MAMBA MINERALS
LIMITED

13 February 2014

Company Announcements Platform
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

CHAMPION IRON MINES CIRCULAR

Please find attached a copy of the circular issued by Champion Iron Mines Limited to its security holders regarding the proposed Arrangement with Mamba Minerals Limited, including a Technical Report on the Snelgrove Lake Property.

Yours sincerely,

Niall F. Lenahan

Niall Lenahan
Director and Company Secretary

T: +61 2 9810 7816

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PO Box 881, Rozelle NSW 2039
T: +61 2 9810 7816 F: +61 2 8065 5017 E: enquiries.mamba@mamba.com.au

None of the Canadian securities regulatory authorities nor the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the proposed arrangement involving Champion Iron Mines Limited and Mamba Minerals Limited, or passed upon the merits or fairness of the arrangement or upon the adequacy or accuracy of the information contained in this notice of special meeting and management proxy circular. Any representation to the contrary is a criminal offence.

ARRANGEMENT

INVOLVING

CHAMPION IRON MINES LIMITED

AND

MAMBA MINERALS LIMITED

AND

2401397 ONTARIO INC.

A WHOLLY-OWNED SUBSIDIARY OF MAMBA MINERALS LIMITED

SPECIAL MEETING OF SECURITYHOLDERS OF
CHAMPION IRON MINES LIMITED
TO BE HELD ON MARCH 27, 2014

NOTICE OF SPECIAL MEETING
AND
MANAGEMENT PROXY CIRCULAR

February 10, 2014

These materials are important and require your immediate attention. They require securityholders of Champion Iron Mines Limited to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors.

February 10, 2014

Dear Champion Securityholder,

It is my pleasure to extend to you, on behalf of the board of directors of Champion Iron Mines Limited ("**Champion**"), an invitation to attend a special meeting (the "**Meeting**") of all holders of outstanding common shares ("**Champion Common Shares**") of Champion ("**Champion Shareholders**") and all holders of outstanding options ("**Champion Options**") to purchase Champion Common Shares ("**Champion Optionholders**") to be held at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario on March 27, 2014 at 10:00 a.m. (Toronto time). Champion Shareholders and Champion Optionholders are collectively referred to herein as "**Champion Securityholders**" and Champion Common Shares and Champion Options are collectively referred to herein as "**Champion Securities**".

At the Meeting, you will be asked to consider and, if thought advisable, approve, a special resolution (the "**Arrangement Resolution**") with respect to a court approved plan of arrangement under the *Business Corporations Act* (Ontario), involving the acquisition by Mamba Minerals Limited ("**Mamba**"), together with 2401397 Ontario Inc. ("**Canco**"), a wholly-owned subsidiary of Mamba, of all issued and outstanding Champion Common Shares, pursuant to the terms of an arrangement agreement between Champion and Mamba, dated December 5, 2013 (the "**Arrangement**").

Under the Arrangement, each Champion Shareholder will be entitled to receive 0.7333333 ("**Exchange Ratio**") ordinary shares of Mamba ("**Mamba Shares**") for each Champion Common Share held. Certain eligible Champion Shareholders may elect to receive all or part of their consideration in the form of exchangeable shares ("**Exchangeable Shares**") of Canco in place of the Mamba Shares that they are entitled to pursuant to the Arrangement. See "The Arrangement – Election Procedure for Champion Shareholders" in the accompanying management proxy Circular (the "**Circular**").

Certain Champion Shareholders who are resident of Canada for purposes of the *Income Tax Act* (Canada) (the "**ITA**") and not exempt therefrom or, in the case of a partnership, a partnership that is a "Canadian partnership" for purposes of the ITA, will have the opportunity to elect to receive consideration that includes Exchangeable Shares and to make a valid tax election with Canco to defer all or part of the Canadian income tax on any capital gain that would otherwise arise on an exchange of their Champion Common Shares for Mamba Shares. See "Certain Canadian Federal Income Tax Considerations for Champion Shareholders" in the Circular.

The Arrangement will also provide for the issuance by Mamba of replacement stock options ("**Replacement Options**") to holders of outstanding Champion Options as adjusted by the Exchange Ratio. On and after the effective time of the Arrangement, no further Champion Options will be granted.

To become effective, the Arrangement Resolution will require the affirmative vote of (i) at least 66 2/3% of the votes cast at the Meeting by Champion Shareholders, (ii) at least 66 2/3% of the votes cast at the Meeting by the Champion Shareholders and Champion Optionholders voting together as a single class, and (iii) a majority of votes cast at the Meeting by Champion Shareholders, excluding the votes cast in respect of Champion Common Shares held by certain interested or related parties or joint actors of Champion. See "The Arrangement – Interests of Certain Persons in the Arrangement" in the Circular.

