would receive from Macquarie an assignment of Macquarie's Security (as defined in the Option Agreement) in respect of the Assigned Assets; and (iii) Brio or its assignee would assume all of Macquarie's obligations and liabilities under the Assigned Assets, all upon and subject to the terms and conditions set out in the Option Agreement;

C. In connection with this Agreement, Brio and Macquarie have elected to terminate the Option Agreement and to enter into this Agreement under which Macquarie wishes to sell and Brio wishes to have Brio Finance Holdings B.V. ("**BFH**"), as Brio's assignee hereunder, purchase all of the Assigned Assets and Security together with all of Macquarie's rights and benefits under the Assigned Assets and Security and BFH, as Brio's assignee, will assume all of Macquarie's obligations and liabilities under the Assigned Assets and Security, subject in each case to the terms and conditions set out herein.

NOW THEREFORE, FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 - INTERPRETATION

1.1 Certain Defined Terms. In this Agreement (including the Recitals) capitalized terms which are not otherwise defined have the meanings assigned to them in the PLF and the following terms have the following meanings:

(1) "**Affiliate**" means, with respect to any person, any other person that controls or is controlled by or is under common control with the referent person.

(2) "**Amended Restructuring Agreement**" means the Amended and Restated Restructuring Agreement between Macquarie, Brio and the Obligors dated on or about the date of this Agreement.

(3) "**Applicable Law**" means (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of an Official Body whether or not having the force of law.

(4) "**Assigned Assets**" means the rights, assets, property and undertakings of Macquarie set out in Schedule "A" hereto that are the subject matter of the assignment, sale and transfer effected by Section 2 of this Agreement, including all rights, incomes, claims, titles, interests and benefits in, to and under such rights, assets, property and undertakings, as well as any and all kinds of rights, assets, property and undertakings arising out of or in connection with claims, security or any monies payable under the rights, assets, property and undertakings as may be amended and supplemented from time to time including any replacement or renewal thereof.

(5) "**Canadian Approval and Vesting Order**" has the meaning set out in Section 2.5.

(6) "**Cash Flow Forecasts**" means the cash flow forecasts delivered in accordance with the Restructuring Agreement and the Amended Restructuring Agreement.

(7) "**Claim**" means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim or demand resulting therefrom or any other claim or demand of whatever nature or kind.

(8) "**Closing**" means the completion of the transaction contemplated in this Agreement.

(9) "**Closing Date**" means the date on which Closing occurs.

(10) "**CPN**" means Carpathian Gold Inc.

(11) "**Credit Bid Transaction**" means the transfer of 100% of the issued shares of Ore-Leave Capital (Brazil) Limited and 99.9998% of the membership interests of OLV Coöperatie U.A., which are in each case owned by CPN, to Brio or BFH, as Brio's assignee, by way of a credit bid for the Assigned Assets by Brio or its assignee.

(12) "**Encumbrance**" means any mortgage, charge, hypothec, assignment, pledge, lien, trust, claim of secured lender, vendor's privilege, supplier's right of reclamation or revendication or other security interest or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), in favour of any person.

(13) "**Financial Asset Agreements**" means the agreements pertaining to the Assigned Assets together with any ancillary or security documents, certificates or other documents relating thereto.

(14) "**Funding Period**" means the period from the date of the Option Agreement until the Closing Date.

(15) "**Funding Period Funding**" means funding provided to the Borrower by Macquarie under Tranche 3 of the PLF during the Funding Period.

(16) "**GPA**" means the gold purchase agreement as amended, entered into by Macquarie, CPN and Mineração Riacho Dos Machados Ltda. dated May 4, 2010, pursuant to which (i)(A) Macquarie made an upfront payment to Mineração Riacho Dos Machados Ltda. of $15,000,000 in two tranches and (B) Macquarie is required to pay Mineração Riacho Dos Machados Ltda. a maximum price per ounce of gold delivered to Macquarie of $400 (subject to an inflation escalator) in exchange for (ii)(A) Mineração Riacho Dos Machados Ltda. delivering to Macquarie an amount of gold equal to 6.25% of ounces of gold produced from the Project.

(17) "**knowledge**" with respect to Macquarie means the actual knowledge of those representatives of Macquarie involved in the day to day management of transactions contemplated in the Assigned Assets.

(18) "**Macquarie Deliverables**" means the documents set out on Schedule "D".

(19) "**Net Funding Amount**" means the Funding Period Funding less: (i) any amounts reimbursed to Macquarie from the cash flows generated by the Project; and (ii) any Gold Arrangement Receipts (as defined in the Option Agreement) received by Macquarie, in each case during the Funding Period.

(20) "**Obligors**" means Mineração Riacho Dos Machados Ltda., CPN, OLC Holdings BV, OLV Coöperatie U.A. and Ore-Leave Capital (Brazil) Limited.

(21) "**Option Agreement**" means the Option Agreement entered into between Macquarie and Brio dated November 20, 2015, pursuant to which Brio paid Macquarie the First Payment Amount (as defined in the Option Agreement) in respect of the acquisition of the Assigned Assets.

(22) "**Outside Date**" has the meaning set out in Section 7.

(23) "**PLF**" means the project facility agreement between Mineração Riacho Dos Machados Ltda., as borrower, Carpathian Gold Inc., OLC Holdings BV, OLV Coöperatie U.A. and Ore-Leave Capital (Brazil) Limited as guarantors and Macquarie in its capacities as administrative agent, collateral agent, lender and hedge provider dated January 11, 2013, as amended.

(24) "**Project**" means the Riacho Dos Machados Gold Project, Minas Gerais, Brazil;

(25) "**Purchase Price**" means the amount of US$45 million, subject to the adjustments contained herein.

(26) "**Restructuring Agreement**" means the Restructuring Agreement between Macquarie, Brio and the Obligors dated November 20, 2015.

(27) "**SPA**" means the gold sale and purchase agreement as amended, entered into by Macquarie, CPN and Mineração Riacho Dos Machados Ltda. dated October 25, 2012, pursuant to which (i)(A) Macquarie paid to Mineração Riacho Dos Machados Ltda. an upfront payment of $15,000,000 (B) Macquarie is required to pay Mineração Riacho Dos Machados Ltda. a maximum price per ounce of gold delivered to Macquarie of $400 (subject to an inflation escalator) in exchange for (ii) Mineração Riacho Dos Machados Ltda. delivering to Macquarie an amount of gold equal to 6.25% of ounces of gold produced from the Project.

(28) "**Security**" means the security that secures the obligations of the Obligors pursuant to the Financial Assets Agreements, including, without limitation, the documents set out in Schedule "C" hereto.

(29) "**Trust Funds**" means funds held in trust pursuant to a trust agreement between CPN, FTI Consulting Canada Inc. and Macquarie dated February 6, 2014, as amended by a first amendment agreement to trust agreement dated July 31, 2015.

1.2 Interpretation Not Affected by Headings, etc. The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to a "Section" followed by a number and/or letter refer to the specified section of this Agreement.

1.3 Extended Meanings. Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4 Currency. All references to $ shall be to United States dollars.

1.5 Control. For the purposes of this Agreement, (a) a person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate; (b) a person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that person and the person is able to direct the business and affairs of the entity; and (c) the general partner of a limited partnership controls the limited partnership. A person who controls an entity is deemed to control any entity that is controlled, or deemed to be controlled, by the entity. A person is deemed to control, within the meaning of Section 1.4(a) or (b), an entity if the aggregate of (i) any securities of the entity that are beneficially owned by that person, and (ii) any securities of the entity that are beneficially owned by any entity controlled by that person, is such that, if that person and all of the entities referred to in (ii) that beneficially own securities of the entity were one person, that person would control the entity.

SECTION 2 - ASSIGNMENT, SALE AND TRANSFER

2.1 Assigned Assets. At the Closing Date, on and subject to the terms and conditions contained herein, Macquarie shall irrevocably assign, sell, convey and transfer to BFH, as Brio's assignee, all of Macquarie's right, title, benefits and interests under the Assigned Assets and Security including (i) all accounts, debts, dues, demands, choses in action and claims howsoever arising that are now due, owed, owing or accruing due or that may hereafter become due, owed, owing or accruing due under the Assigned Assets and Security and all claims of whatsoever nature or kind that Macquarie now or may hereafter have under the Assigned Assets and Security; (ii) all securities, bills, notes, judgments, chattel mortgages, pledges, mortgages and any other security interests and all other rights and benefits that now or may hereafter be held, owned or vested in Macquarie in respect of or as security for any of the said accounts, debts, dues, demands, choses in action and claims in respect of the Assigned Assets and Security.

2.2 Purchase Price. In consideration of the assignment, sale and transfer effected by Section 2.1, on the Closing Date BFH, as Brio's assignee, shall assume pursuant to this Agreement all of Macquarie's obligations and liabilities under the Assigned Assets and concurrently therewith BFH or Brio will pay to Macquarie the Purchase Price.

2.3 Payment. On the Closing Date, on and subject to the terms and conditions contained herein, Brio or BFH (as Brio's assignee) shall pay the Purchase Price to Macquarie by wire transfer pursuant to the wire instructions set out as Schedule "B" hereto.

2.4 Deliveries. On the Closing Date, on and subject to the terms and conditions contained herein, Macquarie shall deliver to Brio or BFH (as Brio's assignee) the Macquarie Deliverables,

including original copies of all documents relating to the Assigned Assets to the extent that they are available.

2.5 Project Funding during the Funding Period

(1) Macquarie acknowledges and confirms that cash flow generated by the Project from the date of the Option Agreement to the date of this Agreement has been used only to fund the costs and expenses of CPN, the Borrower and the Project that have been incurred or were payable during that period in accordance with the Cash Flow Forecasts.

(2) The Parties acknowledge and agree that cash flow generated by the Project from the date of this Agreement until the Closing Date shall be used to fund the costs and expenses of CPN, the Borrower and the Project that are incurred or are payable during the remainder of the Funding Period from the date of this Agreement until the Closing Date, and that such funds shall be used after the date of this Agreement until the Closing Date substantially in accordance with the Cash Flow Forecasts.

(3) Macquarie covenants with Brio (and, for avoidance of doubt, not with the Obligors) that, subject to this Section 2.5, if during the remainder of the Funding Period, the cash flow generated by the Project is insufficient to fund the costs and expenses of CPN, the Borrower and the Project during the remainder of the Funding Period in accordance with the Cash Flow Forecasts, Macquarie will continue to provide funding to the Borrower under Tranche 3 of the PLF.

(4) The parties acknowledge and agree that to the extent that any surplus cash flow is generated by the Project during the Funding Period, it will be applied as follows:

(a) first, to reimburse to Macquarie any amounts advanced by Macquarie as Funding Period Funding during the Funding Period; and

(b) second, any remaining balance of cash flow generated by the Project will remain with the Borrower to fund future costs and expenses of the Borrower, CPN and the Project in accordance with the Cash Flow Forecasts.

2.6 Adjustments to Purchase Price.

(1) The Purchase Price shall be increased by the amount, if any, that the Net Funding Amount exceeds $6,000,000 and decreased by the amount, if any, that the Net Funding Amount is less than $6,000,000.

(2) In addition, the parties hereby agree that the Purchase Price shall be increased by $5,000,000 in the event that:

(a) the Net Funding Amount is zero or less; and

(b) the simple average of the AM and PM fix price for gold (based on the LBMA Gold Price) over any consecutive ten trading days prior to the Closing Date is equal to or greater than $1,250 per ounce.

(3) The Purchase Price shall be increased by the amount of Trust Funds which Macquarie pays or causes be paid to the Borrower at or prior to Closing.

(4) Macquarie will provide to Brio on Closing evidence of advances to and payments from the Borrower sufficient to allow Brio to verify the calculation of any adjustment to the Purchase Price in accordance with this Section 2.6.

(5) Macquarie and Brio acknowledge and agree that the Net Funding Amount as of the date of this Agreement is $3,759,880.36.

2.7 Cooperation by Macquarie.

For a period of three months following the Closing Date, Macquarie shall cooperate with Brio and BFH (as Brio's assignee) in seeking and obtaining a final Order of the Ontario Superior Court of Justice (Commercial List) approving the Credit Bid Transaction and vesting any property subject to the Credit Bid Transaction in BFH free and clear of all Encumbrances, such order to be in form and substance acceptable to BFH and Brio in their sole discretion (the "**Canadian Approval and Vesting Order**"). Any third party costs and expenses (including legal fees) to be incurred by Macquarie in providing such co-operation shall be paid to Macquarie by BFH or Brio in advance. For a period of three months following the Closing Date, Macquarie will promptly provide to BFH all such information within its possession or under its control as BFH may reasonably require to obtain and enter the Canadian Approval and Vesting Order, provided that any third party costs and expenses (including legal fees) to be incurred by Macquarie in providing such information shall be paid to Macquarie by Brio or BFH in advance.

2.8 Agent and Collateral Agent

The parties acknowledge and agree that BFH, as assignee of Brio, shall be, effective on the Closing Date, the Agent, Collateral Agent, Lender and Hedge Provider under and as defined in the PLF and the Purchaser (as defined in the Collateral Agency Agreement) under the SPA and the GPA and shall have the rights and obligations of the Agent, Collateral Agent, Lender, Hedge Provider and Purchaser (as applicable) thereunder and any reference to Macquarie by name or defined term in the Financial Asset Agreements shall be construed as a reference to BFH. Each of the parties shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as any other party may reasonably require from time to time for the purpose of giving effect to the resignation of Macquarie as Agent and Collateral Agent under the Financial Asset Agreements and the appointment of BFH in Macquarie's place under the Financial Asset Agreements.

2.9 Release of Interest in Collateral. Upon the assignment of the Assigned Assets and the Security to BFH (as assignee of Brio) as provided in this Agreement, Macquarie, for itself or as

agent, shall have no right, title or interest in any property or assets of the Obligors (including by way of security). Macquarie agrees, to the extent necessary to give effect to the foregoing, to release and discharge any and all security interests it may hold in the property or assets of the Borrower; provided, however, that Macquarie further agrees that it shall take no steps to release or discharge any such security interests or any registrations or filings in respect thereof in Brazil unless and until requested by Brio or consented to by Brio in writing. Macquarie shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as Brio or BFH may reasonably require from time to time for the purpose of giving effect to this release and discharge and assignment.

2.10 Further Assurances. Macquarie shall provide such further materials and information to Brio or BFH in respect of the Assigned Assets as Brio or BFH may reasonably request not subject to any existing confidentiality obligations of Macquarie that have not been waived.

2.11 Option Agreement. The Option Agreement is hereby terminated and of no further force or effect and neither Brio nor Macquarie shall have any obligation or liability thereunder.

