

**THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF STEVEN CHAMBERS  
SWORN BEFORE ME  
ON THIS 13<sup>th</sup> DAY OF DECEMBER, 2012.**

  
**A COMMISSIONER FOR TAKING AFFIDAVITS**

**A S S I G N M E N T OF DEBT AND SECURITY**

**B E T W E E N :**

**WF FUND III LIMITED PARTNERSHIP, carrying on business as WELLINGTON  
FINANCIAL LP and WELLINGTON FINANCIAL FUND III**

(the "Assignor" or "Wellington")

- and -

**0833824 B.C. LTD.**

(the "Assignee")

- and -

**TERCON INVESTMENTS LTD.,**

(**"Tercon"**)

- and -

**TERCON MRC LIMITED., TERCON EQUIPMENT LTD., TERCON  
CONSTRUCTION LTD., TERCON MINING LTD., TERCON MINING PV LTD.,  
TERCON ENTERPRISES LTD., TERCON PROPERTIES LTD., FNP VENTURES  
INC., and TERCON A.C. LTD.,**

(collectively the **"Tercon Group Guarantors"**)

- and -

**CONEX SERVICES INC.,**

- and -

(**"Conex"**)

**2147881 ONTARIO INC., 2145908 ONTARIO INC., and DANIEL DUMAS**

(the **"Dumas Entities"**)

**WHEREAS**

A. Tercon (together with all guarantors thereof, collectively called the **"Company"**) is indebted to the Assignor for \$7,000,000 in Principal Amount as described in Schedule "A" hereto (the **"Debt"**);

B. the Assignor has been granted and holds certain security as security for repayment of the Debt;

C. the Assignee has offered to purchase all of the Assignor's right, title, and interest, in or with respect to the Debt and the Security (as hereinafter defined) for a sum equal to the Debt plus all interest which shall accrue from the date hereof until the date of Closing (as hereinafter defined) which aggregate amount is hereinafter referred to as the "**Purchase Price**";

**NOW THEREFORE IN CONSIDERATION OF AND CONDITIONAL UPON** payment of the Purchase Price on the date of closing ("**Closing**"), the terms and covenants contained herein and intending to be legally bound, the parties agree as follows:

## **1. ASSIGNMENT**

The Assignor hereby irrevocably sells, transfers, and assigns all of its right, title, and interest in each of the following to the Assignee, for its own use and benefit absolutely and forever and without recourse and without representation or warranty (save and except as expressly set out herein):

- (a) the Debt and the monies owing to the Assignor in that regard, wheresoever and howsoever incurred, including all unpaid principal or interest, and including all right to collect same from any person liable therefore, and which Debt shall not be limited by the Purchase Price; and
- (b) all security as will be more particularly described in a schedule to be provided by the Assignor to the Assignee no later than July 23, 2010 (the "**Security**") and all right, title and interest of the Assignor arising thereunder, including all remedies referred to or contained therein, and including all rights under the *Personal Property Security Act* (the "**PPSA**") or any other legislation in British Columbia, Alberta, Ontario or elsewhere as may be applicable from time to time.

## **2. REPRESENTATIONS AND WARRANTIES**

- (a) The Assignor hereby warrants, represents, covenants and agrees that on the date hereof and on closing:
  - (i) subject to receiving consents from each of the parties set out in Section 4 of this Agreement, and subject to the provisions of those agreements which are set out in Schedule "B" attached hereto, the Debt and Security (collectively, the "**Documents**") are assignable by the Assignor to the Assignee;
  - (ii) the Debt is accurately and completely described in Schedule "A" hereto, and the sums stated therein are outstanding and due and owing by the Company to the Assignor as at the date hereof;
  - (iii) the Assignor is not aware of any unresolved notice, demand, claim, or other communication from any third party which challenges the quantum or validity of the Debt or the validity of the Security;