The directors, senior officers and insiders of Champion, holding in aggregate approximately 17.85% of the fully diluted share capital of Champion, have entered into voting agreements with Mamba, pursuant to which they have agreed to vote their securities (including Champion Options) in favour of the Arrangement, subject to certain exceptions.

The board of directors of Champion (the "Champion Board") believes that the Arrangement is fair to Champion Securityholders and is in the best interests of Champion and Champion Securityholders. Accordingly, the Champion Board unanimously approved the Arrangement and recommends that Champion Securityholders vote their Champion Securities in favour of the Arrangement Resolution. In making its recommendation, the Champion Board considered a number of factors as described in the Circular under the heading "The Arrangement – Recommendation of the Champion Board".

The accompanying Circular contains a detailed description of the Arrangement and other information relating to Champion, Mamba and Canco, including descriptions of the Mamba Shares and the Exchangeable Shares. We urge you to consider carefully all of the information in the Circular. If you require assistance, please consult your financial, legal or other professional advisor.

If you are unable to be present at the Meeting in person, we encourage you to vote by completing the applicable enclosed form of proxy. For Champion Shareholders, the form of proxy is printed on blue paper. For Champion Optionholders, the form of proxy is printed on yellow paper.

Voting by proxy will not prevent you from voting in person if you attend the Meeting but will ensure that your vote will be counted if you are unable to attend. If you are a non-registered holder of Champion Common Shares and have received these materials through your broker or through another intermediary, please complete and return the proxy, voting instruction form or other authorization provided to you by your broker or by such other intermediary in accordance with the instructions provided with the proxy or voting instruction form. Failure to do so may result in your Champion Securities not being eligible to be voted at the Meeting. This is an important matter affecting the future of Champion and your vote is important regardless of the number of Champion Securities you own.

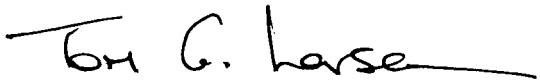
To be eligible for voting at the Meeting, the form of proxy must be received on or before 10:00 a.m. (Toronto time) on March 26, 2014, being the business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed meeting, or they may be treated as invalid. Completed proxies are to be delivered to Champion's registrar and transfer agent, Equity Financial Trust Company. For postal delivery, the completed proxy should be mailed by using the envelope as provided. To deliver by facsimile, please send the proxy to the Proxy Department of Equity Financial Trust Company at (416) 595-9593. The completed proxy may also be delivered in person to Equity Financial Trust Company at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1. The completed proxy may also be submitted by internet at www.voteproxyonline.com by following the instructions on the form of proxy.

We also encourage Champion Shareholders to complete the enclosed letter of transmittal and election form, as applicable. The letter of transmittal and election form is printed on pink paper. The letter of transmittal, together with the certificate(s) representing your Champion Common Shares are to be returned to Equity Financial Trust Company, or any successor depositary (the "**Depositary**") at the address specified in the letter of transmittal. The letter of transmittal contains other procedural information relating to the Arrangement and should be reviewed carefully. It is recommended that you complete, sign and return the letter of transmittal with accompanying Champion Common Share certificate(s) to the Depositary as soon as possible. **In order for Champion Shareholders to make a valid election as to the consideration that they wish to receive under the Arrangement, they must sign and return the letter of transmittal and election form (printed on pink paper) and make a proper election thereunder and return it with accompanying Champion Common Share certificate(s) to the Depositary on or before 10:00 a.m. (Toronto time) on March 26, 2014, being the business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed meeting (the "Election Deadline").**

Subject to obtaining court and other approvals and satisfaction or waiver of all other conditions precedent, if Champion Securityholders approve the Arrangement Resolution, it is anticipated that the Arrangement will be completed in March, 2014.

On behalf of Champion, we would like to thank all Champion Securityholders for their ongoing support as we prepare to take part in this important event in the history of Champion.

Yours truly,



Thomas Larsen
Chief Executive Officer, President and Director (Chairman)

CHAMPION IRON MINES LIMITED

NOTICE OF SPECIAL MEETING OF SECURITYHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of shareholders ("**Champion Shareholders**") and optionholders ("**Champion Optionholders**") of Champion Iron Mines Limited ("**Champion**") will be held at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario on March 27, 2014 at 10:00 a.m. (Toronto time) for the following purposes:

1 to consider, pursuant to an interim order of the Ontario Superior Court of Justice (Commercial List) dated February 7, 2014 ("**Interim Order**") and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix C to the accompanying management proxy circular (the "**Circular**"), approving a plan of arrangement under the *Business Corporations Act* (Ontario), involving the acquisition by Mamba Minerals Limited ("**Mamba**") of all issued and outstanding common shares of Champion ("**Champion Common Shares**"), all as more particularly described in the Circular (the "**Arrangement**"), which resolution, to be effective, must be passed by an affirmative vote of:

   (a) at least 66 2/3% of the votes cast at the Meeting by Champion Shareholders;

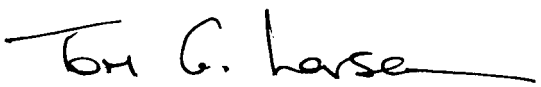
   (b) at least 66 2/3% of the votes cast at the Meeting by the Champion Shareholders and Champion Optionholders voting together as a single class; and

   (c) a majority of votes cast at the Meeting by Champion Shareholders, excluding the votes cast in respect of Champion Common Shares held by (i) any "interested party" to the Arrangement within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Ontario Securities Commission and l'Autorité des marchés financiers (Québec) ("**MI 61-101**"), (ii) any "related party" of an interested party within the meaning of MI 61-101 (subject to exceptions set out therein), and (iii) any person that is a joint actor with any of the foregoing for the purposes of MI 61-101; and;

2 to act upon such other matters, including amendments to the foregoing, as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

DATED at Toronto, Ontario this 10th day of February, 2014.

BY ORDER OF THE BOARD OF DIRECTORS



Thomas Larsen
Chief Executive Officer, President and Director (Chairman)

NOTES:

1) Champion has fixed January 28, 2014, as the record date for determining those Champion Shareholders and Champion Optionholders entitled to receive notice of and to vote at the Meeting.

2) Pursuant to the Interim Order, registered Champion Shareholders have been granted the right to dissent in respect of the Arrangement Resolution. If the Arrangement becomes effective, a registered Champion Shareholder who validly dissents in respect of the Arrangement Resolution (a "**Dissenting Champion Shareholder**") is entitled to be paid the fair value of such Dissenting Champion Shareholder's Champion Common Shares, provided that such Dissenting Champion Shareholder has delivered a written objection to the Arrangement Resolution to Champion by 10:00 a.m. (Toronto time) on March 26, 2014, being the business day preceding the Meeting (or, if the Meeting is postponed or adjourned, the business day preceding the date of the postponed or adjourned Meeting) and has otherwise complied strictly with the dissent procedures described in the Circular, including the relevant provisions of Section 185 of the *Business Corporations Act* (Ontario) (as modified by the Interim Order). This dissent right is described in detail in the accompanying Circular under the heading "Rights of Dissenting Champion Shareholders". The text of Section 185 of the OBCA, which will be relevant in any dissent proceeding, is set forth in Appendix G to the Circular. **Failure to comply strictly with the dissent procedures described in the Circular and the Interim Order may result in the loss of any right of dissent. Beneficial owners of Champion Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered owners of Champion Common Shares are entitled to dissent.** The obligation of Mamba to complete the Arrangement is subject, among other matters, to there not having been delivered and not withdrawn notices of dissent in respect of more than 5% of the outstanding Champion Common Shares, which condition may be waived by Mamba in its discretion.

3) To the knowledge of the directors and officers of Champion, after reasonable inquiry, the only votes that are to be excluded in determining whether Minority Approval has been obtained are the votes in respect of 5,403,243 Champion Common Shares owned or over which control or direction was exercised in the aggregate, by Thomas Larsen, Miles Nagamatsu, Jorge Estepa, Jeffrey Hussey, Beat Frei, Alexander S. Horvath, Douglas H. Bache and William Harding.

4) Champion Shareholders who are unable to be present in person at the Meeting are requested to date, complete, sign and return the form of proxy (printed on blue paper) in the prepaid envelope provided or by internet at www.voteproxyonline.com by following the instructions on the form of proxy.

5) Champion Optionholders who are unable to be present in person at the Meeting are requested to date, complete, sign and return the form of proxy (printed on yellow paper) in the prepaid envelope provided or by internet at www.voteproxyonline.com by following the instructions on the form of proxy.

6) To be effective, proxies must be received before 10:00 a.m. (Toronto time) on March 26, 2014 (or on the last day (other than a Saturday, Sunday or any other holiday in Toronto, Ontario) preceding any adjournment or postponement of the Meeting).

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MANAGEMENT PROXY CIRCULAR

This Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of Champion for use at the special meeting of Champion Securityholders to be held at the offices of Norton Rose Fulbright, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario on March 27, 2014 at 10:00 a.m. (Toronto time) and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the Notice of Meeting.

DEFINED TERMS

This Circular contains defined terms. For a list of the defined terms used herein, see Appendix A to this Circular.

REPORTING CURRENCY AND FINANCIAL INFORMATION

Except as otherwise indicated in this Circular, references to "Canadian dollars", "C$" and "$" are to the currency of Canada and references to "Australian dollars" or "A$" are to the currency of Australia.