2.12 Assignment to BFH. Prior to Closing, Brio intends to assign all of its rights and obligations under this Agreement to BFH and, following such assignment, Brio shall remain liable to perform all of its obligations, and the obligations of BFH (as Brio's assignee), hereunder.

SECTION 3 - ASSUMPTION OF OBLIGATIONS

3.1 Assumption by Brio. On the Closing Date, on and subject to the terms and conditions contained herein, BFH (as Brio's assignee) shall assume all obligations and liabilities of Macquarie under the Assigned Assets accruing from and after the date hereof.

3.2 Obligations and liabilities not assumed. Subject to Section 3.1 and except as otherwise expressly provided in this Agreement, neither BFH nor Brio assumes and neither BFH nor Brio will be liable for any obligations or liabilities of Macquarie whatsoever including payment of any taxes whatsoever that may be or become payable by Macquarie including any income or corporation taxes resulting from or arising as a consequence of the assignment, sale and transfer by Macquarie to BFH of the Assigned Assets.

SECTION 4 - REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Macquarie. Macquarie hereby represents and warrants to Brio as of the date of this Agreement as follows, and acknowledges that in reliance on such representations and warranties, Brio has entered into this Agreement:

(1) Macquarie is a corporation duly incorporated and validly existing under the laws of Australia;

(2) Macquarie is the sole legal and beneficial owner of the Assigned Assets and the Security with good title thereto, free and clear of all Liens and Encumbrances and any other rights or adverse claims of others, and which are not, to the

knowledge of Macquarie, subject to any defence, counterclaim or set-off and, for greater certainty, Macquarie is the sole Lender and Hedge Provider under the PLF and the sole Purchaser under the GPA and the SPA;

(3) As of the date hereof, the aggregate principal amount outstanding under the PLF is $273,112,133.80 and the aggregate interest amount outstanding under the PLF is nil;

(4) Macquarie has full corporate power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(5) this Agreement constitutes a valid and legally binding obligation of Macquarie, enforceable against Macquarie in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts;

(6) there is no contract, option or any other right of another binding upon or which at any time in the future may become binding upon Macquarie to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Assigned Assets or the Security other than pursuant to the provisions of this Agreement;

(7) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Macquarie will result in the violation of:

(a) any of the provisions of the constating documents or by-laws of Macquarie; or

(b) any agreement or other instrument to which Macquarie is a party or by which Macquarie is bound; or

(c) any Applicable Law in respect of which Macquarie must comply.

(8) there are no obligations owed by any of the Obligors to Macquarie or any of its Affiliates other than pursuant to the Assigned Assets, and following the assignment, sale and transfer of the Assigned Assets and Security pursuant to section 2.1, neither Macquarie nor any of its Affiliates shall have any Claim against any of the Obligors or any outstanding obligation owing from or right of recourse against any of the Obligors;

(9) Macquarie is not in default or breach of any contract or commitment under the Assigned Assets or the Security and there exists no condition, event or act that, with the giving of notice or lapse of time or both, would constitute such a

default or breach by Macquarie, and all such contracts and commitments are in good standing and in full force and effect as amended, copies of which amendments have been made available to Brio, and Macquarie is entitled to all benefits thereunder;

(10) Macquarie is not a party to or bound by any guarantee, indemnification, surety or similar obligation to a third party pertaining to the Assigned Assets or the Security;

(11) there are no outstanding orders, notices or similar requirements relating to the Assigned Assets or the Security issued by any Official Body to Macquarie (or, to the knowledge of Macquarie, issued by an Official Body to any other person) and there are no matters under discussion between Macquarie and any Official Body (or, to the knowledge of Macquarie, between an Official Body and any other person) relating to orders, notices or similar requirements relating to the Assigned Assets or the Security;

(12) there are no Claims, actions or proceedings (whether or not purportedly on behalf of Macquarie) in connection with the Assigned Assets or the Security:

(a) to the knowledge of Macquarie, pending or threatened against or affecting, or which could affect, the Assigned Assets or the Security, or

(b) before or by any Official Body;

(13) no approvals or consents of any Official Body, third party or otherwise are required to permit the assignment, sale and transfer of the Assigned Assets or the Security contemplated hereby; except as required under any insurance carried by Macquarie (which consent with respect to insurance carried by Macquarie has been obtained);

(14) true and complete copies of each of the instruments comprising the Assigned Assets and the Security have been made available to Brio;

(15) to the knowledge of Macquarie, none of the instruments comprising the Assigned Assets or the Security are invalid, unenforceable (subject to qualifications contained in transaction legal opinions, copies of which have been provided to Brio) or have been repudiated; provided, however, that no representation is given regarding the tax treatment of the Assigned Assets; and

(16) to the knowledge of Macquarie, the Security is effective and created in favour of the Collateral Agent a legal, valid, binding and enforceable first priority Lien in the collateral described therein and proceeds thereof to secure payment and performance of the obligations stated to be secured thereby and all steps required to be taken to establish and perfect such Security have been duly taken.

4.2 **Representations and Warranties of Brio.** Brio hereby represents and warrants to Macquarie and acknowledges that in reliance on such representations and warranties, Macquarie has entered into this Agreement:

(1) Brio is a corporation established and validly existing under the laws of Ontario;

(2) Brio has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(3) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Brio will result in the violation of:

(a) any of the provisions of the constating documents or by-laws of Brio;

(b) any agreement or other instrument to which Brio is a party or by which Brio is bound; or

(c) any Applicable Law in respect of which Brio must comply

(4) this Agreement constitutes a valid and legally binding obligation of Brio, enforceable against Brio in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts;

(5) Brio is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not committed or threatened to commit any act of bankruptcy; and

(6) BFH is a direct or indirect wholly-owned subsidiary of Brio.

SECTION 5 - COVENANTS

5.1 During the period between the date of this Agreement and Closing, Macquarie shall keep Brio regularly informed of the status of the Assigned Assets and Security and shall:

(1) not take any steps to accelerate or enforce or take any action or initiate any proceeding to accelerate or enforce the payment or repayment of any debt of the Obligors, whether against the Obligors or any property of the Obligors without the prior written consent of Brio;

(2) forbear from exercising any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions against the Obligors or their property, unless otherwise consented to by Brio;

(3) not transfer any of its interests in the Assigned Assets or the Security and shall not sell any participation interests in the Assigned Assets or the Security or pledge its interest in the Assigned Assets or the Security to any other party; and

(4) not permit any amendment, restatement, modification, replacement or termination of, or waiver or forebearance under, the Financial Asset Agreements or the Assigned Assets without the consent of Brio (such consent not to be unreasonably withheld or delayed), provided that Brio's consent will not be required if amendments are required to give effect to the terms of this Agreement.

5.2 Macquarie agrees that advances from Tranche 3 during the period between the date of the this Agreement and the Closing Date shall be used only to fund the costs and expenses of CPN, the Borrower and the Project that have been or are incurred, and that are payable, prior to the Closing Date, substantially in accordance with the Cash Flow Forecasts.

5.3 Brio shall, and shall cause BFH (as Brio's assignee) to, take all commercially reasonable steps to cooperate with Macquarie in the steps necessary to deliver the Macquarie Deliverables at Closing.

5.4 Macquarie and Brio shall, and Brio shall cause BFH (as Brio's assignee), to use reasonable efforts to cause: (i) each Macquarie Deliverable which is required to be executed by a signatory to such Macquarie Deliverable other than Macquarie, Brio or BFH to be executed by such required signatory such that it can be delivered as necessary to complete the assignment contemplated herein on or prior to the Outside Date; and (ii) any other certificate, document, consent or approval from any Official Body or third party that needs to be delivered, obtained or produced in order to complete the assignment to be delivered, obtained or produced as necessary to complete the assignment contemplated herein on or prior to the Outside Date.

SECTION 6 - CONDITIONS TO CLOSING

6.1 Brio's Conditions. Brio and BFH, as Brio's assignee, shall not be obligated to complete the transactions contemplated by this Agreement, unless, at or before the Outside Date, each of the conditions listed below in this Section 6.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of Brio and BFH, as Brio's assignee, and may be waived by Brio and BFH in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on Brio and BFH only if made in writing. Macquarie shall take all such actions, steps and proceedings as are reasonably within their control as may be necessary to ensure that the conditions listed below in this Section 6.1 are fulfilled at or before the Outside Date:

(1) *Macquarie's Deliverables.* Macquarie shall have delivered or caused to have been delivered to Brio at the Closing: (a) all of the Macquarie Deliverables in registrable and executable form; and (b) executed copies of all of the Macquarie Deliverables to the extent execution is required to make such documents legally effective; provided that to the extent Brio or BFH are required to previously or

simultaneously execute such Macquarie Deliverables to make such documents legally effective and Brio or BFH, as applicable, have not or will not so execute such Macquarie Deliverables, the failure of Macquarie to deliver executed copies of those Macquarie Deliverables will not be a breach of this condition 6.1(1).

(2) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.1 shall be materially true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date, and Macquarie shall have delivered an executed certificate of a senior officer, without personal liability, to that effect.

(3) *No Breach of Covenants.* Macquarie shall have performed in all material respects all material covenants, obligations and agreements contained in this Agreement and required to be performed by Macquarie on or before the Closing, and Macquarie shall have delivered an executed certificate of a senior officer, without personal liability, to that effect.

6.2 Macquarie's Conditions. Macquarie shall not be obligated to complete the transactions contemplated by this Agreement, unless, at or before the Outside Date, each of the conditions listed below in this Section 6.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of Macquarie, and may be waived by Macquarie in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on Macquarie only if made in writing. Brio shall take all such actions, steps and proceedings as are reasonably within their control as may be necessary to ensure that the conditions listed below in this Section 6.2 are fulfilled at or before the Outside Date.

(1) *Brio's Deliverables.* Brio shall have delivered or caused to have been delivered to Macquarie at the Closing the Purchase Price.

(2) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.2 shall be materially true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date, and Brio shall have delivered, or caused BFH to deliver, an executed certificate of a senior officer, without personal liability, to that effect.

(3) *No Breach of Covenants.* Brio shall each have performed, or caused BFH to perform, in all material respects all material covenants, obligations and agreements contained in this Agreement and required to be performed by Brio or BFH, as Brio's assignee, on or before the Closing, and Brio shall have delivered, or caused BFH to deliver, an executed certificate of a senior officer, without personal liability, to that effect.

6.3 Mutual Conditions. Subject to section 7.2, none of Macquarie, Brio or BFH (as Brio's assignee) shall be obligated to complete the transactions contemplated by this Agreement, unless,

at or before the Outside Date, each Macquarie Deliverable which is required to be executed by a signatory to such Macquarie Deliverable other than Macquarie, Brio or BFH has been executed by such required signatory and any other certificate, document, consent or approval from any Official Body or third party that needs to be delivered, obtained or produced in order to complete the assignment has been delivered, obtained or produced.

SECTION 7 - CLOSING DATE

7.1 Closing Date. Subject to this Section 7, Closing shall occur on the earliest date as may be practicable which date the parties intend to be March 15, 2016 but in any event no later than March 31, 2016 (the "**Outside Date**").

7.2 Delay of Closing Date. If the condition precedent in Section 6.3 has not been satisfied by March 31, 2016, the Closing Date shall be the soonest practicable date after the satisfaction of such condition precedent but in any event no later than April 30, 2016 and the Outside Date shall be automatically extended to April 30, 2016 or such later date as the Parties may agree.

7.3 Maximum Macquarie Claim. If the Closing has not occurred by the Outside Date, and on that date Brio or BFH has not complied with any of its covenants under this Agreement or if any of their representations and warranties in this Agreement are untrue, then to the extent that Macquarie has suffered damage as a result of such non-compliance or failure of such representations or warranties to be true, any claim by Macquarie for damages against Brio and BFH, and any liability of Brio and BFH, collectively, under this Agreement, shall not exceed the amount of $6,000,000.

7.4 Maximum Brio and BFH Claim. If the Closing has not occurred by the Outside Date, and on that date Macquarie has not complied with any of its covenants in this Agreement or if any of its representations and warranties in this Agreement is untrue, then (1) Macquarie shall pay to Brio $6,000,000 as a repayment of the First Payment Amount under the Option Agreement; and (2) to the extent that Brio or BFH has suffered damages as a result of such non-compliance or failure of such representations or warranties to be true, any claims by Brio and BFH, collectively, for damages against Macquarie, and any liability of Macquarie under this Agreement, shall not exceed the amount of an additional $6,000,000.

SECTION 8 - TERMINATION

8.1 Grounds for Termination. This Agreement may be terminated prior to the Closing:

(1) by mutual agreement of Brio and Macquarie and, if the assignment by Brio to BFH has been completed, the agreement of BFH; or

(2) on written notice by either party to the other party if: (i) Closing has not occurred on or prior to the Outside Date as a result of the failure to satisfy the conditions set out in Section 6.3 hereof that have not been waived by the parties; and (ii) such failure is not the result of any non-compliance by either party with its covenants under this Agreement or any failure of any representations or warranty of any party in this Agreement to be true.

If this Agreement is terminated pursuant to this Section 8.1, all further obligations of Macquarie, BFH and Brio under this Agreement will terminate and none of Brio, BFH or Macquarie shall have any liability or further obligations hereunder.

SECTION 9 - GENERAL

9.1 Survival. All covenants, representations and warranties of each party contained in this Agreement will survive the Closing Date and will continue in full force and effect.

9.2 Assignment. With the exception of the assignment of Brio's rights and interests under this Agreement to BFH, no party may assign this Agreement or any right or interest herein without the prior written consent of the other parties without further consent of any other party hereto. This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

9.3 Counterparts. This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

9.4 Entire Agreement. This Agreement and all documents contemplated by or delivered under or in connection with this Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

9.5 Further Assurances and Waiver. Each party agrees that it shall from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to the provisions and intent of this Agreement and to complete the transactions contemplated by this Agreement. Each party hereto also hereby waives all notice and other procedural requirements which may otherwise be required to effect the things and actions contemplated herein contained in all relevant documents.

9.6 Fees and Expenses. Each of the parties will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred.

9.7 Public Announcement. During the Funding Period, no public announcement or press release concerning the assignment, sale and transfer of the Assigned Assets may be made by Macquarie or Brio without the prior written consent and joint approval of Macquarie and Brio.

9.8 Remedies Cumulative. The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or

remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

9.9 Governing Law and Jurisdiction. This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. For the purpose of all legal proceedings the courts of the Province of Ontario will have non-exclusive jurisdiction to entertain any action arising under this Agreement. Macquarie and Brio each attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

9.10 Waivers. No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the parties to this Agreement entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement.

SIGNED for **MACQUARIE BANK LIMITED** in Sydney by its attorneys

.....
Signature of Attorney

Stephen Bower
Associate Director
.....
Name of Attorney

Michael Brownlie
Division Director
.....
Signature of Attorney
Energy Markets Division

.....
Name of Attorney

(Macquarie POA Ref: #2090 dated 26th November 2015)

BRIO GOLD INC.