- (iv) the PPSA registrations as will be more particularly described in schedule to be provided by the Assignor to the Assignee no later than July 23, 2010 have not been discharged by the Assignor;
  - (v) neither the Debt nor the Security have been sold, assigned, pledged, syndicated, encumbered, subordinated or postponed to or in favour of any third party, in whole or in part, save and except for under the agreements set out in Schedule "B" and a forbearance agreement entered into between, *inter alia*, the Company and Wellington dated November 18, 2009, but which has now expired in accordance with its terms;
  - (vi) in the event that all or any portion of the Debt is paid to the Assignor by or on behalf of the Company after the Closing, such funds shall be held in trust by the Assignor for and on behalf of the Assignee, and the Assignor shall give notice of such payments, and shall forward all such funds to the Assignee forthwith;
  - (vii) upon Closing, the Assignor agrees to subordinate and postpone in favour of the Assignee any current or existing continuing filings in its favour registered under the PPSA against the Company over the assets which are secured by the Security, and undertakes to forthwith assign the benefit of all such filings to the Assignee, or otherwise with the written consent of the Assignee, discharge and remove all liens or charges with respect thereto;
  - (viii) to execute and deliver such further documents, agreements, certificates and instruments and other assurances and to provide such cooperation directly or through its legal counsel as may be reasonably required to complete the transactions contemplated by this Agreement and carry out its provisions and intention;
  - (ix) following the Closing, all of the Security in the possession of the Assignor, including all originals and copies thereof, shall be delivered to the Assignee.
  - (x) it shall notify the Assignee in the event that any material litigation is commenced or notification relating thereto is given to the Assignor by any person against the Company, the Assignor, or the Assignee;
  - (xi) it has full capacity and power to enter into this Agreement;
  - (xii) the execution, delivery and performance of this Agreement has been authorized by all necessary action and duly executed and delivered to the parties hereto; and
  - (xiii) this Agreement constitutes a valid and binding obligation, enforceable against it in accordance with the terms hereof.
- (b) The Assignee hereby warrants, represents, covenants and agrees on the date hereof and on Closing:

- (i) the Assignee acknowledges and agrees that the Debt described in Schedule "A" hereto is accurate and complete and the sums stated therein represent the entire amount outstanding and due and owing by the Company to the Assignor as at the date hereof;
  - (ii) to execute and deliver such further documents, agreements, certificates and instruments and other assurances and to provide such cooperation directly or through its legal counsel as may be reasonably required to complete the transactions contemplated by this Agreement and carry out its provisions and intention;
  - (iii) it has full capacity and power to enter into this Agreement;
  - (iv) it shall notify the Assignor in the event that any material litigation is commenced or notification relating thereto is given to the Assignee by any person against the Company, the Assignor, or the Assignee
  - (v) the execution, delivery and performance of this Agreement has been authorized by all necessary action and this letter agreement has been duly executed and delivered to the parties hereto; and
  - (vi) this Agreement constitutes a valid and binding obligation, enforceable against it in accordance with the terms hereof,
- (c) Tercon hereby warrants, represents, covenants and agrees on the date hereof and on Closing:
- (i) it has defaulted to pay the Debt in full and has advised the Assignor in writing that it is unable to pay the entire amount of the Debt now owing;
  - (ii) to execute and deliver such further documents, agreements, certificates and instruments and other assurances and to provide such cooperation directly or through its legal counsel as may be reasonably required to complete the transactions contemplated by this Agreement and carry out its provisions and intention;
  - (iii) it has full capacity and power to enter into this Agreement;
  - (iv) the execution, delivery and performance of this Agreement has been authorized by all necessary action and duly executed and delivered to the parties hereto; and
  - (v) this Agreement constitutes a valid and binding obligation, enforceable against it in accordance with the terms hereof.
- (d) Each of the Tercon Group Guarantors warrants, represents, covenants and agrees on the date hereof and on Closing:
- (i) to execute and deliver such further documents, agreements, certificates and instruments and other assurances and to provide such cooperation directly or through its legal counsel as may be reasonably required to

complete the transactions contemplated by this Agreement and carry out its provisions and intention;