All financial statements and financial data derived therefrom included or incorporated by reference in this Circular pertaining to Champion and Mamba have been prepared in accordance with International Financial Reporting Standards.

FORWARD-LOOKING STATEMENTS

Certain statements in this Circular, including the documents incorporated by reference herein, are forward-looking statements, including, but not limited to, those relating to the proposed Arrangement, the timing of the closing of the proposed Arrangement, projected revenues, potential benefits of the Arrangement, resource estimates, the potential development of such resources, statements about planned operations at Champion's projects, including its joint venture projects and other statements that are not historical facts. These statements are based upon certain factors, assumptions and analyses that were applied in drawing a conclusion or making a forecast or projection, including Champion's and Mamba's experience and perceptions of historical trends, current conditions and expected future developments, as well as other factors that are believed to be reasonable in the circumstances. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Champion or Mamba. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "pro forma", "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "seeks", "likely" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the control of Champion and Mamba, affect (and could affect) the operations, business, financial condition, performance and results of Champion and Mamba, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results that may be expressed or implied by such forward-looking statements. These factors include, but are not limited to: the ability of Champion, Mamba and Canco to satisfy the conditions precedent to the Arrangement pursuant to the Arrangement Agreement (including without limitation the receipt of all necessary securityholder approvals); general economic, industry and market segment conditions; changes in applicable environmental, taxation and other laws and regulations, as well as how such laws and regulations are

interpreted and enforced; changes in operating risks, including risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; changes in metal prices or in the demand for metal that Champion or Mamba propose to produce; increased competition; changes in capital costs, labour and/or consumables; stock market volatility; ability to maintain current and obtain additional financing; industry consolidation; the execution of strategic growth plans; the outcome of legal proceedings; the ability of Champion and Mamba to realize on anticipated synergies or otherwise continue to develop and grow; and management's success in anticipating and managing the foregoing factors, as well as the risks described under "Risk Factors Relating to the Arrangement" in this Circular and "Risk Factors" in Appendix J to this Circular. In making these statements, Champion has made assumptions with respect to: expected cash provided by continuing operations; future capital expenditures, including the amount and nature thereof; trends and developments in the mining industry; business strategy and outlook; expansion and growth of business and operations; accounting policies; credit risks; anticipated acquisitions; opportunities available to or pursued by Champion or Mamba; and other matters.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this Circular are based upon what management of Champion currently believes to be reasonable assumptions, actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this Circular and, other than as specifically required by law, neither Champion nor Mamba assumes any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise, except as required by law.

EXCHANGE RATE DATA

The following table sets out the high and low exchange rates for one Canadian dollar expressed in Australian dollars, for each of the periods indicated, the exchange rate at the end of each such period and, the average of such exchange rates for each such period, in each case, based upon the noon buying rates as quoted by the Bank of Canada.

	Month Ended January, 2014	Year Ended March 31, 2013	2012	2011	2010
High	1.0541	1.0030	1.0031	1.1583	1.1602
Low	1.0163	0.9353	0.9299	0.9823	1.0181
Rate at end of period	1.0288	0.9444	0.9654	0.9935	1.0739
Average rate per period	1.0323	0.9683	0.9640	1.0420	1.0806

On February 7, 2014, the exchange rate for one Canadian dollar expressed in Australian dollars based upon the noon exchange rate as quoted by the Bank of Canada was A$1.0132.

NOTICE REGARDING INFORMATION

The information contained in this Circular concerning Mamba, including with respect to its directors, officers and affiliates, is based solely upon information provided to Champion by Mamba or upon publicly available information. With respect to this information, the Champion Board has relied exclusively upon Mamba, without independent verification by Champion.

Information in this Circular is given as at February 10, 2014 unless otherwise indicated and except for information contained in the documents incorporated herein by reference, which is given as at the respective dates stated therein.

No person is authorized to give any information or make any representation not contained or incorporated by reference in this Circular and, if given or made, such information or representation should not be relied upon as

having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

NOTICE TO CHAMPION SHAREHOLDERS

Securities issued in the Arrangement have not been and will not be registered under the 1933 Act or the securities laws of any state of the United States. Such securities will instead be issued in reliance upon the exemption provided by Section 3(a)(10) of the 1933 Act, on the basis of approval of the Court, and applicable exemptions under state securities laws. Securities issued under the Arrangement will be freely transferable under United States federal securities laws, except for securities held by persons who are "affiliates" of Mamba after the Effective Time or were affiliates of Mamba within 90 days prior to the Effective Time. Such securities held by "affiliates" may be resold by them only in transactions outside the United States to the extent permitted by, and subject to the conditions and limitations of, the resale provisions of Regulation S under the 1933 Act, Rule 144 promulgated under the 1933 Act or as otherwise permitted under the 1933 Act. See "Regulatory Matters – United States Securities Law Matters".