By: _____
Name:
Title:

50979800.3

50979953.2

#1585028

IN WITNESS WHEREOF, the parties have executed this Agreement.

SIGNED for **MACQUARIE BANK LIMITED** in
Sydney by its attorneys

.....
Signature of Attorney

.....
Name of Attorney

.....
Signature of Attorney

.....
Name of Attorney

(Macquarie POA Ref: #2090 dated 26th November 2015)

BRIO GOLD INC.

By: _____
Name: Gil Clausen
Title: Chief Executive Officer

Schedule "A"
Assigned Assets

1 The PLF, as amended

2 The GPA, as amended

3 The SPA, as amended

4 Guarantee of Carpathian Gold Inc. with respect to the PLF dated January 11, 2013

5 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the PLF dated January 11, 2013

6 Guarantee of OLV Cooperatie U.A. with respect to the PLF dated January 11, 2013

7 Guarantee of OLC Holdings B.V. with respect to the PLF dated January 11, 2013

8 Guarantee of Carpathian Gold Inc. with respect to the GPA and SPA dated January 11, 2013

9 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the GPA and SPA dated January 11, 2013

10 Guarantee of OLV Cooperatie U.A. with respect to the GPA and SPA dated January 11, 2013

11 Guarantee of OLC Holdings B.V. with respect to the GPA and SPA dated January 11, 2013

Schedule "B"
Wire Instructions

Account Holding Institution:	Macquarie Bank Limited
SWIFT:	MACQAU2S
Beneficiary:	Macquarie Bank Limited OBU
SWIFT:	MACQAU2SOBU
Beneficiary Account Number:	CN01938570

Correspondent Bank:	Bank of New York Mellon, New York
SWIFT:	IRVTUS3N
ABA Routing Code:	021000018
Account Number:	8900055375
Chips UID:	236386

Schedule "C"

Security

Name of document	Date	Parties
General Security Agreement	11 January 2013	OLC Holdings B.V. The Collateral Agent
General Security Agreement	11 January 2013	Ore-Leave Capital (Brazil) Limited The Collateral Agent
General Security Agreement	11 January 2013	OLV Coöperatie U.A. The Collateral Agent
General Security Agreement	8 October 2013	CPN The Collateral Agent
General Security Agreement	2 May, 2014	The Borrower The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	CPN The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	OLC Holdings B.V. The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	Ore-Leave Capital (Brazil) Limited The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	OLV Coöperatie U.A. The Collateral Agent
Deed of Pledge of Registered Shares	11 January 2013	OLV Coöperatie U.A. The Collateral Agent OLC Holdings B.V.

Name of document	Date	Parties
Disclosed Pledge of Claims and Memberships	11 January 2013	CPN Ore-Leave Capital (Brazil) Limited The Collateral Agent OLV Coöperatie U.A.
Deed of Charge Over Shares	11 January 2013	CPN The Collateral Agent Ore-Leave Capital (Brazil) Limited
Quota Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	OLC Holdings B.V. OLV Coöperatie U.A. The Collateral Agent The Borrower CPN
Collateral Agency and Intercreditor Agreement	11 January 2013 (and as amended 8 October 2013)	The Borrower The Collateral Agent The Agent The Original Obligors The Original Purchaser The Original Project Loan Finance Parties
Assignment of Insurance	11 January 2013	CPN The Borrower The Collateral Agent
Assignment of Insurance	1 May 2014	CPN The Borrower The Collateral Agent
Public Deed of Amendment and Restatement of Mortgage	11 January 2013 (and as amended on 23 May 2014 and 19 June 2015)	The Collateral Agent The Borrower CPN

Name of document	Date	Parties
First Amendment and Restatement Agreement to the Mineral Rights Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Borrower The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Gold Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Borrower The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Machinery and Equipment Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Borrower The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Credit Rights and Receivables Pledge Agreement and other Covenants	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Borrower The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Conditional Assignment of Contracts and other Covenants	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Borrower The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A.
Conditional Assignment of Mineral Rights Agreement	11 January 2013 (and as amended on 25 November 2013 and 20 March 2015)	The Borrower The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A.

Schedule "D"

Macquarie Deliverables

In this Schedule D, the following terms have the following meanings:

Capitalized terms below have the meanings assigned to them in the Collateral Agency Agreement as applicable.

1) "**MRDM**" means Mineração Riacho Dos Machados Ltda.

2) "**CPN**" means Carpathian Gold Inc.

3) "**OLC Brazil**" means Ore-Leave Capital (Brazil) Limited

4) "**OLC**" means OLC Holdings B.V

5) "**OLV**" means OLV Coöperatie U.A.

6) "**MBL**" means Macquarie Bank Limited

7) "**Brio**" refers to Brio Gold Inc. and/or Brio Finance Holdings B.V., as is applicable in each case.

Document	Signatories
Collateral Agency Resignation and Appointment Agreement	MRDM, CPN, OLC Brazil, OLC, OLV, Brio, MBL
Administrative Agency Resignation and Appointment Agreement	MRDM, CPN, OLC Brazil, OLC, OLV, Brio, MBL
Accession under PLF	Brio MBL
Accession under GPA	Brio MBL
Accession under SPA	Brio MBL

Document	Signatories
Deed of Transfer and Assumption of Liabilities under Barbados law to be filed with the registry in Barbados	CPN, MBL, OLC Brazil and Brio
Deed of Transfer of Contract with respect to Dutch Share Pledge granted by OLV in favor of MBL over shares in OLC (to be executed in the form of a notarial deed)	OLV, MBL, Brio and OLC
Transfer of Contract Agreement in respect of Deed of Pledge of Claims and Memberships granted by CPN and OLC Brazil over membership interests in OLV	MBL, Brio, OLC Brazil, OLV and CPN
Assignment of Mortgage	MRDM CPN MBL Brio Notary public
Assignment of Pledge of Mining Concessions	MRDM Depositary CPN MBL Brio
Assignment of Gold Pledge	MRDM Depositary CPN OLC OLV MBL Brio
Assignment of Machinery and Equipment Pledge	MRDM Depositary CPN OLC OLV MBL Brio
Assignment of Credit Rights and Receivables Pledge	MRDM Depositary CPN OLC OLV MBL Brio

Document	Signatories
Assignment of Conditional Assignment of Mining Rights	MRDM CPN OLC OLV MBL Brio
Assignment of Conditional Assignment of Agreements	MRDM CPN OLC OLV MBL Brio
Delegation of Power of Attorney re Conditional Assignment of Agreements	MBL
Assignment of Quota Pledge Agreement	MRDM Depositary CPN OLC OLV MBL Brio
Invoice amendment letter	MBL Brio CPN
Return of Promissory Note to MRDM for payment of principal, interest and fees	MBL

This is **Exhibit "Q"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

AMENDED AND RESTATED RESTRUCTURING AGREEMENT

This Agreement is dated as of February 17 2016 among

MACQUARIE BANK LIMITED, a corporation subsisting under the laws of Australia,

("**Macquarie**")

and

BRIO GOLD INC., a corporation existing under the laws of Ontario,

("**Brio**")

and

CARPATHIAN GOLD INC., a corporation existing under the laws of Canada,

("**CPN**")

and

MINERAÇÃO RIACHO DOS MACHADOS LTDA., a corporation existing under the laws of Brazil

(the "**Borrower**")

and

ORE-LEAVE CAPITAL (BRAZIL) LIMITED, a corporation existing under the laws of Barbados,

("**OLC Brazil**")

and

OLV COÖPERATIE U.A., a holding co-operative existing under the laws of Netherlands,

("**OLV**")

and

OLC HOLDINGS BV, a limited liability corporation existing under the laws of Netherlands.

("**OLC**")

RECITALS:

A. Macquarie, Brio, CPN, Borrower, OLC Brazil, OLV and OLC entered into a Restructuring Agreement on November 20, 2015 (the "**Original Restructuring Agreement**") and the parties wish to amend and restate the Original Restructuring Agreement in the manner set forth herein.

B. Macquarie and Brio, have entered into an Assignment and Assumption Agreement pursuant to which, subject to the terms and conditions contained therein, Brio will: (i) acquire from Macquarie all of the Assigned Assets together with all of Macquarie's rights and benefits in respect of the Assigned Assets; (ii) receive from Macquarie an assignment of Macquarie's Security in respect of the Assigned Assets; and (iii) assume all of Macquarie's obligations and liabilities under the Assigned Assets.

C. Upon completion of the transactions contemplated in the Assignment and Assumption Agreement,, Brio proposes to take steps to effect the Credit Bid Transaction

NOW THEREFORE, FOR VALUE RECEIVED, the parties hereby agree that this Amended and Restated Restructuring Agreement amends and replaces the Original Restructuring Agreement, and further agree as follows:

Article 1
INTERPRETATION

1.1 Certain Defined Terms.

In this Agreement (including the Recitals) capitalized terms which are not otherwise defined have the meanings assigned to them in the PLF and the following terms have the following meanings:

(1) "**Agreement**" means this Restructuring Agreement, as may be amended from time to time in accordance herewith.

(2) "**Assigned Assets**" means the rights, assets, property and undertakings of Macquarie set out in Schedule "A" hereto that are the subject matter of

the Assignment and Assumption Agreement, including all rights, incomes, claims, titles, interests and benefits in, to and under such rights, assets, property and undertakings, as well as any and all kinds of rights, assets, property and undertakings arising out of or in connection with claims, security or any monies payable under the rights, assets, property and undertakings as may be amended and supplemented from time to time including any replacement or renewal thereof.

(3) "**Assignment and Assumption Agreement**" means the assignment and assumption agreement to be entered into between Macquarie and Brio on the date hereof, a copy of which has been provided to the Obligors.

(4) "**Canadian Approval and Vesting Order**" means an Order of the Ontario Superior Court of Justice approving the Credit Bid Transaction in form and substance acceptable to CPN and Brio or its assignee (each acting reasonably).

(5) "**Cash Flow Forecast**" means the cash flow forecasts delivered in accordance with the Original Restructuring Agreement and this Agreement.

(6) "**Closing**" means the closing of the Credit Bid Transaction.

(7) "**CPN Guarantee**" means the guarantees of CPN with respect to the obligations of the Borrower pursuant to the Financial Assets Agreements.

(8) "**Credit Bid Transaction**" means the transfer of 100% of the issued shares of Ore-Leave Capital (Brazil) Limited and 99.9998% of the membership interests of OLV Coöperatie U.A., which are in each case owned by CPN, to Brio or its assignee by way of a credit bid for the Assigned Assets by Brio or its assignee.

(9) "**Financial Assets Agreements**" means the agreements pertaining to the Assigned Assets together with any security documents.

(10) "**GPA**" means the gold purchase agreement as amended, entered into by Macquarie, CPN and the Borrower dated May 4, 2010, pursuant to which (i)(A) Macquarie made an upfront payment to the Borrower of $15,000,000 in two tranches and (B) Macquarie is required to the Borrower a maximum price per ounce of gold delivered to Macquarie of $400 (subject to an inflation escalator) in exchange for (ii)(A) the Borrower delivering to Macquarie an amount of gold equal to 6.25% of ounces of gold produced from the Project.

(11) "**Obligors**" means collectively, the Borrower, CPN, OLC Brazil, OLV and OLC, and "**Obligor**" means any one of them.

(12) "**PLF**" means the project facility agreement between the Borrower, as borrower, CPN, OLC Brazil, OLV and OLC in their capacities as guarantors and Macquarie in its capacities as administrative agent, collateral agent, lender and hedge provider dated January 11, 2013, as amended.

(13) "**Project**" means the Riacho Dos Machados Gold Project, Minas Gerais, Brazil.

(14) "**Security**" means the security that secures the obligations of the Obligors pursuant to the Financial Assets Agreements, including, without limitation, the documents set out in Schedule "B" hereto.

(15) "**Signature Date**" means the date on which the last party hereto signed this Agreement.

(16) "**SPA**" means the gold sale and purchase agreement as amended, entered into by Macquarie, CPN and the Borrower dated October 25, 2012, pursuant to which (i)(A) Macquarie paid to the Borrower an upfront payment of $15,000,000 (B) Macquarie is required to pay the Borrower a maximum price per ounce of gold delivered to Macquarie of $400 (subject to an inflation escalator) in exchange for (ii) the Borrower delivering to Macquarie an amount of gold equal to 6.25% of ounces of gold produced from the Project.

(17) "**Subscription Agreement**" has the meaning set out in Article 4.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to a "Section" followed by a number and/or letter refer to the specified section of this Agreement.

1.3 Extended Meanings.

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4 Currency.

All references to $ shall be to United States dollars.

Article 2
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Brio.

Brio hereby represents and warrants to the Obligors and Macquarie and acknowledges that in reliance on such representations and warranties, the Obligors and Macquarie have entered into this Agreement:

(1) Brio is a corporation established and validly existing under the laws of Ontario;

(2) Brio has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(3) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Brio will result in the violation of:

(i) any of the provisions of the constating documents or by-laws of Brio;

(ii) any agreement or other instrument to which Brio is a party or by which Brio is bound; or

(iii) any Applicable Law in respect of which Brio must comply;

(4) this Agreement constitutes a valid and legally binding obligation of Brio, enforceable against Brio in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts; and

(5) Brio is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not committed or threatened to commit any act of bankruptcy.

2.2 Representations and Warranties of the Obligors.

Each of the Obligors hereby represents and warrants to Brio and Macquarie, and acknowledge that in reliance on such representations and warranties, Brio and Macquarie have entered into this Agreement:

(1) each of the Obligors is a corporation established and validly existing under the laws of the jurisdiction set forth on the cover page of this Agreement;

(2) each of the Obligors has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(3) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by any of the Obligors will result in the violation of:

(i) any of the provisions of the constating documents or by-laws of any Obligor;

(ii) any agreement or other instrument to which any Obligor is a party or by which any Obligor is bound; or

(iii) any Applicable Law in respect of which any Obligor must comply; and

(4) each Obligor hereby represents and warrants to Macquarie and to Brio that the Assigned Assets are not subject to any defence, counterclaim or set off on the part of any Obligor; and

(5) This Agreement constitutes a valid and legally binding obligation of each Obligor, enforceable against each Obligor in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the courts.

Article 3
OBLIGORS

3.1 Consent and Waiver.

Each Obligor consents to the transactions contemplated under the Assignment and Assumption Agreement and waives all notice and other requirements under all documents relating to the Assigned Assets and the Security in order to carry out the transaction contemplated under the Assignment and Assumption Agreement and hereunder. Each Obligor confirms its understanding that Brio is not an Eligible Financial Institution (as defined in the PLF).