- (ii) it has full capacity and power to enter into this Agreement;
  - (iii) the execution, delivery and performance of this Agreement has been authorized by all necessary action and duly executed and delivered to the parties hereto; and
  - (iv) this Agreement constitutes a valid and binding obligation, enforceable against it in accordance with the terms hereof.
- (e) Conex warrants, represents, covenants and agrees on the date hereof and on Closing:
- (i) provided that Tercon pays, or provides for payment of all third party costs of Conex in relation to any documents, agreements, certificates, instruments or other assurances and cooperation, to execute and deliver such further documents, agreements, certificates and instruments and other assurances and to provide such cooperation directly or through its legal counsel as may be reasonably required to complete the transactions contemplated by this Agreement and carry out its provisions and intention;
  - (ii) it has full capacity and power to enter into this Agreement;
  - (iii) the execution, delivery and performance of this Agreement has been authorized by all necessary action and duly executed and delivered to the parties hereto; and
  - (iv) this Agreement constitutes a valid and binding obligation, enforceable against it in accordance with the terms hereof.
- (f) Each of the Dumas Entities warrants, represents, covenants and agrees on the date hereof and on Closing:
- (i) to execute and deliver such further documents, agreements, certificates and instruments and other assurances and to provide such cooperation directly or through its legal counsel as may be reasonably required to complete the transactions contemplated by this Agreement and carry out its provisions and intention;
  - (ii) it or he (as applicable) has full capacity and power to enter into this Agreement;
  - (iii) in the case of 2147881 and 2145908, the execution, delivery and performance of this Agreement has been authorized by all necessary action and duly executed and delivered to the parties hereto; and
  - (iv) this Agreement constitutes a valid and binding obligation, enforceable against him or it (as applicable) in accordance with the terms hereof.

All representations and warranties of the parties contained herein will survive the Closing and the execution and delivery of conveyances provided for herein.

### **3. ACKNOWLEDGEMENT BY ASSIGNEE**

The Assignee does hereby acknowledge and agree that, save and except as expressly provided otherwise in this Agreement, the conveyance contained herein is made on an “as is/where is” basis, without recourse against the Assignor in the event of any deficiency herein, including, but not limited to, any failure on the part of the Assignor to appropriately draft, have executed, register or perfect all or any portion of the Documents. The Assignee hereby confirms that it will not be relying on any representation, warranty, covenant or promise of or on behalf of the Assignor as to the Debt, Documents, Company or any other matter or thing, and that the Assignee will be relying entirely on its own due diligence in respect thereto, other than as expressly set out herein. The Assignee further acknowledges that it may be required to obtain the consent of and/or enter into certain postponement and/or priority agreements with certain third parties to which the Assignor is currently a party pursuant to the initial loan transaction between by the Assignor and Tercon, which agreements may limit the Assignee’s right to the Security, and the Assignee hereby confirms that it has or shall, prior to Closing, satisfy itself as to any such obligations.

### **4. CONSENTS**

Each of Tercon, the Tercon Group Guarantors, Conex and the Dumas Entities consent to the assignment of the Debt and Security set out herein.

### **5. WAIVER OF CLAIMS**

Subject to fulfillment of the conditions set out in Article 2 and Article 3 of the Warrant Surrender Agreement (as defined herein), the Assignor agrees that on Closing it will waive any and all claims, whether present or future, actual, contemplated or potential, against Tercon, the Assignee, the Tercon Group Guarantors, Conex and the Dumas Entities and the affiliates, partners, officers, directors, employees, agents and assigns of the foregoing parties, other than any claims it may have against such parties resulting from the breach of the terms of this Agreement or the Warrant Surrender Agreement.

### **6. INDEMNIFICATION**

- (a) The Assignor agrees to hereby hold harmless and indemnify the Assignee from and against any and all losses, claims demands, damages, costs and expenses of every kind, nature and description arising out of the inaccuracy of or any breach of any representation, warranty, provision or covenant contained of the Assignor contained herein.
- (b) The Assignee, the Tercon Group Guarantors, Conex and the Dumas Entities each agrees to hereby hold harmless and indemnify the Assignor from and against any and all losses, claims demands, damages, costs and expenses of every kind, nature and description arising out of the inaccuracy of or any breach of their representations, warranties, provisions or covenants contained herein.