Only Eligible Holders may elect to receive Exchangeable Shares in connection with the Arrangement. Mamba Shares issuable upon the exchange of the Exchangeable Shares are not exempt from the 1933 Act by virtue of the exemption afforded by Section 3(a)(10), or similar exemptions under state securities laws. If a shareholder in the United States holds Exchangeable Shares, such shareholder will need to demonstrate to Mamba's satisfaction that the exchange for Mamba Shares can be effected pursuant to applicable exemptions under the 1933 Act and state securities laws in connection with such exchange and any subsequent sale of Mamba Shares.

The solicitation and transactions contemplated herein are made by Champion, a foreign issuer incorporated under the laws of Canada that has prepared this Circular in accordance with the disclosure requirements of Canada. This solicitation of proxies is not subject to the requirements of Section 14(a) of the Securities Exchange Act. Accordingly, Champion Securityholders resident in the United States should be aware that, in general, such Canadian disclosure requirements are different from those applicable to proxy statements, prospectuses or registration statements prepared in accordance with U.S. laws.

Champion's audited and unaudited financial statements and other financial information included or incorporated by reference in this Circular have been prepared in accordance with International Financial Reporting Standards, and are subject to Canadian auditing and auditor independence standards, which differ from U.S. generally accepted accounting principles and United States auditing and auditor independence standards in certain material respects. Similarly, Mamba's audited and unaudited financial statements and other financial information pertaining to Mamba included in this Circular have been prepared in accordance with International Financial Reporting Standards. Consequently, such financial statements and other financial information are not comparable in all respects to financial statements prepared in accordance with U.S. generally accepted accounting principles and that are subject to United States auditing and auditor independence standards. Likewise, pro forma information concerning the assets of Champion and Mamba has been prepared in accordance with Canadian standards and may not be comparable to pro forma information proposed for United States companies.

Champion Shareholders resident in the United States or who are U.S. taxpayers should be aware that the Arrangement described herein may have tax consequences both in the United States and in Canada. Such consequences for such Champion Shareholders are not described herein. For a general discussion of the Canadian federal income tax consequences to investors who are not resident in Canada, see "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Not Resident in Canada". United States holders are urged to consult their own tax advisors with respect to such Canadian and United States federal and state income tax consequences.

The enforcement by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that Champion and Mamba are organized under the laws of jurisdictions other than the United States, that all of their officers and directors are residents of countries other than the United States, that all of the experts named in the Circular may be residents of countries other than the United States, or that all or a substantial portion of the assets of Champion and such persons are located outside the United States. As a result, it may be difficult or impossible for Champion Shareholders in the United States to effect service of process within the United States upon Champion and its directors and officers, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, Champion Shareholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

THE MAMBA SHARES AND EXCHANGEABLE SHARES ISSUABLE PURSUANT TO THE ARRANGEMENT ARE BEING ISSUED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND THEY HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED FOR DISTRIBUTION UNDER U.S. SECURITIES LAWS OR THE LAWS OF ANY OTHER JURISDICTION OUTSIDE OF CANADA. For a discussion of regulatory issues relating to United States Champion Shareholders, see "Regulatory Matters – United States Securities Law Matters".

THE SECURITIES TO BE ISSUED IN THIS TRANSACTION HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES NOR HAS THE SECURITIES AMD EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Information concerning the properties and operations of Champion and Mamba has been prepared in accordance with the requirements of Canadian and Australian securities laws and stock exchange requirements, which differ from the requirements of United States securities laws. Unless otherwise indicated, all mineral reserve and mineral resource estimates included or incorporated by reference in this Circular have been prepared in accordance with an approved reporting code under NI 43-101. NI 43-101 prescribes the rules and requirements developed by the Canadian Securities Administrators which establish standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Australian and Canadian standards differ significantly from the requirements of the SEC, and mineral reserve and mineral resource information contained or incorporated by reference in this Circular may not be comparable to similar information disclosed by United States companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve". Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by United States standards in documents filed with the SEC. United States investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimates of "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies. Disclosure of "contained tonnes" in a mineral resource estimate is permitted disclosure under NI 43-101 provided that the grade or quality and the quantity of each category is stated; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information contained in this Circular and the documents incorporated by reference herein containing descriptions of mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder.