Each Obligor agrees to use reasonable efforts and take all reasonable steps to:

(i) execute, deliver and register all documents; and

(ii) cause any certificate, document, consent or approval from any Official Body or third party to be delivered, obtained or produced,

in each case as necessary to complete the assignment contemplated under the Assignment and Assumption Agreement on or prior to the Outside Date (as defined in the Assignment and Assumption Agreement).

3.2 Defaults.

Neither Macquarie nor Brio (nor Brio's assignee) shall be treated as waiving any existing (or future) rights arising from or in connection with any defaults (howsoever described) or otherwise under any Assigned Asset or the Security by virtue of entering into the Assignment and Assumption Agreement or this Agreement and arrangements contemplated herein and therein.

3.3 Assigned Assets.

Each Obligor hereby represents and warrants to Macquarie and to Brio that the Assigned Assets and the Security are not subject to any defence, counterclaim or set off.

3.4 Confirmation of Guarantees and Security.

Each Obligor hereby confirms that the instruments comprising the Assigned Assets and any and all liabilities accrued and security granted thereunder are currently valid, binding and enforceable first-priority security interests which secure such Assigned Assets (subject only to Permitted Liens) and no tax or judgment liens are currently in effect or registered against such Obligor.

Each Obligor further confirms and agrees that, after giving effect to the Assignment and Assumption Agreement, it shall not in any way challenge or interfere with the security granted under the Assigned Assets and the Financial Asset Agreements or the obligations of such Obligor thereunder.

3.5 Covenants Regarding the Project.

The Obligors covenant to Brio and (until the completion of the transactions contemplated by the Assignment and Assumption Agreement) to Macquarie to conduct their businesses in the ordinary course to the extent reasonable having regard to their financial condition for the overall purpose of preserving the value of the Assigned Assets and the Project, except as otherwise contemplated in this Agreement. Without limiting the generality of the foregoing, the Obligors shall:

(1) not enter into any material agreements pertaining to the Project or the Assigned Assets or the Security, except as contemplated by this Agreement or as agreed to by Brio and (until the completion of the transactions contemplated by the Assignment and Assumption Agreement) by Macquarie provided that the Obligors may continue to

enter into forbearance agreements with Macquarie with respect to the Assigned Assets in a manner consistent with past practices with the consent of Brio (such consent not to be unreasonably withheld or delayed) or as otherwise contemplated in the Assignment and Assumption Agreement;

(2) preserve intact their current business organization, keep available the services of their employees and maintain good relations with, and the goodwill of, suppliers, customers, landlords, creditors and all other persons having business relationships pertaining to the Project consistent with past practices and policies;

(3) maintain possession and control of the Assigned Assets and the Security and all assets and property relating to the Project and keep in good standing all property and mining rights and permits pertaining to the Project;

(4) operate all mines and mining properties relating to the Project in the ordinary course consistent with past practices and policies of the Obligors;

(5) provide Brio and (until the completion of the transactions contemplated by the Assignment and Assumption Agreement) Macquarie with reasonable access to key operational and financial personnel;

(6) immediately notify Brio and (until the completion of the transactions contemplated by the Assignment and Assumption Agreement) Macquarie of any material developments in connection with the Assigned Assets or the Security or the operation of the Project, including without limitation any actual or threatened catastrophic events or labour strikes;

(7) not to divert any funds away from the Borrower, except as necessary to pay obligations in accordance with the provisions of the Assignment and Assumption Agreement

(8) provide Brio and (until the completion of the transactions contemplated by the Assignment and Assumption Agreement) Macquarie with reasonable access to the Project site; and

(9) provide Brio and (until the completion of the transactions contemplated by the Assignment and Assumption Agreement) Macquarie with weekly reports on the status of the operations of the Project, including weekly production statements and statements of cash flows.

In addition, the Obligors shall provide to Brio and (until the completion of the transactions contemplated by the Assignment and Assumption Agreement) Macquarie:

(10) updated forecasts of cash flows of CPN, the Borrower and the Project as and when requested by Macquarie or Brio;

(11) a weekly report on any variances from the Cash Flow Forecast or any updated forecast of cash flows delivered pursuant to Section 3.5(10) above. The Obligors shall promptly provide any information reasonably requested by Brio or Macquarie in respect of such variances.

3.6 Cooperation.

Each Obligor and Brio (or its assignee) hereby agree to work cooperatively and in good faith with each other upon completion of the transaction contemplated by the Assignment and Assumption Agreement to implement the Credit Bid Transaction as soon as possible after the completion of the transactions contemplated by the Assignment and Assumption Agreement. In connection with the foregoing, each Obligor and Brio (or its assignee) hereby agree to work cooperatively and in good faith with each other to: (i) seek the appointment of a limited receiver acceptable to Brio and CPN over CPN's shares in OLC Brazil and OLV pursuant to an order of the Ontario Superior Court of Justice (Commercial List) acceptable to CPN and Brio; (ii) obtaining the Canadian Approval and Vesting Order; and (iii) obtain any other order of the Ontario Superior Court of Justice (Commercial List) approving the implementation of the Credit Bid Transaction by any alternative means acceptable to CPN and Brio, each acting reasonably. Notwithstanding any other provision in this Agreement, any costs or expenses of the Obligors relating to cooperation by the Obligors with Brio to obtain the Canadian Approval and Vesting Order or other matters described in this Section 3.6 will be paid in advance by Brio.

Article 4
Subscription

CPN and Brio shall negotiate in good faith and enter into a subscription agreement (the "**Subscription Agreement**") to include customary representations, warranties and covenants for an equity subscription with respect to a US$1,000,000 subscription by Brio of common shares in the capital of CPN, at a price to be agreed between CPN and Brio, each acting reasonably, subject to the requirements of the Canadian Securities Exchange. The subscription described in this Article 4 shall be completed immediately following Closing.

Article 5
Macquarie Consent

By the execution of this Agreement, Macquarie hereby irrevocably consents, pursuant to any agreement or understanding between Macquarie and any Obligor, to (i) the execution and delivery by the Obligors of this Agreement, (ii) the execution and delivery by the Obligors (or any one of them) of all further documents necessary or appropriate to give effect to the provisions and intent of this Agreement, (iii) all further action necessary or appropriate on the part of the Obligors (or any one of them) to give effect to the provisions and intent of this Agreement, and (iv) the Obligors completing the transactions contemplated by this Agreement.

Article 6
GENERAL

6.1 Assignment.

No party may assign this Agreement or any right or interest herein without the prior written consent of the other parties. Notwithstanding the foregoing, Brio may assign any of its rights in connection with the Credit Bid Transaction to an Affiliate provided that Brio shall not assign its rights under the Assignment and Assumption Agreement to any party that is not an Affiliate. This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

6.2 Releases

Upon Closing, Brio shall deliver to (A) CPN a release of the CPN Guarantee and its obligations under the Financial Assets Agreements and the Security, and (B) the directors of each of the Obligors, full releases and discharges of any liabilities in respect of the Financial Assets Agreements and the Security.

6.3 Counterparts.

This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

6.4 Entire Agreement.

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

6.5 Further Assurances and Waiver.

Each party agrees that it shall from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to the provisions and intent of this Agreement and to complete the transactions contemplated by this Agreement. For greater certainty, the Obligors shall from time to time take all further action necessary and appropriate to facilitate the transfer from Macquarie to Brio of the Assigned Assets. Each party hereto also hereby waives all notice and other procedural requirements which may otherwise be required to effect the things and actions contemplated herein contained in all relevant documents.

6.6 Fees and Expenses.

Except as otherwise provided in this Agreement, each of the parties will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred. Notwithstanding the foregoing, any costs or expenses of the Obligors relating to the cooperation by the Obligors with Brio in obtaining the Canadian Approval and Vesting Order and other matters relating to court approval of the Credit Bid Transaction will be paid in advance by Brio.

6.7 Public Announcement.

Each party shall consult with and obtain the consent of the other party or parties (which consent is not to be unreasonably withheld) prior to making or issuing any public announcement, press release, or similar publicity or disclosure with respect to this Agreement or any agreement entered into contemporaneously herewith or with respect to any activities under this Agreement or any such other agreements. As early as practicable, and not less than 24 hours, before a party makes any public announcement concerning this Agreement or activities undertaken pursuant thereto (unless the disclosing party demonstrates that earlier disclosure is required by law), such party shall first give the other party or parties notice of the intended announcement, including a copy of such proposed announcement, and the other party or parties shall have the right to comment on such announcement. If a party is required by law to make earlier disclosure, it will provide a copy of such disclosure to the other party or parties as soon as practicable thereafter.

6.8 Remedies Cumulative.

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

6.9 Governing Law and Jurisdiction.

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. For the purpose of all legal proceedings this Agreement and the courts of the Province of Ontario will have non-exclusive jurisdiction to entertain any action arising under this Agreement. The Obligors, Macquarie and Brio each attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

6.10 Waivers.

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the parties to this Agreement entitled to grant the waiver. No failure to exercise,

and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

6.11 Agent

Macquarie has entered into this agreement in its personal capacity and in its capacities as administrative agent and collateral agent under the PLF.

6.12 Survival

All covenants, representations and warranties of each party contained in this Agreement will survive the Signature Date and will continue in full force and effect.

6.13 Term

This Agreement shall be automatically terminated and the parties shall have no further obligations to each other upon the earlier of (i) termination of the Assignment and Assumption Agreement; (ii) the date on which the share subscription contemplated by the Subscription Agreement is closed, and (iii) August 2, 2016, unless otherwise agreed between the Obligors and Brio in writing.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement.

MACQUARIE BANK LIMITED

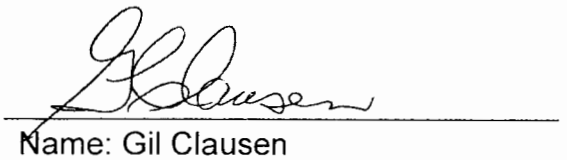
Per: _____

Name: Stephen Bower
Title: Associate Director
Signed at:

Michael Brownlie
Division Director
Energy Markets Division

Signed in Sydney, POA Ref:
#2090 dated 26 Nov 2015

BRIO GOLD INC.

Per: 

Name: Gil Clausen
Title: Chief Executive Officer
Signed at: Toronto, Canada

CARPATHIAN GOLD INC.

Per: _____

Name: John Hick

Title: Chairman

Signed at: Toronto

MINERAÇÃO RIACHO DOS MACHADOS LTDA.

Per: _____

Name: CARLA FERNANDES MOURA TAVARES

Title: ADMINISTRATOR

Signed at: Belo Horizonte

ORE-LEAVE CAPITAL (BRAZIL) LIMITED

Per: _____

Name: Michael Kozub

Title: Director

Signed at: Toronto

OLV COÖPERATIE U.A.

Per: _____

Name: Michael Kozub

Title: Director

Signed at: Toronto

OLC HOLDINGS BV

Per: _____

Name: Michael Kozub

Title: Director

Signed at: Toronto

SCHEDULE "A"

Assigned Assets

1 The PLF, as amended

2 The GPA, as amended

3 The SPA, as amended

4 Guarantee of Carpathian Gold Inc. with respect to the PLF dated January 11, 2013

5 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the PLF dated January 11, 2013

6 Guarantee of OLV Cooperatie U.A. with respect to the PLF dated January 11, 2013

7 Guarantee of OLC Holdings B.V. with respect to the PLF dated January 11, 2013

8 Guarantee of Carpathian Gold Inc. with respect to the GPA and SPA dated January 11, 2013

9 Guarantee of Ore-Leave Capital (Brazil) Limited with respect to the GPA and SPA dated January 11, 2013

10 Guarantee of OLV Cooperatie U.A. with respect to the GPA and SPA dated January 11, 2013

11 Guarantee of OLC Holdings B.V. with respect to the GPA and SPA dated January 11, 2013

SCHEDULE "B"

Security

Capitalized terms below have the meanings assigned to them in the Collateral Agency Agreement as applicable.

Name of document	Date	Parties
General Security Agreement	11 January 2013	OLC Holdings B.V. The Collateral Agent
General Security Agreement	11 January 2013	Ore-Leave Capital (Brazil) Ltd. The Collateral Agent
General Security Agreement	11 January 2013	OLV Coöperatie U.A. The Collateral Agent
General Security Agreement	8 October 2013	CPN The Collateral Agent
General Security Agreement	2 May, 2014	The Company The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	CPN The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	OLC Holdings B.V. The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	Ore-Leave Capital (Brazil) Ltd. The Collateral Agent
Subordination, Postponement and Assignment	11 January 2013	OLV Coöperatie U.A. The Collateral Agent
Deed of Pledge of Registered Shares	11 January 2013	OLV Coöperatie U.A. The Collateral Agent OLC Holdings B.V.

Name of document	Date	Parties
Disclosed Pledge of Claims and Memberships	11 January 2013	CPN Ore-Leave Capital (Brazil) Ltd. The Collateral Agent OLV Coöperatie U.A.
Deed of Charge Over Shares	11 January 2013	CPN The Collateral Agent Ore-Leave Capital (Brazil) Ltd.
Quota Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	OLC Holdings B.V. OLV Coöperatie U.A. The Collateral Agent The Company CPN
Collateral Agency and Intercreditor Agreement	11 January 2013 (and as amended 8 October 2013)	The Company The Collateral Agent The Agent The Original Obligors The Original Purchaser The Original Project Loan Finance Parties
Assignment of Insurance	11 January 2013	CPN The Company The Collateral Agent
Assignment of Insurance	1 May 2014	CPN The Company The Collateral Agent
Public Deed of Amendment and Restatement of Mortgage	11 January 2013 (and as amended on 23 May 2014 and 19 June 2015)	The Collateral Agent The Company CPN

Name of document	Date	Parties
First Amendment and Restatement Agreement to the Mineral Rights Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Gold Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Machinery and Equipment Pledge Agreement	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Credit Rights and Receivables Pledge Agreement and other Covenants	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A. Depositary
Conditional Assignment of Contracts and other Covenants	11 January 2013 (and as amended on 25 November 2013 and 24 April 2014 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A.
Conditional Assignment of Mineral Rights Agreement	11 January 2013 (and as amended on 25 November 2013 and 20 March 2015)	The Company The Collateral Agent CPN OLC Holdings B.V. OLV Coöperatie U.A.

This is **Exhibit "R"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

Carpathian Gold Inc. Announces Restructuring

11/20/2015

TORONTO, ONTARIO--(Marketwired - Nov. 20, 2015) - **Carpathian Gold Inc.** (CSE:CPN) (the "**Corporation**" or "**Carpathian**") advises that, as a result of an agreement (the "**Option Agreement**") entered into between Macquarie Bank Limited ("**Macquarie**") and Brio Gold Inc. ("**Brio**"), Brio has been granted an option to (i) acquire all of Macquarie's rights and interests in the project loan facility, the gold purchase agreement and the gold sale and purchase agreement and related guarantees previously entered into by Macquarie and the Corporation, Mineraca¦âo Riacho dos Machados Ltda. ("**MRDM**") and certain other subsidiaries of Carpathian (collectively, the "**Obligors**"), and (ii) receive from Macquarie an assignment of Macquarie's security in respect of the foregoing agreements (all of the foregoing agreements and the security are collectively referred to as the "**Financial Assets**").