## 7. CLOSING CONDITIONS

This Agreement and the obligation of the Assignee to pay the Purchase Price shall be conditional on the following conditions (“**Conditions Precedent**”) occurring on or before Closing:

- (a) completion, in its sole and absolute discretion, of due diligence on the Company by the Assignee to the reasonable satisfaction of the Assignee; and
- (b) approval of the this agreement by the board of directors of the Assignee in their sole and absolute discretion.

## 8. CLOSING PROCEDURES

Subject to the satisfaction by the Assignee of the conditions of Closing that are for the benefit of the Assignee pursuant to this Agreement and the Warrant Surrender Agreement, or the waiver thereof by the Assignee, the Assignee shall provide the Assignor with three (3) day’s notice of its intention to complete the assignment contemplated by this Agreement. On or prior to 5:00pm Toronto time on Closing, the Purchase Price shall be paid and satisfied by the Assignee paying the Purchase Price to or to the order of the Assignor by bank draft or wire transfer of immediately available funds.

## 9. ADDITIONAL AGREEMENTS

On or before Closing, the Assignee shall enter into an agreement with the Assignor, Daniel Dumas and 2149508 Ontario Inc. (the “**Warrant Surrender Agreement**”) whereby the Assignor will, among other things, agree to surrender certain warrants issued to Wellington (as more particularly described in the Warrant Surrender Agreement) upon satisfaction of the conditions contained therein.

## 10. TERMINATION

This agreement shall terminate and be of no further effect and all obligations and conditions contained herein shall be null and void upon the following:

- (a) if Closing has not occurred by August 31, 2010; or
- (b) at the discretion of the Wellington on the occurrence of a material adverse change, being any material adverse change in the business, results of operations, assets, liabilities, prospects or financial condition of Tercon, as determined from the perspective of a reasonable person in the Wellington’s position.

## 11. GENERAL PROVISIONS

- (a) No amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided; and
- (b) All references to dollars hereunder are to Canadian dollars unless otherwise expressly stated.



- (c) Each provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the validity of the remainder hereof.
- (d) Time shall be of the essence hereof.
- (e) This Agreement including the benefit of the obligations of the parties hereunder shall enure to the benefit of each of the parties hereto and their successors, heirs, executors, representatives and assigns and shall remain binding on the successors, heirs, executors, representatives and assigns of the parties hereto.
- (f) This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement. Facsimile or other electronically delivered executed copies may validly be delivered.
- (g) This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and may not be amended or modified in any respect except by written instrument signed by all of the parties.
- (h) 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, and each irrevocably attorns to the jurisdiction of the courts of Ontario..

*[Remainder of page left intentionally blank.]*

- (c) Each provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the validity of the remainder hereof.
- (d) Time shall be of the essence hereof.
- (e) This Agreement including the benefit of the obligations of the parties hereunder shall enure to the benefit of each of the parties hereto and their successors, heirs, executors, representatives and assigns and shall remain binding on the successors, heirs, executors, representatives and assigns of the parties hereto.
- (f) This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement. Facsimile or other electronically delivered executed copies may validly be delivered.
- (g) This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and may not be amended or modified in any respect except by written instrument signed by all of the parties.
- (h) 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, and each irrevocably attorns to the jurisdiction of the courts of Ontario..

DATED the 25<sup>th</sup> day of August, 2010.

**0833824 B.C. LTD.**

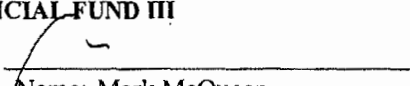
Per:

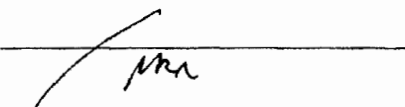
  
Name:  
Title:

I/We have the authority to bind the corporation

**WF FUND III LIMITED PARTNERSHIP,  
carrying on business as WELLINGTON  
FINANCIAL LP and WELLINGTON  
FINANCIAL FUND III**

Per:

  
Name: Mark McQueen  
Title: President & Chief  
Executive Officer

  
I/We have the authority to bind the corporation

DATED the 27 day of August, 2010.