NOTICE TO ALL CHAMPION SECURITYHOLDERS

Mamba is incorporated under the laws of a foreign jurisdiction, and all of the directors and officers of Mamba reside outside of Canada. All of the assets of these persons and Mamba may be located outside Canada. As such, it may not be possible for investors to effect service of process within Canada upon all of the directors and officers referred to above. It may also not be possible to enforce against Mamba and its directors and officers judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. In addition, the rights of a shareholder of an Australian corporation differ from the rights of a shareholder of an OBCA corporation. See Appendix H to the Circular for a summary comparison of the rights of Champion Shareholders and Mamba Shareholders.

QUESTIONS AND ANSWERS ABOUT THE MEETING AND THE ARRANGEMENT

The following is a summary of certain information contained in or incorporated by reference into this Circular, together with some of the questions that you, as a Champion Securityholder, may have and answers to those questions. You are urged to read the remainder of the Circular, the form of proxy and the letter of transmittal and election form carefully, because the information contained below is of a summary nature and therefore is not complete, and is qualified in its entirety by the more detailed information contained elsewhere in or incorporated by reference into this Circular, the form of proxy, the letter of transmittal and election form and the attached Appendices, all of which are important and should be reviewed carefully. Capitalized terms used in these Questions and Answers but not otherwise defined herein have the meanings set forth in Appendix A to this Circular.

Q: Does the Champion Board support the Arrangement?

A: Yes. The Champion Board has unanimously determined (i) that the Arrangement is fair to Champion Securityholders and is in the best interests of Champion and Champion Securityholders, (ii) that Champion should enter the Arrangement Agreement, and (iii) to recommend to Champion Securityholders to vote FOR the Arrangement Resolution.

In making its recommendation, the Champion Board considered a number of factors as described in the Circular under the heading "The Arrangement – Recommendation of the Champion Board", including the Fairness Opinion of Canaccord (as independent financial advisor to Champion) which determined that, as of the date of such opinion and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be received by Champion Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Champion Shareholders (other than Mamba and its subsidiaries and affiliates).

See "The Arrangement – Background to the Arrangement".

Q: When will the Arrangement become effective?

A: Subject to obtaining Court and other approvals as well as the satisfaction of all other conditions precedent, if Champion Securityholders approve the Arrangement Resolution, it is anticipated that the Arrangement will be completed in March, 2014.

Q: What will I receive for my Champion Common Shares under the Arrangement?

A: If the Arrangement is completed, each Champion Shareholder will be entitled to receive 0.7333333 Mamba Shares for each Champion Common Share held immediately prior to the Arrangement. Certain eligible Champion Shareholders may make a Consideration Election to receive all or a part of their consideration in the form of Exchangeable Shares in place of the Mamba Shares. See "The Arrangement – Election Procedure for Champion Shareholders" and "The Arrangement – Description of the Arrangement".

Q: If I am a Champion Shareholder, how do I elect to receive my consideration under the Arrangement?

A: Each Champion Shareholder registered as a holder of Champion Common Shares prior to the Election Deadline, being 10:00 a.m. (Toronto time) on March 26, 2014 (being the business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed Meeting) will have the right to make a Consideration Election in the letter of transmittal and election form (printed on the pink paper) properly completed and delivered to the Depositary to receive the consideration set out below depending on whether the Champion Shareholder is an Eligible Holder.

Non-Eligible Holders

Each Champion Shareholder who is not an Eligible Holder will receive, in respect of each Champion Common Share held by such person, 0.7333333 Mamba Shares.

Eligible Holders

Each Champion Shareholder who is an Eligible Holder may make a Consideration Election, in respect of each Champion Common Share held by such person, to receive 0.7333333 Mamba Shares or 0.7333333 Exchangeable Shares or some combination thereof.

Champion Shareholders who are Eligible Holders wishing to obtain a full or partial Canadian tax deferral in respect of the transfer of their Champion Common Shares must make a Consideration Election and receive Exchangeable Shares as consideration.

Q: What will happen to my Champion Options under the Arrangement?

A: Under the terms of the Arrangement, each Champion Option issued and outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged on the Effective Date for a Replacement Option to acquire, on the same terms and conditions as were applicable to such Champion Option immediately prior to the Effective Time, the number of Mamba Shares equal to the product of (i) the number of Champion Common Shares subject to such Champion Option immediately prior to the Effective Time and (ii) the Exchange Ratio.

The exercise price per Mamba Share subject to any such Replacement Option shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Champion Common Share subject to such Champion Stock Option immediately prior to the Effective Time and (ii) the Exchange Ratio.

For greater certainty, all Champion Options will expire and terminate on the Effective Date.

Q: As a Champion Shareholder, what are the Canadian federal income tax consequences of the Consideration Election that I am entitled to make with respect to the Arrangement?

A: Champion Shareholders who are residents of Canada for purposes of the ITA (other than Eligible Holders as discussed below) will realize a taxable disposition of their Champion Common Shares under the Arrangement based on the fair market value of the Mamba Shares received as consideration.