Pursuant to the Option Agreement, Macquarie has agreed to forbear from exercising any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions against the Obligors under the Financial Assets until the earlier of (i) the exercise or early termination of the Option Agreement and (ii) February 15, 2016. Under the Option Agreement, to the extent that cash flows from the Project are insufficient to meet ongoing costs and expenses, Macquarie has agreed with Brio to continue to provide funding to MRDM, subject to the terms and conditions set out in the Option Agreement. Any drawdowns requested by MRDM under the project loan facility remain subject to the discretion of Macquarie.

Furthermore, the Corporation has entered into an agreement with Brio and Macquarie (the "**Restructuring Agreement**") whereby the Corporation and Brio have agreed that, in the event Brio exercises its option to acquire the Financial Assets under the Option Agreement, the Corporation will work with Brio with respect to a restructuring procedure to be initiated by Brio with the objective of transferring 100% ownership of MRDM's Riacho dos Machados gold project in Minas Gerais, Brazil (the "**Project**") to Brio (the "**Restructuring**"). Pursuant to the Restructuring Agreement, Brio will deliver to the Corporation and its directors a full release and discharge with respect to any liability under the Financial Assets, including the Corporation's guarantee thereof. Following the Restructuring, the Corporation shall continue to own its Romanian assets, but shall have no ownership or interest in, or liabilities in respect of, MRDM or the Project.

As well, upon closing of the Restructuring, Brio has agreed to a US$1 million subscription of common shares of the Corporation, the whole at a price to be mutually agreed and subject to the requirements of the Canadian Securities Exchange.

About Carpathian

Carpathian is an exploration and development company whose primary business is gold production at its 100% owned Riacho dos Machados Gold Project in Brazil. In addition, it is also focussed on advancing its exploration and development plans on its 100% owned Rovina Valley Au-Cu Project located in Romania.

Forward-Looking Statements: Statements and certain information contained in this press release and any documents incorporated by reference may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation which may include, but is not limited to, information with respect to the Corporation's expected production from, and further potential of, the Corporation's properties; the Corporation's ability to raise additional funds; the future price of minerals, particularly gold and copper; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Often, but not always, forward-looking statements/information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements/information is based on management's expectations and reasonable assumptions at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out herein.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Carpathian and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include: uncertainties of mineral resource estimates; the nature of mineral exploration and mining; variations in ore grade and recovery rates; cost of operations; fluctuations in the sale prices of products; volatility of gold and copper prices; exploration and development risks; liquidity concerns and future financings; risks associated with operations in foreign jurisdictions; potential revocation or change in permit requirements and project approvals; competition; no guarantee of titles to explore and operate; environmental liabilities and regulatory requirements; dependence on key individuals; conflicts of interests; insurance; fluctuation in market value of Carpathian's shares; rising production costs; equipment material and skilled technical workers; volatile current global financial conditions; and currency fluctuations; and other risks pertaining to the mining industry. Although Carpathian has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein or incorporated by reference are made as of the date of this presentation or as of the date of the documents incorporated by reference, as the case may be, and Carpathian does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained or incorporated by reference in this document is presented for the purpose of assisting shareholders in understanding the financial position, strategic priorities and objectives of the Corporation for the periods referenced and such information may not be appropriate for other purposes.

The CSE does not accept responsibility for the adequacy or accuracy of this news release.

Contact Information:
Carpathian Gold Inc.
Guy Charette, Interim Chief Executive Officer
+1(416) 368-7744 Ext. 233
+1(416) 363-3883 (FAX)
info@carpathiangold.com
www.carpathiangold.com

This is **Exhibit "S"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

Carpathian Gold Inc. Provides Restructuring Update 02/18/2016

TORONTO, ONTARIO--(Marketwired - Feb. 18, 2016) - **Carpathian Gold Inc.** (CSE:CPN) (the "**Corporation**" or "**Carpathian**") advises that, further to the press release of November 20, 2015, Macquarie Bank Limited ("**Macquarie**") and Brio Gold Inc. ("**Brio**") have entered into an assignment and assumption agreement (the "**Assignment Agreement**") whereby, subject to the terms and conditions therein, Brio will (i) acquire all of Macquarie's rights and interests in the project loan facility, the gold purchase agreement and the gold sale and purchase agreement and related guarantees previously entered into by Macquarie and the Corporation, Mineracao Riacho dos Machados Ltda. ("**MRDM**") and certain other subsidiaries of Carpathian (collectively, the "**Obligors**"), and (ii) receive from Macquarie an assignment of Macquarie's security in respect of the foregoing agreements (all of the foregoing agreements and the security are collectively referred to as the "**Financial Assets**"). Closing of the assignment of the Financial Assets to Brio is to take place no later than March 31, 2016, or in the event extended under certain conditions, April 30, 2016.

Pursuant to the Assignment Agreement, Macquarie has agreed to forbear from exercising any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions against the Obligors under the Financial Assets until the earlier of (i) the closing of the transaction contemplated by the Assignment Agreement and (ii) the termination of the Assignment Agreement. Under the Assignment Agreement, to the extent that cash flows from the Project are insufficient to meet ongoing costs and expenses, Macquarie has agreed with Brio to continue to provide funding to MRDM, subject to the terms and conditions set out in the Assignment Agreement. Any drawdowns requested by MRDM under the project loan facility remain subject to the discretion of Macquarie.

Furthermore, the Corporation has entered into an amended and restated restructuring agreement with Brio and Macquarie (the "**Amended Restructuring Agreement**") whereby the Corporation and Brio have agreed that, following the assignment of the Financial Assets to Brio, the Corporation will work with Brio with respect to a restructuring procedure to be initiated by Brio with the objective of transferring 100% ownership of MRDM's Riacho dos Machados gold project in Minas Gerais, Brazil (the "**Project**") to Brio (the "**Restructuring**"). Pursuant to the Amended Restructuring Agreement, Brio will deliver to the Corporation and its directors a full release and discharge with respect to any liability under the Financial Assets, including the Corporation's guarantee thereof. Following the Restructuring, the Corporation shall continue to own its Romanian assets, but shall have no ownership or interest in, or liabilities in respect of, MRDM or the Project.

As well, upon closing of the Restructuring, Brio has agreed to a US$1 million subscription of common shares of the Corporation, the whole at a price to be mutually agreed and subject to the requirements of the Canadian Securities Exchange.

About Carpathian

Carpathian is an exploration and development company whose primary business is gold production at its 100% owned Riacho dos Machados Gold Project in Brazil. In addition, it is also focussed on advancing its exploration and development plans on its 100% owned Rovina Valley Au-Cu Project located in Romania.

Forward-Looking Statements: Statements and certain information contained in this press release and any documents incorporated by reference may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation which may include, but is not limited to, information with respect to the Corporation's expected production from, and further potential of, the Corporation's properties; the Corporation's ability to raise additional funds; the future price of minerals, particularly gold and copper; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Often, but not always, forward-looking statements/information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements/information is based on management's expectations and reasonable assumptions at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out herein.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Carpathian and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include: uncertainties of mineral resource estimates; the nature of mineral exploration and mining; variations in ore grade and recovery rates; cost of operations; fluctuations in the sale prices of products; volatility of gold and copper prices; exploration and development risks; liquidity concerns and future financings; risks associated with operations in foreign jurisdictions; potential revocation or change in permit requirements and project approvals; competition; no guarantee of titles to explore and operate; environmental liabilities and regulatory requirements; dependence on key individuals; conflicts of interests; insurance; fluctuation in market value of Carpathian's shares; rising production costs; equipment material and skilled technical workers; volatile current global financial conditions; and currency fluctuations; and other risks pertaining to the mining industry. Although Carpathian has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein or incorporated by reference are made as of the date of this presentation or as of the date of the documents incorporated by reference, as the case may be, and Carpathian does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained or incorporated by reference in this document is presented for the purpose of assisting shareholders in understanding the financial position, strategic priorities and objectives of the Corporation for the periods referenced and such information may not be appropriate for other purposes.

Contact Information:
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www.carpathiangold.com

This is **Exhibit "T"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

Carpathian Gold Inc. Provides Restructuring Update

03/31/2016

TORONTO, ONTARIO--(Marketwired - March 31, 2016) - Carpathian Gold Inc. (CSE:CPN) (the "**Corporation**" or "**Carpathian**") advises that, further to its press release of February 18, 2016, Brio Gold Inc. ("**Brio**") has (i) acquired from Macquarie Bank Limited ("**Macquarie**") all of Macquarie's rights and interests in the project loan facility, the gold purchase agreement and the gold sale and purchase agreement and related guarantees previously entered into by Macquarie and the Corporation, Mineracao Riacho dos Machados Ltda. ("**MRDM**") and certain other subsidiaries of Carpathian, and (ii) received from Macquarie an assignment of Macquarie's security in respect of the foregoing agreements (all of the foregoing agreements and the security are collectively referred to as the "**Financial Assets**").

As previously announced and in accordance with the amended and restated restructuring agreement entered into by the Corporation with Brio and Macquarie (the "**Amended Restructuring Agreement**"), the Corporation will begin work with Brio with respect to a restructuring procedure to be initiated by Brio with the objective of transferring 100% ownership of MRDM's Riacho dos Machados gold project in Minas Gerais, Brazil (the "**Project**") to Brio (the "**Restructuring**"). Pursuant to the Amended Restructuring Agreement, Brio will, upon the completion of the Restructuring, deliver to the Corporation and its directors a full release and discharge with respect to any liability under the Financial Assets, including the Corporation's guarantee thereof. Following the Restructuring, the Corporation shall continue to own its Romanian assets, but shall have no ownership or interest in, or liabilities in respect of, MRDM or the Project.

As well, upon closing of the Restructuring, Brio has agreed to a US$1 million subscription of common shares of the Corporation, the whole at a price to be mutually agreed and subject to the requirements of the Canadian Securities Exchange.

About Carpathian

Carpathian is an exploration and development company whose primary business is gold production at its 100% owned Riacho dos Machados Gold Project in Brazil. In addition, it is also focussed on advancing its exploration and development plans on its 100% owned Rovina Valley Au-Cu Project located in Romania.

Forward-Looking Statements: Statements and certain information contained in this press release and any documents incorporated by reference may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation which may include, but is not limited to, information with respect to the Corporation's expected production from, and further potential of, the Corporation's properties; the Corporation's ability to raise additional funds; the future price of minerals, particularly gold and copper; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Often, but not always, forward-looking statements/information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements/information is based on management's expectations and reasonable assumptions at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out herein.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Carpathian and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include: uncertainties of mineral resource estimates; the nature of mineral exploration and mining; variations in ore grade and recovery rates; cost of operations; fluctuations in the sale prices of products; volatility of gold and copper prices; exploration and development risks; liquidity concerns and future financings; risks associated with operations in foreign jurisdictions; potential revocation or change in permit requirements and project approvals; competition; no guarantee of tiles to explore and operate; environmental liabilities and regulatory requirements; dependence on key individuals; conflicts of interests; insurance; fluctuation in market value of Carpathian's shares; rising production costs; equipment material and skilled technical workers; volatile current global financial conditions; and currency fluctuations; and other risks pertaining to the mining industry. Although Carpathian has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein or incorporated by reference are made as of the date of this presentation or as of the date of the documents incorporated by reference, as the case may be, and Carpathian does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained or incorporated by reference in this document is presented for the purpose of assisting shareholders in understanding the financial position, strategic priorities and objectives of the Corporation for the periods referenced and such information may not be appropriate for other purposes.

The CSE does not accept responsibility for the adequacy or accuracy of this news release.

Contact Information:
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www.carpathiangold.com

This is **Exhibit "U"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

SHARE AND ASSET PURCHASE AGREEMENT

THIS AGREEMENT made as of the ___ day of April, 2016

BETWEEN:

FTI CONSULTING CANADA INC., in its capacity as receiver of certain assets of Carpathian Gold Inc., and not in its personal or corporate capacity (hereinafter called the "**Vendor**")

- and -

BRIO FINANCE HOLDINGS B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands having its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, in its capacity as Administrative Agent and Collateral Agent (as defined below) (hereinafter called the "**Purchaser**")

WHEREAS pursuant to an order ("**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) granted on April ●, 2016, the Vendor was appointed Receiver of certain assets of Carpathian Gold Inc. ("**Carpathian**");

AND WHEREAS the Vendor has, subject to the approval of the Court, agreed to the sale of the Limited Receivership Assets (as defined below) to the Purchaser and the Purchaser has agreed to purchase the Limited Receivership Assets from the Vendor on the terms and conditions set forth herein;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms shall have the respective meanings hereby assigned to them:

(a) "**A&R Restructuring Agreement**" means the Amended and Restated Restructuring Agreement, dated February 17, 2016, between, among others, Carpathian, MRDM, Macquarie Bank Limited and Brio Gold Inc.;

(b) "**Administrative Agent**" means Brio Finance Holdings B.V., in its capacity as Administrative Agent under the PLF;

(c) "**Affiliate**" means, with respect to any person, any other person that controls or is controlled by or is under common control with the referent person;

(d) "**Agreement**" means this document, together with the Schedules attached hereto and made a part hereof;

(e) "**Approval and Vesting Order**" means an order to be granted by the Court that authorizes the Vendor's execution and performance of this Agreement and vests the Limited Receivership Assets in the Purchaser, free and clear of all Claims and Encumbrances, substantially in the form of Order attached as Schedule "A" to this Agreement;

(f) "**Assignment and Assumption Agreement**" means the agreement pursuant to which Brio receives an assignment of, and assumes, all of Carpathian's and the Vendor's rights, interests and obligations, if any, under the Carpathian Intercompany Debt;

(g) "**Brio**" means Brio Finance Holdings B.V.;

(h) "**Business Day**" means any day, except Saturdays, Sundays and statutory holidays, on which banks are generally open for business in Toronto, Ontario;

(i) "**Carpathian Intercompany Debt**" means any indebtedness of OLC Brazil, OLV, OLC Holdings B.V. or MRDM to Carpathian including, without limitation:

(i) intercompany loans owed by MRDM to Carpathian in the approximate aggregate amount of $9,088,242.18;

(ii) intercompany loans owed by OLC Brazil to Carpathian in the approximate aggregate amount of $49,310.49; and

(iii) intercompany loans owed by OLV and OLC Holdings B.V. to Carpathian in the approximate aggregate amount of $398,855.18,

and all payments due or to become due thereunder or in connection therewith, and all claims, causes of action, and any other rights of Carpathian, as a lender, or the Vendor against any person, whether known or unknown, arising thereunder or in any way based on or relating thereto, including contract and tort claims, statutory claims, and all other claims related to the rights and obligations sold and assigned.