**0833824 B.C. LTD.**

Per:

\_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**WF FUND III LIMITED  
PARTNERSHIP, carrying on business as  
WELLINGTON FINANCIAL LP and  
WELLINGTON FINANCIAL FUND III,  
by its General Partner GP WF FUND III  
LIMITED PARTNERSHIP, by its  
General Partner, 2089368 ONTARIO  
LTD.**

Per:

\_\_\_\_\_  
Name: Mark McQueen  
Title: President & Chief  
Executive Officer

I/We have the authority to bind the corporation

**TERCON INVESTMENTS LTD.**

Per:

  
\_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**TERCON MRC LIMITED.**

Per:

  
\_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**TERCON EQUIPMENT LTD.**

Per:

  
\_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**TERCON CONSTRUCTION LTD.**

Per:

  
\_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**TERCON MINING LTD.**

Per:

  
\_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**TERCON MINING TR LTD.**

Per:

  
\_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

DATED the \_\_\_\_ day of \_\_\_\_\_, 2010.

0833824 B.C. LTD.

Per:

Name:  
Title:

I/We have the authority to bind the corporation

**WF FUND III LIMITED  
PARTNERSHIP, carrying on business as  
WELLINGTON FINANCIAL LP and  
WELLINGTON FINANCIAL FUND III,  
by its General Partner GP WF FUND III  
LIMITED PARTNERSHIP, by its  
General Partner, 2089368 ONTARIO  
LTD.**

Per:

Name: Mark McQueen  
Title: President & Chief  
Executive Officer

I/We have the authority to bind the corporation

**TERCON INVESTMENTS LTD.**

Per:

Name: MILAN SPOREK  
Title: PRESIDENT

I/We have the authority to bind the corporation

**TERCON MRC LIMITED.**

Per:

Name: MILAN SPOREK  
Title: PRESIDENT

I/We have the authority to bind the corporation

**TERCON EQUIPMENT LTD.**

Per:

Name: MILAN SPOREK  
Title: PRESIDENT

I/We have the authority to bind the corporation

**TERCON CONSTRUCTION LTD.**

Per:

Name: MILAN SPOREK  
Title: PRESIDENT

I/We have the authority to bind the corporation

**TERCON MINING LTD.**

Per:

Name: MILAN SPOREK  
Title: PRESIDENT

I/We have the authority to bind the corporation

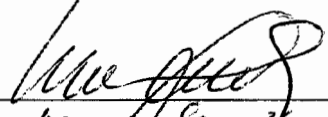
**TERCON PROPERTIES LTD.**

Per:

Name: MILAN SPOREK  
Title: PRESIDENT

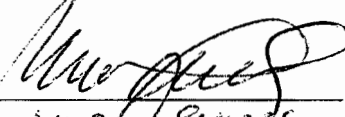
I/We have the authority to bind the corporation

**TERCON MINING PV LTD.**

Per:   
Name: HILARY SAUCIER  
Title: PRESIDENT

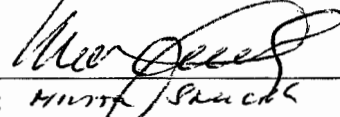
I/We have the authority to bind the corporation

**TERCON ENTERPRISES LTD.**

Per:   
Name: HILARY SAUCIER  
Title: PRESIDENT

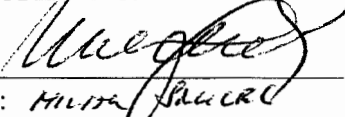
I/We have the authority to bind the corporation

**TERCON A.C. LTD.**

Per:   
Name: HILARY SAUCIER  
Title: PRESIDENT

I/We have the authority to bind the corporation

**FNP VENTURES INC.**

Per:   
Name: HILARY SAUCIER  
Title: PRESIDENT

I/We have the authority to bind the corporation

**CONEX SERVICES INC.**

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**2147881 ONTARIO INC.**

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**2145908 ONTARIO INC.**

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**TERCON A.C. LTD.**

**FNP VENTURES INC.**

Per: \_\_\_\_\_

Name:  
Title:

I/We have the authority to bind the corporation

Per: \_\_\_\_\_

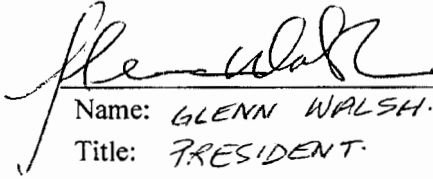
Name:  
Title:

I/We have the authority to bind the corporation

**CONEX SERVICES INC.**

**2147881 ONTARIO INC.**

Per: \_\_\_\_\_

  
Name: *GLENN WALSH.*  
Title: *PRESIDENT.*

I/We have the authority to bind the corporation

Per: \_\_\_\_\_

Name:  
Title:

I/We have the authority to bind the corporation

**2145908 ONTARIO INC.**

Per: \_\_\_\_\_

Name:  
Title:

I/We have the authority to bind the corporation

\_\_\_\_\_  
Witness

)  
)  
)  
)  
)  
)  
)

\_\_\_\_\_  
DANIEL DUMAS

l.s.

**TERCON MINING PV LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**TERCON ENTERPRISES LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**SOWCHUK MINE SERVICES LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**TERCON PROPERTIES LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**TERCON A.C. LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation

**FNP VENTURES INC.**

Per: \_\_\_\_\_  
Name:  
Title:

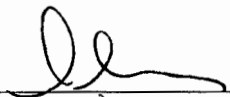
I/We have the authority to bind the corporation

**CONEX SERVICES INC.**

Per: \_\_\_\_\_  
Name:  
Title:

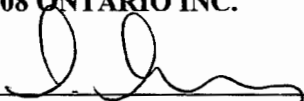
I/We have the authority to bind the corporation

**2147881 ONTARIO INC.**

Per:  \_\_\_\_\_  
Name: Daniel Dumas  
Title: President

I/We have the authority to bind the corporation

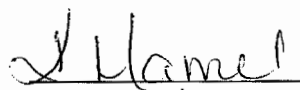
2145908 ONTARIO INC.

Per: 

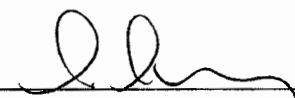
Name: Daniel Dumas

Title: President

I/We have the authority to bind the corporation

  
Witness Karen Hamel

)  
)  
)  
)  
)  
)

  
DANIEL DUMAS i.s.



## SCHEDULE "A"

### SUMMARY OF DEBT OF TERCON INVESTMENTS LTD. TO ASSIGNOR AS OF AUGUST 27, 2010

Calculation of "Purchase Price"	
Principal amount of Operating Loan Agreement (dated October 1, 2007, as amended September 5, 2008) ("Operating Line")	\$2,000,000.00
Accrued Default Interest to August 27, 2010 on Operating Line	\$121,843.83
Normal Interest to August 27, 2010 on Operating Line	\$8,209.95
Principal amount on Debenture (dated October 1, 2007) ("Debenture")	\$5,000,000.00
Accrued Default Interest to August 27, 2010 on Debenture	\$90,891.22
Normal Interest to August 27, 2010 on Debenture	\$47,157.53
Wellington Out-of-Pocket Expenses and Legals	\$32,000.000
Purchase Price	\$7,300,102.53

**SCHEDULE "B"**

1. Priority Agreement among Finning International Inc., WF Fund III Limited Partnership, carrying on business as Wellington Financial LP and Wellington Financial Fund III and Tercon Equipment Ltd. dated October 1, 2007.
2. Priority Agreement among Caterpillar Financial Services Limited, WF Fund III Limited Partnership, carrying on business as Wellington Financial LP and Wellington Financial Fund III and Conex Services Inc. dated October 1, 2007.
3. Priority Agreement among Canadian Western Bank, WF Fund III Limited Partnership, carrying on business as Wellington Financial LP and Wellington Financial Fund III, Tercon Equipment Ltd., Tercon Investments Ltd. and Conex Services Inc. dated October 31, 2007.
4. Intercreditor Agreement between Tercon Investments Ltd. and Royal Bank of Canada dated June 9, 2008, as amended September 5, 2008.