Champion Shareholders who are Eligible Holders may make a Consideration Election to receive as consideration Exchangeable Shares (and the Ancillary Rights). The exchangeable share structure is designed to provide an opportunity for such Eligible Holders who make a valid tax election to defer all or part of the Canadian income tax on any capital gain that would otherwise arise on an exchange of their Champion Common Shares for Mamba Shares under the Arrangement. Such income tax deferral will exist until the Eligible Holder disposes of the Exchangeable Shares. See “Description of Exchangeable Shares and Related Agreements”.

Champion Shareholders who are not residents of Canada for purposes of the ITA, and whose Champion Common Shares do not constitute “taxable Canadian property” as defined in the ITA, will not be subject to taxation under the ITA on the disposition of their Champion Common Shares under the Arrangement.

See “Certain Canadian Federal Income Tax Considerations for Champion Shareholders”.

Q: As a Champion Optionholder, what are the Canadian federal income tax consequences of the Arrangement?

A: The terms of the Arrangement provide that each Champion Option that is outstanding immediately prior to the Effective Time, whether or not vested, will be exchanged for a Replacement Option. Provided

that (i) the amount by which the fair market value of the Mamba Share immediately after the exchange exceeds the exercise price to acquire such share under the Replacement Option is not greater than (ii) the amount by which the fair market value of the Champion Share immediately before the exchange exceeded the exercise price to acquire such share under the Champion Option exchanged, a Champion Optionholder that exchanges a Champion Option for a Replacement Option will not be considered to have disposed of their Champion Option and the Replacement Option will be deemed to be a continuation of the Champion Option so exchanged.

This summary applies to Champion Optionholders who (i) at all relevant times, are, or are deemed to be, resident in Canada for the purposes of the ITA, (ii) exchange Champion Options pursuant to the Plan of Arrangement for Replacement Options, (iii) are a current or former employee or director of Champion, (iv) received the Champion Options in respect of, in the course of, or by virtue of, such employment or in consideration for the services performed as a director of Champion, and (v) at the time the Champion Optionholder's Champion Options were granted, dealt at arm's length with Champion.

This summary does not describe the tax consequences of an exercise or other disposition of Champion Options by Champion Optionholders, prior to the Effective Time, and holders who have, or wish to, exercise or dispose of their Champion Options prior to the Effective Time should consult their own tax advisors. Champion Optionholders to whom this summary does not apply should consult their own advisors with respect to the consequences of transactions contemplated herein.

See "Certain Canadian Federal Income Tax Considerations for Champion Optionholders".

Q: What are the Australian federal income tax consequences of disposing of any Mamba Shares that I receive under the Arrangement?

A: A holder of a Mamba Share who is not a resident of Australia for tax purposes and who does not acquire, hold or dispose of Mamba Shares in Australia or in connection with a business carried on in Australia should not be subject to any Australian income or capital gains tax on a profit or gain from the disposal of Mamba Shares, provided that, in the case of ordinary income tax, the profit does not have an Australian source and, in the case of capital gains tax, the holder of Mamba Shares and its associates do not at any time hold or have the right to acquire 10% or more of the voting rights in or rights to distribution of income or capital from Mamba.

Whether a profit or gain from the disposal of Mamba Shares would potentially be subject to the ordinary income tax rules at all (so as to make the question of source relevant) will depend on the circumstances of the particular non-resident holder. The application of the source rules is largely based on court determinations, depends heavily on the particular facts and circumstances of each case and, as a consequence, can be uncertain. Even if a profit from the disposal of Mamba Shares by a non-resident holder was to have an Australian source it would be necessary for the non-resident holder to determine whether there is an applicable double tax treaty between Australia and the country of which the non-resident holder is a resident that may prevent or limit Australia's right to tax a profit in the particular facts and circumstances of the non-resident holder.

For a Canadian resident holder of Mamba Shares who does not acquire, hold or dispose of Mamba Shares in Australia or in connection with a business carried on in Australia through an Australian permanent establishment, the Canada-Australia double tax treaty would normally protect the Canadian resident holder of Mamba Shares from ordinary income tax on the disposal of Mamba Shares (but not necessarily from capital gains tax).

See "Certain Australian Federal Income Tax Considerations" for further details.

Q: What will happen to Champion if the Arrangement is completed?

A: If the Arrangement is completed, Mamba, together with Canco, will acquire all of the Champion Common Shares and Champion will become a subsidiary of Mamba. Mamba and Champion intend to have the Champion Common Shares de-listed from the TSX and Champion will apply to cease to be a

reporting issuer (or the equivalent) in all jurisdictions in Canada. See "Effect of the Arrangement on Markets and Listings".