(j) "**Carpathian Release**" means the release contemplated by Section 2.2 (a) (ii) hereof, in form and substance acceptable to Carpathian, acting reasonably;

(k) "**Claims**" has the meaning ascribed thereto in the form of the Approval and Vesting Order attached hereto as Schedule "A";

(l) "**Closing**" means the completion of the purchase and sale of the Limited Receivership Assets as contemplated by this Agreement;

(m) "**Closing Date**" means the date on which the Approval and Vesting Order is issued by the Court or such later dated as agreed to by the Parties;

(n) "**Closing Time**" means 11:00 a.m. (Toronto time) on the Closing Date, or such other time as agreed to in writing by the Vendor and the Purchaser;

(o) "**Collateral Agency Agreement**" means the Collateral Agency and Intercreditor Agreement, dated January 11, 2013 between, among others OLV, OLC Brazil, Macquarie Bank Limited, as collateral agent, MRDM and Carpathian, as assigned by

Macquarie Bank Limited to Brio, as replacement collateral agent pursuant to a collateral agency resignation and appointment agreement dated March 31, 2016;

(p) "**Collateral Agent**" means Brio, in its capacity as Collateral Agent under the Collateral Agency Agreement, the PLF, the GPA and the SPA;

(q) "**Court**" means the Ontario Superior Court of Justice (Commercial List);

(r) "**Encumbrances**" has the meaning ascribed thereto in the form of the Approval and Vesting Order attached hereto as Schedule "A";

(s) "**Governmental Authority**" means any government or political subdivision thereof, and any other body or agency having, or purporting to have, authority over the Limited Receivership Assets or any operation or activity thereon or with respect thereto;

(t) "**GPA**" means the gold purchase agreement as amended, between Brio (as assignee of Macquarie Bank Limited), Carpathian and MRDM dated May 4, 2010;

(u) "**Limited Receivership Assets**" means the OLC Brazil Shares, the OLV Membership and the Carpathian Intercompany Debt;

(v) "**MRDM**" means Mineração Riacho Dos Machados Ltda.;

(w) "**OLC Brazil**" means Ore-Leave Capital (Brazil) Limited;

(x) "**OLC Brazil Shares**" means all of the issued and outstanding shares of OLC Brazil registered in the name of Carpathian;

(y) "**OLV**" means OLV Coöperatie U.A.;

(z) "**OLV Membership**" means the memberships in OLV registered in the name of Carpathian, including all of Carpathian's and the Vendor's right, title and interest in and to such membership as well as all rights of Carpathian in connection with such membership including, without limitation, Carpathian's entitlement to any account held by, and rights to receive payment from, OLV under OLV's articles of association;

(aa) "**Party**" means any Person bound by this Agreement.

(bb) "**Person**" includes individuals, executors, administrators, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities;

(cc) "**PLF**" means the project facility agreement between MRDM, as borrower, Carpathian, OLC Holdings B.V., OLV and OLC Brazil as guarantors and Brio (as assignee of Macquarie Bank Limited) in its capacities as Administrative Agent, Collateral Agent, lender and hedge provider, dated January 11, 2013, as amended.

(dd) "**Purchase Price**" means CDN$1 and the Carpathian Release;

(ee) "**Receiver**" means FTI Consulting Canada Inc. in its capacity as receiver of certain assets of Carpathian appointed pursuant to the Receivership Order and not in its personal or corporate capacity;

(ff) "**Receivership Order**" means the Order of the Court under Court File No. ● granted on ●, 2016 appointing the Receiver;

(gg) "**Sales Tax**" means any taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada), and other sales and transaction taxes or transaction fees imposed by provincial or federal governments in Canada in respect of the Transaction;

(hh) "**SPA**" means the gold sale and purchase agreement between Brio (as assignee of Macquarie Bank Limited), Carpathian and MRDM, dated October 25, 2012, as amended.

(ii) "**Transaction**" means the purchase and sale of the Limited Receivership Assets contemplated by a Closing pursuant to this Agreement;

1.2 Schedules

The following Schedules are attached hereto and made part of this Agreement:

(a) Schedule "A" — Form of Approval and Vesting Order

1.3 References

The references "hereunder", "herein" and "hereof" refer to the provisions of this Agreement, and references to Articles, Clauses, Subclauses, Paragraphs or Subparagraphs herein refer to Articles, Clauses, Subclauses, Paragraphs or Subparagraphs of this Agreement. Any reference to time shall refer to Eastern Standard Time or Eastern Daylight Savings Time during the respective intervals in which each is in force.

1.4 Headings

The headings of the Articles, Clauses, Subclauses, Paragraphs, Subparagraphs or Schedules and any other headings, captions or indices herein are inserted for convenience of reference only and shall not be used in any way in construing or interpreting any provisions hereof.

1.5 Singular/Plural

Whenever the singular or masculine or neuter is used in this Agreement or in the schedules, it shall be interpreted as meaning the plural or feminine or body politic or corporate, and vice versa, as the context requires.

1.6 Use of Canadian Funds

All references to "dollars" or "$" herein shall refer to lawful currency of the United States unless the contrary is specified or provided for elsewhere in this Agreement.

1.7 Derivatives

Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

1.8 Statutory References

Unless otherwise specifically indicated, any reference to a statute in this Agreement refers to that statute and the regulations and ministerial orders made under that statute, as the same may, from time to time, be amended, re-enacted or replaced.

1.9 Governing Law

(a) This Agreement is governed by and is to be interpreted, construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to conflict of law principles.

(b) Each of the Parties irrevocably attorns and submits to the exclusive jurisdiction of the Court in any action or proceeding arising out of or relating to this Agreement. Each of the Parties waives objection to the venue of any action or proceeding in the Court or any argument that the Court provides an inconvenient forum.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the granting of the Approval and Vesting Order and to the terms and conditions of this Agreement, the Vendor hereby covenants and agrees to sell, assign, transfer, and deliver and hereby sells, assigns, transfers and delivers to Purchaser, and the Purchaser hereby covenants and agrees to purchase and acquire and hereby purchases and acquires from the Vendor, all of the right, title, and interest of Carpathian and the Vendor in and to the Limited Receivership Assets, effective as and from the Closing Date.

The assignment and transfer of the OLV Membership shall also be evidenced by a separate agreement of assignment and transfer of a membership to be executed prior to the Closing Time by Carpathian, as transferor, the Purchaser, as Transferee, and OLV

2.2 Purchase Price

(a) The aggregate consideration to be paid by the Purchaser to the Vendor for the Limited Receivership Assets shall be as follows:

(i) cash in the amount of $1 (the "**Cash Purchase Price**"); and

(ii) the full and final release by the Purchaser of the CPN Guarantee (as defined in the A&R Restructuring Agreement) and all of the obligations of Carpathian to the Purchaser under the Financial Assets Agreements and the Security (in each case as defined in the A&R Restructuring Agreement).

(b) At Closing, the Purchaser shall: (i) pay to Vendor the Cash Purchase Price; and (ii) deliver to Carpathian the Carpathian Release.

(c) The Purchaser shall pay the applicable Sales Tax, if any, in respect of the purchase of the Limited Receivership Assets to the Vendor. The Vendor shall remit the Sales Tax in respect of the purchase of the Limited Receivership Assets, if any, according to law.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 The Vendor represents and warrants as follows to the Purchaser and acknowledges and confirms that the Purchaser is relying upon the representations and warranties in entering into this Agreement and purchasing the Limited Receivership Assets.

(a) Subject to any applicable Orders of the Court, this Agreement has been validly executed and delivered by the Vendor, and this Agreement and all other documents executed and delivered on behalf of the Vendor hereunder shall constitute valid and binding obligations of the Vendor enforceable in accordance with their respective terms and conditions; and

(b) The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

3.2 The Purchaser represents and warrants as follows to the Vendor and acknowledges and confirms that the Vendor is relying upon the representations and warranties in entering into this Agreement and selling the Limited Receivership Assets:

(a) The Purchaser is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and has the requisite capacity, power and authority to execute this Agreement and to perform the obligations to which it thereby becomes subject, provided that the Purchaser shall have no liability for the discharge by it of any obligation hereunder unless and until the Approval and Vesting Order is granted;

(b) The Purchaser has taken all actions necessary to authorize the execution and delivery of this Agreement and, as of the Closing Date, the Purchaser shall have taken all actions necessary to authorize and complete the purchase of the **Limited Receivership Assets** in accordance with the provisions of this Agreement. This Agreement has been validly executed and delivered by the Purchaser, and this Agreement and all other documents executed and delivered on behalf of the Purchaser hereunder shall constitute valid and binding obligations of the Purchaser enforceable in accordance with their respective terms and conditions; and

(c) No approval or consent of any regulatory authority is required for the Purchaser to enter into this Agreement or to complete the purchase and sale contemplated herein, other than such regulatory approvals or consents, if any, as have been obtained as at the date hereof.

ARTICLE 4
CONDITIONS

4.1 Conditions - Purchaser

(a) The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Time:

(i) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;

(ii) the Vendor shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date, including delivering the documents referred to in Section 5.2 to be delivered by the Vendor;

(iii) no action or proceedings shall be pending or order issued to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and

(iv) the subscription agreement contemplated by Article 4 of the A&R Restructuring Agreement shall have been entered into by Brio Gold Inc. (or the Purchaser) and Carpathian.

(b) The parties hereto acknowledge that the foregoing conditions are for the exclusive benefit of the Purchaser. Any condition (other than the condition in Section 4.1(a)(iv) which cannot be waived by the Purchaser without Carpathian's consent) may be waived by the Purchaser in whole or in part.

4.2 Conditions – Vendor

(a) The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Date:

(i) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;

(ii) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date, including delivering the Purchase Price and the documents referred to in Section 5.2 to be delivered by the Purchaser;

(iii) no action or proceedings shall be pending or order issued to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and

(iv) all of the fees and disbursements of the Receiver and its counsel shall have been paid by Brio Gold Inc. in accordance with the Receivership Order.

(b) The parties hereto acknowledge that the foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part.

4.3 Conditions – Purchaser and Vendor

(a) The obligations of the Vendor and the Purchaser under this Agreement are subject to the conditions that:

(i) the Approval and Vesting Order shall have been granted by the Court on or before April 29, 2016 (the "**Court Approval Date**");

(ii) the Approval and Vesting Order shall not have been stayed, varied or vacated, and no order shall have been issued which restrains or prohibits the completion of the Transaction; and

(b) The parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser.

4.4 Efforts to Fulfil Conditions of Closing

The Parties shall use commercially reasonable efforts to take or cause to be taken such actions as are reasonably necessary to satisfy and comply with, or assist the other Party in, the

satisfaction and compliance with the conditions precedent specified in Clause 4.1, Clause 4.2 and Clause 4.3.

4.5 Non-Satisfaction of Conditions

If any condition set out in this Article 4 is not satisfied or performed on or prior to the dates specified in subsections 4.1 through 4.3, the party for whose benefit the condition is inserted may:

(a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; provided, however, that the condition in Section 4.1(a)(iv) cannot be waived by the Purchaser without Carpathian's consent; or

(b) elect on written notice to the other party to terminate this Agreement before Closing.

ARTICLE 5
CLOSING

5.1 Closing Date

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9, or as otherwise determined by mutual agreement of the Parties in writing.

5.2 At Closing

(a) Subject to satisfaction or waiver of the conditions of Closing by the relevant Party, at the Closing the Vendor shall:

(i) direct that Norton Rose Fulbright Canada LLP, as counsel to the Collateral Agent, deliver to the Purchaser the share certificate representing the OLC Brazil Shares;

(ii) deliver to the Purchaser the Assignment and Assumption Agreement duly executed by the Vendor;

(iii) deliver to the Purchaser a certificate confirming that all of the representations and warranties of the Vendor contained in this agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date; and

(iv) deliver to the Purchaser such other documents, instruments or certificates as the Purchaser may reasonably request.

(b) Upon confirmation of satisfaction of all conditions to closing having been delivered and/or waived and receiving a certificate to such effect from the Purchaser, the Vendor shall deliver to the Purchaser the Receiver's Certificate (as defined in the Approval and Vesting Order) in respect of the Closing, duly executed by the Vendor pursuant to the Approval and Vesting Order.

(c) Subject to satisfaction or waiver of the conditions of Closing by the relevant Party, at the Closing the Purchaser shall:

(i) deliver to the Vendor payment of the Purchase Price and the Carpathian Release;

(ii) deliver to the Vendor the Assignment and Assumption Agreement duly executed by the Purchaser;

(iii) deliver to the Vendor a certificate confirming that all of the representations and warranties of the Purchaser contained in this agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date; and

(iv) deliver to the Vendor such other documents, instruments or certificates as the Purchaser may reasonably request.

5.3 Post-Closing

Vendor shall file with the Court a copy of the Receiver's Certificate, as soon as practicable following the Closing.

5.4 Survival of Representations and Warranties

All representations, warranties, covenants and agreements of the Vendor and the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive Closing.

5.5 Limited Receivership Assets Acquired On "As Is" Basis

THE PURCHASER ACKNOWLEDGES THAT THE VENDOR IS SELLING THE LIMITED RECEIVERSHIP ASSETS ON AN "AS IS, WHERE IS" BASIS AS THEY SHALL EXIST ON THE CLOSING DATE. THE PURCHASER FURTHER ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT ON THE BASIS THAT THE VENDOR DOES NOT GUARANTEE TITLE TO THE LIMITED RECEIVERSHIP ASSETS AND THAT THE PURCHASER HAS CONDUCTED SUCH INSPECTIONS OF THE CONDITION OF AND TITLE TO THE LIMITED RECEIVERSHIP ASSETS AS IT DEEMED APPROPRIATE AND HAS SATISFIED ITSELF WITH REGARD TO THESE MATTERS. NO REPRESENTATION, WARRANTY OR CONDITION IS EXPRESSED OR CAN BE IMPLIED AS TO TITLE, ENCUMBRANCES, DESCRIPTION, FITNESS FOR PURPOSE, MERCHANTABILITY, CONDITION, QUANTITY OR QUALITY OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER CONCERNING THE LIMITED RECEIVERSHIP ASSETS OR THE RIGHT OF THE VENDOR TO SELL OR ASSIGN SAME SAVE AND EXCEPT AS EXPRESSLY REPRESENTED OR WARRANTED HEREIN.

Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Limited Receivership Assets contained herein are for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions.

ARTICLE 6
WAIVER

6.1 Waiver Must be in Writing

No waiver by any Party of any breach (whether actual or anticipated) or any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other future breach.

ARTICLE 7
NOTICE

7.1 Service of Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by email, addressed in the case of the Purchaser, as follows:

Vendor:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West, Suite 2010
P.O. Box 104
Toronto, ON M5K 1G8

Attn: Nigel Meakin
Email: Nigel.Meakin@fticonsulting.com

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9

Attn: Elizabeth Pillon
Email: lpillon@stikeman.com

Purchaser:

Brio Finance Holdings B.V.
Prins Bernhardplein 200
1097 JB
Amsterdam, the Netherlands
Attn: L.F.M. Heine and K.A. Wouters
Email: liselotte.heine@intertrustgroup.com
kaj.wouters@intertrustgroup.com

with a copy to: Norton Rose Fulbright Canada LLP
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
P.O. Box 84
Toronto, Ontario M5J 2Z4

Attn: Cathy Singer / Evan Cobb
Email: cathy.singer@nortonrosefulbright.com
evan.cobb@nortonrosefulbright.com

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

A Party may change its address for service by notice to the other Parties, and, such changed address for service thereafter shall be effective for all purposes of this Agreement.

ARTICLE 8
MISCELLANEOUS PROVISIONS

8.1 Further Assurances

At the Closing Date and thereafter as may be necessary, the Parties shall execute, acknowledge and deliver such instruments and take such other actions as may be reasonably necessary to fulfil their respective obligations under this Agreement.

8.2 Time

Time shall be of the essence in this Agreement.

8.3 No Amendment Except in Writing

This Agreement may be amended only by written instrument executed by the Vendor and the Purchaser; provided, however that the condition in Section 4.1(a)(iv) cannot be amended without the consent of Carpathian.

8.4 Assignment

Neither Party may assign its interest in or under this Agreement or to the Limited Receivership Assets without the prior written consent of the other Party; provided, however, that the Purchaser may assign all of its rights and obligations under this Agreement to an Affiliate, provided that: (a) the Purchaser shall remain liable to perform all of its obligations hereunder, and (b) the Purchaser and its assignee execute and deliver to the Vendor an assignment and assumption agreement, in form and substance satisfactory to the Vendor, acting reasonably, evidencing such assignment.

8.5 Consequences of Termination

If this Agreement is terminated in accordance with its terms prior to Closing, then except for the representations or other obligations breached prior to the time at which such termination occurs, the Parties shall be released from all of their obligations under this Agreement.

8.6 Supersedes Earlier Agreements

This Agreement supersedes all other agreements between the Parties with respect to the Limited Receivership Assets and expresses the entire agreement of the Parties with respect to the transactions contained herein. For greater certainty, nothing herein shall affect the Indemnity Agreement between FTI Consulting Canada Inc. and Brio Gold Inc., dated March 22, 2016, which shall continue in full force and effect.

8.7 Enurement

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

8.8 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereto to the other Parties by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement by the receiving party.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the date first above written.

FTI CONSULTING CANADA INC., in its capacity as receiver of certain of the assets, undertakings and properties of Carpathian Gold Inc. and not in its personal capacity

Per: _____

Name:

Title:

BRIO FINANCE HOLDINGS B.V.

Per: _____

Name:

Title:

SCHEDULE "A"

Form of Approval and Vesting Order

Court File No. _____

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE _____	)	_____DAY, THE____DAY
	)	
JUSTICE _____	)	OF _____, 20__

B E T W E E N:

BRIO FINANCE HOLDINGS B.V.

Applicant

- and –

CARPATHIAN GOLD INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by FTI Consulting Canada Inc., in its capacity as the Court-appointed receiver (the "**Receiver**") of certain assets of Carpathian Gold Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by a share and asset purchase agreement (the "**Sale Agreement**") between the Receiver and Brio Finance Holdings B.V., in its capacity as Administrative Agent and Collateral Agent (each as defined in the Sale Agreement) (the "**Purchaser**") dated ● and appended to the Report of the Receiver dated ● (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Limited Receivership Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, the Purchaser and the Debtor, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ● sworn ● filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Limited Receivership Assets to the Purchaser. The Debtor is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Limited Receivership Assets to the Purchaser including, without limitation, any documents necessary or desirable to transfer the OLV Membership to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Limited Receivership Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ● dated ●; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Limited Receivership Assets are hereby expunged and discharged as against the Limited Receivership Assets.

3. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Limited Receivership Assets shall stand in the place and stead of the Limited Receivership Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances (other than those Claims and

Encumbrances released by the Purchaser pursuant to the Carpathian Release (as defined in the Sale Agreement)) shall attach to the net proceeds from the sale of the Limited Receivership Assets with the same priority as they had with respect to the Limited Receivership Assets immediately prior to the sale as if the Limited Receivership Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. THIS COURT ORDERS that the Receiver is authorized and directed to apply any remaining proceeds of the Limited Receivership Assets in partial payment of its fees.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:

a) the pendency of these proceedings;

b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Limited Receivership Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States or elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

_____

Schedule A – Form of Receiver's Certificate

Court File No. _____

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

BRIO FINANCE HOLDINGS B.V.

Applicant

- and –

CARPATHIAN GOLD INC.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ● of the Ontario Superior Court of Justice (the "**Court**") dated ●, FTI Consulting Canada Inc. was appointed as the receiver (the "**Receiver**") of certain assets of Carpathian Gold Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated ●, the Court approved the share and asset purchase agreement made as of ● (the "**Sale Agreement**") between the Receiver and Brio Finance Holdings B.V. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Limited Receivership Assets, which vesting is to be effective with respect to the Limited Receivership Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Limited Receivership Assets; (ii) that the conditions to Closing as set out in articles 4 and 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Limited Receivership Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in articles 4 and 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

FTI Consulting Canada Inc., in its capacity as Receiver of certain assets of Carpathian Gold Inc., and not in its personal capacity

Per: _____

Name:

Title:

This is **Exhibit "V"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

FORM 86
Notice of Intention to Enforce a Security
(Rule 124)

TO: Carpathian Gold Inc. (the "**Debtor**"), an insolvent person

Take notice that:

1. Brio Finance Holdings B.V. (the "**Secured Creditor**"), a secured creditor, intends to enforce its security on the Debtor's property described below:

   a) all of the issued and outstanding shares of Ore-Leave Capital (Brazil) Limited registered in the name of the Debtor;

   b) the membership in OLV Coöperatie U.A. registered in the name of the Debtor, including all of the Debtor's right, title and interest in and to such membership as well as all rights of the Debtor in connection with such membership including, without limitation, the Debtor's entitlement to any account held by, and rights to receive payment from, OLV under OLV's articles of association; and

   c) any indebtedness of Ore-Leave Capital (Brazil) Limited, OLV Coöperatie U.A., OLC Holdings B.V. or Mineração Riacho Dos Machados Ltda. to the Debtor.

2. The security that is to be enforced is in the form of, *inter alia*, the agreements referred to in Schedule "A"

3. The total amount of indebtedness secured by the above described security as at March 31, 2016, was the sum of USD $273,112,133.80, plus interest, costs, fees and expenses.

4. The Secured Creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Toronto, Ontario this 21st day of April, 2016.

BRIO FINANCE HOLDINGS B.V., by its counsel, Norton Rose Fulbright Canada LLP

Per: _____

Name: EVAN COBB

Title: PARTNER

Schedule "A"

General Security Agreement made as of October 8, 2013 between Carpathian Gold Inc. and Macquarie Bank Limited, as assigned by Macquarie Bank Limited to the Secured Creditor pursuant to an Assignment and Assumption Agreement dated March 31, 2016.

Deed of Pledge of Claims and Memberships dated January 11, 2013 between, among others, the Debtor and Macquarie Bank Limited, as assigned by Macquarie Bank Limited to the Secured Creditor pursuant to an Assignment and Assumption Agreement dated March 31, 2016.

Deed of Charge Over Shares of Ore-Leave Capital (Brazil) Limited dated January 11, 2013 and created in favour of Macquarie Bank Limited by the Debtor, as assigned by Macquarie Bank Limited to the Secured Creditor pursuant to an Assignment and Assumption Agreement dated March 31, 2016.

This is **Exhibit "W"** referred to in the

Affidavit of **Joseph M. Longpre**

sworn before me, this **21st day**

of **April, 2016**

A Commissioner for taking Affidavits

CONSENT

TO: Brio Finance Holdings B.V. (the **Secured Creditor**)

FROM: Carpathian Gold Inc., an insolvent person (the **Insolvent Person**)

The Insolvent Person acknowledges receipt of a Notice of Intention to Enforce Security dated April 21, 2016 delivered by the Secured Creditor.

For consideration received, the receipt and sufficiency of which are hereby acknowledged, solely in connection with the Secured Creditor's proposed application for a receivership order substantially in the form and substance attached as Schedule "A", the Insolvent Person hereby consents to the immediate enforcement by the Secured Creditor of the security held by the Secured Creditor from the Insolvent Person, and for the same consideration waives any further notice from the Secured Creditor with respect to the enforcement of its security and the exercise of the other remedies of the Secured Creditor against the Insolvent Person.

DATED this 21st day of April, 2016.

CARPATHIAN GOLD INC.

Per: _____

Name: Michael Kozub

Title: General Counsel and Corp. Sec.

Schedule "A"

Form of Receivership Order

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

BRIO FINANCE HOLDINGS B.V.

Applicant

and

CARPATHIAN GOLD INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

THE HONOURABLE MR.	)	FRIDAY, THE 22nd
	)	
JUSTICE NEWBOULD	)	DAY OFAPRIL, 2016

LIMITED RECEIVERSHIP ORDER

THIS MOTION made by Brio Finance Holdings B.V. (the "**Applicant**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") appointing FTI Consulting Canada Inc. ("**FTI**") as receiver (in such capacity, the "**Receiver**") without security, of certain of the assets, undertakings and properties of Carpathian Gold Inc. (the "**Debtor**"), as described in this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [**AFFIANT**] sworn April •, 2016 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for the Debtor and on reading the consent of FTI to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA FTI is hereby appointed Receiver, without security, of all of the Debtor's rights and interests in or against:

(a) all shares of Ore-Leave Capital (Brazil) Limited (**"OLC Brazil");**

(b) the membership in OLV Coöperatie U.A. ("**OLV**") including all of the Debtor's right, title and interest in and to such membership as well as all rights of the Debtor in connection with such memberships including, without limitation, the Debtor's entitlement to any account held by, and rights to receive payment from, OLV under OLV's articles of association; and

(c) all indebtedness owing by any of OLC Brazil, OLV, OLC Holdings B.V., or Mineração Riacho Dos Machados Ltda. **(**together, the **"Debtor's Brazilian Subsidiaries")**, to the Debtor

(collectively, the "**Limited Receivership Assets**").

For greater certainty, the Receiver is hereby appointed only with respect to the Limited Receivership Assets and not any of the Debtor's right, title and interest in or to any of the Debtor's other property, assets or undertakings (the "**Non-Receivership Assets**"), such that the Debtor's right, title and interest in and to the Non-Receivership Assets and the rights of the employees and creditors other than the Applicant of the Debtor will not be affected hereby.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Limited Receivership Assets and, without in any way

limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Limited Receivership Assets;

(b) to receive, preserve, and protect the Limited Receivership Assets, or any part or parts thereof;

(c) to engage counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(d) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Limited Receivership Assets, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(e) to sell, convey, transfer or assign the Limited Receivership Assets or any part or parts thereof with the approval of this Court;

(f) to apply for any vesting order or other orders necessary to convey the Limited Receivership Assets or any part or parts thereof to a purchaser or purchasers thereof free and clear of any liens or encumbrances affecting such Limited Receivership Assets;

(g) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Limited Receivership Assets and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(h) to exercise any shareholder or other rights which the Debtor may have in or against the Limited Receivership Assets as the Receiver considers necessary or desirable; and

(i) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (a) the Debtor, (b) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (c) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Limited Receivership Assets in such Person's possession or control, shall grant immediate and continued access to the Limited Receivership Assets to the Receiver, and shall deliver all such Limited Receivership Assets to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall co-operate fully with the Receiver in the exercise of its powers and discharge of its obligations and provide the Receiver with the assistance that is necessary to enable the Receiver to adequately carry out the Receiver's functions under this Order.

NO PROCEEDINGS AGAINST THE RECEIVER

6. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE LIMITED RECEIVERSHIP ASSETS

7. THIS COURT ORDERS that no Proceeding against or in respect of the Limited Receivership Assets, or any of the Debtor's rights and interests in or against the Limited Receivership Assets, shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Limited Receivership Assets, or any of the Debtor's rights and interests in or

against the Limited Receivership Assets, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against the Receiver, or affecting the Limited Receivership Assets, or any of the Debtor's rights and interests in or against the Limited Receivership Assets, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (a) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (b) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

9. THIS COURT ORDERS that:

(a) no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor in respect of the Limited Receivership Assets, without written consent of the Receiver or leave of this Court; and

(b) no Person shall, solely as a result of the granting of this Order, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor or any of the Debtor's subsidiaries without written consent of the Receiver or leave of this Court.

10. THIS COURT ORDERS that nothing herein shall affect any contracts, agreements, license or permits involving a) the Debtor in respect of assets other than the Limited Receivership Assets and/or b) the Debtor's subsidiaries.

RECEIVER TO HOLD FUNDS

11. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order, including, without limitation, from the sale of all or any of the Limited Receivership Assets, shall be deposited into one or more new accounts to be opened by the Receiver, if necessary, (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

12. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor and the Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA.

LIMITATION ON THE RECEIVER'S LIABILITY

13. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

14. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid by the Applicant their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Limited Receivership Assets, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Limited Receivership Assets in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06, 81.4(4) and 81.6(2) of the BIA.

15. THIS COURT ORDERS that the Receiver and its legal counsel shall not be required to pass their accounts unless requested to do so by the Applicant, the Court or any other interested party, and if so requested the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

SERVICE AND NOTICE

16. THIS COURT ORDERS that The Guide Concerning Commercial List E-Service (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/ shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: http://cfcanada.fticonsulting.com/Carpathian

17. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

18. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

19. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

20. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States and elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

21. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

22. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

23. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than three (3) days' notice to the Receiver, the Applicant, the Debtor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

_____

BRIO FINANCE HOLDINGS B.V. Applicant	and	**CARPATHIAN GOLD INC.** Respondent	Court File No.	

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

LIMITED RECEIVERSHIP ORDER

613

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BRIO FINANCE HOLDINGS B.V. Applicant	**and**	**CARPATHIAN GOLD INC.** Respondent	Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF JOSEPH M. LONGPRE,
(SWORN APRIL 21, 2016)

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614

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

BRIO FINANCE HOLDINGS B.V.

Applicant

and

CARPATHIAN GOLD INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

THE HONOURABLE MR.	)	FRIDAY, THE 22nd
	)	
JUSTICE NEWBOULD	)	DAY OFAPRIL, 2016

LIMITED RECEIVERSHIP ORDER

THIS MOTION made by Brio Finance Holdings B.V. (the "**Applicant**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") appointing FTI Consulting Canada Inc. ("**FTI**") as receiver (in such capacity, the "**Receiver**") without security, of certain of the assets, undertakings and properties of Carpathian Gold Inc. (the "**Debtor**"), as described in this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Joseph M. Lopngpre sworn April 21, 2016 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for the Debtor and on reading the consent of FTI to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA FTI is hereby appointed Receiver, without security, of all of the Debtor's rights and interests in or against:

(a) all shares of Ore-Leave Capital (Brazil) Limited ("**OLC Brazil**");

(b) the membership in OLV Coöperatie U.A. ("**OLV**") including all of the Debtor's right, title and interest in and to such membership as well as all rights of the Debtor in connection with such memberships including, without limitation, the Debtor's entitlement to any account held by, and rights to receive payment from, OLV under OLV's articles of association; and

(c) all indebtedness owing by any of OLC Brazil, OLV, OLC Holdings B.V., or Mineração Riacho Dos Machados Ltda. (together, the "**Debtor's Brazilian Subsidiaries**"), to the Debtor

(collectively, the "**Limited Receivership Assets**").

For greater certainty, the Receiver is hereby appointed only with respect to the Limited Receivership Assets and not any of the Debtor's right, title and interest in or to any of the Debtor's other property, assets or undertakings (the "**Non-Receivership Assets**"), such that the Debtor's right, title and interest in and to the Non-Receivership Assets and the rights of the employees and creditors other than the Applicant of the Debtor will not be affected hereby.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Limited Receivership Assets and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Limited Receivership Assets;

(b) to receive, preserve, and protect the Limited Receivership Assets, or any part or parts thereof;

(c) to engage counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(d) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Limited Receivership Assets, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(e) to sell, convey, transfer or assign the Limited Receivership Assets or any part or parts thereof with the approval of this Court;

(f) to apply for any vesting order or other orders necessary to convey the Limited Receivership Assets or any part or parts thereof to a purchaser or purchasers thereof free and clear of any liens or encumbrances affecting such Limited Receivership Assets;

(g) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Limited Receivership Assets and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(h) to exercise any shareholder or other rights which the Debtor may have in or against the Limited Receivership Assets as the Receiver considers necessary or desirable; and

(i) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (a) the Debtor, (b) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (c) all other individuals, firms, corporations,

governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Limited Receivership Assets in such Person's possession or control, shall grant immediate and continued access to the Limited Receivership Assets to the Receiver, and shall deliver all such Limited Receivership Assets to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall co-operate fully with the Receiver in the exercise of its powers and discharge of its obligations and provide the Receiver with the assistance that is necessary to enable the Receiver to adequately carry out the Receiver's functions under this Order.

NO PROCEEDINGS AGAINST THE RECEIVER

6. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE LIMITED RECEIVERSHIP ASSETS

7. THIS COURT ORDERS that no Proceeding against or in respect of the Limited Receivership Assets, or any of the Debtor's rights and interests in or against the Limited Receivership Assets, shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Limited Receivership Assets, or any of the Debtor's rights and interests in or against the Limited Receivership Assets, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against the Receiver, or affecting the Limited Receivership Assets, or any of the Debtor's rights and interests in or against the Limited Receivership Assets, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (a) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (b) exempt the Receiver or the

Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

9. THIS COURT ORDERS that:

(a) no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor in respect of the Limited Receivership Assets, without written consent of the Receiver or leave of this Court; and

(b) no Person shall, solely as a result of the granting of this Order, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor or any of the Debtor's subsidiaries without written consent of the Receiver or leave of this Court.

10. THIS COURT ORDERS that nothing herein shall affect any contracts, agreements, license or permits involving a) the Debtor in respect of assets other than the Limited Receivership Assets and/or b) the Debtor's subsidiaries.

RECEIVER TO HOLD FUNDS

11. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order, including, without limitation, from the sale of all or any of the Limited Receivership Assets, shall be deposited into one or more new accounts to be opened by the Receiver, if necessary, (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

12. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor and the Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA.

LIMITATION ON THE RECEIVER'S LIABILITY

13. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

14. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid by the Applicant their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Limited Receivership Assets, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Limited Receivership Assets in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06, 81.4(4) and 81.6(2) of the BIA.

15. THIS COURT ORDERS that the Receiver and its legal counsel shall not be required to pass their accounts unless requested to do so by the Applicant, the Court or any other interested party, and if so requested the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

SERVICE AND NOTICE

16. THIS COURT ORDERS that The Guide Concerning Commercial List E-Service (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/ shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject

to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: http://cfcanada.fticonsulting.com/Carpathian

17. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

18. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

19. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

20. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States and elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

21. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the

within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

22. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

23. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than three (3) days' notice to the Receiver, the Applicant, the Debtor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

_____

BRIO FINANCE HOLDINGS B.V. Applicant	and	**CARPATHIAN GOLD INC.** Respondent	Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

LIMITED RECEIVERSHIP ORDER

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Lawyers for Brio Finance Holdings B.V.

~~Revised: January 21, 2014~~
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~
Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
~~COMMERCIAL LIST~~(COMMERCIAL LIST)

~~THE HONOURABLE ___~~	~~)~~	~~__DAY, THE ___DAY~~
	~~)~~	
~~JUSTICE _____~~	~~)~~	~~___OF _____, 20__~~

~~PLAINTIFF~~[1]

~~Plaintiff~~

~~-and -~~

~~DEFENDANT~~

~~Defendant~~

BETWEEN:

BRIO FINANCE HOLDINGS B.V.

Applicant

and

CARPATHIAN GOLD INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

THE HONOURABLE MR.	)	FRIDAY, THE 22nd
	)	
JUSTICE NEWBOULD	)	DAY OFAPRIL, 2016

[1] ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

LIMITED RECEIVERSHIP ORDER
(appointing Receiver)

THIS MOTION made by the Plaintiff[2] Brio Finance Holdings B.V. (the "**Applicant**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing [RECEIVER'S NAME] as receiver [and manager] "**BIA**") appointing FTI Consulting Canada Inc. ("**FTI**") as receiver (in such capacitiesy, the "**Receiver**") without security, of allcertain of the assets, undertakings and properties of [DEBTOR'S NAME]Carpathian Gold Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor"), as described in this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [NAME]Joseph M. Lopngpre sworn [DATE]April 21, 2016 and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE]the Applicant and counsel for the Debtor and on reading the consent of [RECEIVER'S NAME]FTI to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated[3] so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, [RECEIVER'S NAME] is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").FTI is hereby appointed Receiver, without security, of all of the Debtor's rights and interests in or against:

[2] Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

[3] If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

(a) all shares of Ore-Leave Capital (Brazil) Limited ("**OLC Brazil**");

(b) the membership in OLV Coöperatie U.A. ("**OLV**") including all of the Debtor's right, title and interest in and to such membership as well as all rights of the Debtor in connection with such memberships including, without limitation, the Debtor's entitlement to any account held by, and rights to receive payment from, OLV under OLV's articles of association; and

(c) all indebtedness owing by any of OLC Brazil, OLV, OLC Holdings B.V., or Mineração Riacho Dos Machados Ltda. (together, the "**Debtor's Brazilian Subsidiaries**"), to the Debtor

(collectively, the "**Limited Receivership Assets**").

For greater certainty, the Receiver is hereby appointed only with respect to the Limited Receivership Assets and not any of the Debtor's right, title and interest in or to any of the Debtor's other property, assets or undertakings (the "**Non-Receivership Assets**"), such that the Debtor's right, title and interest in and to the Non-Receivership Assets and the rights of the employees and creditors other than the Applicant of the Debtor will not be affected hereby.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the ~~Property~~Limited Receivership Assets and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the ~~Property and any and all proceeds, receipts and disbursements arising out of or from the Property~~Limited Receivership Assets;

(b) to receive, preserve, and protect the ~~Property~~Limited Receivership Assets, or any part or parts thereof~~, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the~~

~~taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable~~;

~~(c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, *or cease to perform any* contracts of the Debtor;~~

(c) ~~(d)~~ to engage ~~consultants, appraisers, agents, experts, auditors, accountants, managers,~~ counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

~~(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;~~

~~(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;~~

~~(g) to settle, extend or compromise any indebtedness owing to the Debtor;~~

(d) ~~(h)~~ to execute, assign, issue and endorse documents of whatever nature in respect of any of the ~~Property~~Limited Receivership Assets, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

~~(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.[4] The authority hereby~~

~~[4] This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(e) (k) to sell, convey, transfer, lease or assign the PropertyLimited Receivership Assets or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $_____, provided that the aggregate consideration for all such transactions does not exceed $_____; and(ii)

with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,][5] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(f) (l) to apply for any vesting order or other orders necessary to convey the PropertyLimited Receivership Assets or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property; Limited Receivership Assets;

(g) (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the PropertyLimited

[5] If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

Receivership Assets and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

~~(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;~~

~~(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;~~

(h) ~~(q)~~ to exercise any shareholder~~, partnership, joint venture~~ or other rights which the Debtor may have in or against the Limited Receivership Assets as the Receiver considers necessary or desirable; and

(i) ~~(r)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations~~.~~,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (~~i~~a) the Debtor, (~~ii~~b) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (~~iii~~c) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being ~~""~~**Persons**~~""~~ and each being a ~~""~~**Person**~~""~~) shall forthwith advise the Receiver of the existence of any ~~Property~~Limited Receivership Assets in such Person's possession or control, shall grant immediate and continued access to the ~~Property~~Limited

Receivership Assets to the Receiver, and shall deliver all such ~~Property~~Limited Receivership Assets to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall ~~forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.~~co-operate fully with the Receiver in the exercise of its powers and discharge of its obligations and provide the Receiver with the assistance that is necessary to enable the Receiver to adequately carry out the Receiver's functions under this Order.

6. ~~THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.~~

~~7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

6. ~~8.~~ THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a ~~"~~"**Proceeding**"~~"~~), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE ~~DEBTOR OR THE PROPERTY~~LIMITED RECEIVERSHIP ASSETS

7. ~~9.~~ THIS COURT ORDERS that no Proceeding against or in respect of the ~~Debtor or the Property~~Limited Receivership Assets, or any of the Debtor's rights and interests in or against the Limited Receivership Assets, shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor or the Property~~Limited Receivership Assets, or any of the Debtor's rights and interests in or against the Limited Receivership Assets, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

8. ~~10.~~ THIS COURT ORDERS that all rights and remedies against ~~the Debtor,~~ the Receiver, or affecting the ~~Property~~Limited Receivership Assets, or any of the Debtor's rights and interests in or against the Limited Receivership Assets, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (~~i~~a) empower the Receiver or

the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (~~ii~~b) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (~~iii~~c) prevent the filing of any registration to preserve or perfect a security interest, or (~~iv~~d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

9. ~~11.~~ THIS COURT ORDERS that :

(a) no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor~~,~~ in respect of the Limited Receivership Assets, without written consent of the Receiver or leave of this Court; and

(b) no Person shall, solely as a result of the granting of this Order, discontinue, fail to honour, alter, interfere with, repudiate, terminate *or cease to perform any* right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor or any of the Debtor's subsidiaries without written consent of the Receiver or leave of this Court.

~~**CONTINUATION OF SERVICES**~~

10. ~~12.~~ THIS COURT ORDERS that ~~all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.~~ nothing herein shall affect any contracts, agreements,

license or permits involving a) the Debtor in respect of assets other than the Limited Receivership Assets and/or b) the Debtor's subsidiaries.

RECEIVER TO HOLD FUNDS

11. ~~13.~~ THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order ~~from any source whatsoever~~, including, without limitation, from the sale of all or any of the ~~Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence~~Limited Receivership Assets, shall be deposited into one or more new accounts to be opened by the Receiver, if necessary, (the ~~""~~**Post Receivership Accounts**~~""~~) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

12. ~~14.~~ THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor ~~until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The~~and the Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA~~, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*~~.

~~**PIPEDA**~~

~~15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not~~

~~complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.~~

~~**LIMITATION ON ENVIRONMENTAL LIABILITIES**~~

~~16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.~~

LIMITATION ON THE RECEIVER~~'~~'S LIABILITY

13. ~~17.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part~~, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.~~ Nothing in this Order shall derogate from the protections afforded the Receiver by ~~section 14.06 of~~ the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

14. ~~18.~~ THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid by the Applicant their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the ~~""~~**Receiver's Charge**~~""~~) on the ~~Property~~Limited Receivership Assets, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the ~~Property~~Limited Receivership Assets in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06~~(7)~~, 81.4(4)~~,~~ and 81.6(2) of the BIA.[6]

15. ~~19.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall not be required to pass ~~its accounts from time to time, and for this purpose~~their accounts unless requested to do so by the Applicant, the Court or any other interested party, and if so requested the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

~~20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.~~

~~**FUNDING OF THE RECEIVERSHIP**~~

~~21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $_____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may~~

[6] ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

~~arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.~~

~~22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.~~

~~23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.~~

~~24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.~~

SERVICE AND NOTICE

16. ~~25.~~ THIS COURT ORDERS that ~~the E-Service Protocol of the~~The Guide Concerning Commercial List E-Service (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at ~~ηττπ://ωωω.οντариοχουρτσ.χα/σχφ/πραχτιχε/πραχτιχε-διρεχτιονσ/τορεντο/ε-σερϖιχε-προτοχολ/)~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/ shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~'<@>'~~: http://cfcanada.fticonsulting.com/Carpathian

17. ~~26.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

18. ~~27.~~ THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

19. ~~28.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

20. ~~29.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada ~~or in~~, the United States and elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

21. ~~30.~~ THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

22. ~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~'s Applicant's security or, if not so provided by the ~~Plaintiff~~'s Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

23. ~~32.~~ THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than ~~seven~~three (~~7~~3) days' notice to the Receiver, the Applicant, the Debtor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

BRIO FINANCE HOLDINGS B.V. Applicant	and	**CARPATHIAN GOLD INC.** Respondent	Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

LIMITED RECEIVERSHIP ORDER

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~~**SCHEDULE "A"**~~

~~**RECEIVER CERTIFICATE**~~

~~CERTIFICATE NO. _____~~

AMOUNT $_____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

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[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

BRIO FINANCE HOLDINGS B.V.	CARPATHIAN GOLD INC.	Court File No.: CV-16-11359-00CL
Applicant	Respondent	

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

APPLICATION RECORD
(returnable April 22, 2016)
VOLUME 2

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