If the Arrangement is completed, Mamba and Canco will become reporting issuers in all Canadian Provinces other than Québec and will be required to comply with Canadian statutory financial and other continuous disclosure and timely reporting requirements, including the requirement for insiders of Mamba to file reports with respect to trades of Mamba and Canco securities. If the Arrangement is completed, Mamba and Canco will be required to create a profile on SEDAR where all such financial and other continuous disclosure will be made available.

Q: Will the Mamba Shares and the Exchangeable Shares be listed on a stock exchange?

A: Mamba has applied to list the Mamba Shares issuable by Mamba under the Arrangement (including upon the exchange of the Exchangeable Shares for Mamba Shares) on the TSX. It is a condition of closing that Mamba shall have received conditional listing approval from the TSX (including the Mamba Shares distributable pursuant to the exchange of the Exchangeable Shares and the exercise of Mamba Options and the Champion Warrants) on the TSX commencing on the Effective Date.

Only Mamba Shares will be listed for trading on the ASX both before and after the Arrangement. The Exchangeable Shares will not be listed for trading on any stock exchange.

Q: What approvals are required to be given by Champion Securityholders at the Meeting?

A: To become effective, the Arrangement Resolution will require approval by the affirmative vote of: (i) at least 66 2/3% of the votes cast at the Meeting by Champion Shareholders, (ii) at least 66 2/3% of the votes cast at the meeting by the Champion Shareholders and Champion Optionholders voting together as a single class, and (iii) a majority of votes cast at the Meeting by Champion Shareholders, excluding the votes cast in respect of Champion Common Shares held by certain interested or related parties or joint actors of Champion.

The directors, senior officers and insiders of Champion, holding in aggregate approximately 17.85% of the fully diluted share capital of Champion, have entered into voting agreements with Mamba, pursuant to which they have agreed, subject to certain exceptions, to vote their securities (including Champion Options) in favour of the Arrangement.

Q: Are Champion Shareholders entitled to dissent rights?

A: Under the Interim Order, Champion Shareholders are entitled to dissent rights only if they strictly follow the procedures specified in the OBCA, as modified by the Interim Order. If you wish to exercise dissent rights, you should review the requirements summarized in the Circular carefully and consult with legal counsel.

See "Rights of Dissenting Champion Shareholders".

Q: What other conditions must be satisfied to complete the Arrangement?

A: In addition to the applicable approvals by Champion Securityholders at the Meeting, the Arrangement is conditional upon, among other things, the performance by each of Champion and Mamba, of all obligations under the Arrangement Agreement and the receipt of, among other things, approval for the listing of the Mamba Shares issuable to the Champion Securityholders pursuant to the Arrangement on the TSX, approval of the Mamba Shareholders, the Final Order from the Court and all other applicable waivers and consents required, all in accordance with the terms of the Arrangement Agreement. See "The Arrangement Agreement – Conditions Precedent".

Q: What will happen if the Arrangement Resolution is not approved or the Arrangement is not completed for any reason?

A: If the Arrangement Resolution is not approved or the Arrangement is not completed for any reason, the Arrangement Agreement may be terminated. If this occurs, Champion will continue to carry on its business operations in the normal and usual course. See "Risk Factors Relating to the Arrangement".

In certain circumstances, as required by applicable sections of the Arrangement Agreement, Champion may be required to pay the Termination Fee or certain costs and expenses to Mamba or Mamba may be required to pay the Termination Fee or certain costs and expenses to Champion. See "The Arrangement Agreement – Termination Fee and Reimbursement of Expenses".

Q: What do I need to do now?

A: You should carefully read and consider the information contained in this Circular. Champion Securityholders should then complete, sign and date the enclosed form of proxy (printed on blue paper for Champion Shareholders and printed on yellow paper for Champion Optionholders) and return the applicable form in the enclosed return envelope, by facsimile to the Proxy Department of Equity Financial Trust Company at (416) 595-9593 or by internet at www.voteproxyonline.com by following the instructions on the form of proxy as soon as possible so that your Champion Common Shares and Champion Options may be represented at the Meeting. To be eligible for voting at the Meeting, the form of proxy must be returned by mail or by facsimile to the Depositary not later than 10:00 a.m. (Toronto time) on March 26, 2014, being the business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed meeting. See "General Information Concerning the Meeting and Voting – Appointment of Proxyholder".

Q: If my Champion Common Shares are held by my broker, will my broker vote my Champion Common Shares for me?

A: A broker will vote the Champion Common Shares held by you only if you provide instructions to your broker on how to vote. Without instructions, those Champion Common Shares will not be voted. Champion Shareholders should instruct their brokers to vote their Champion Common Shares by following the directions provided to them by their brokers. Unless your broker gives you its proxy to vote the Champion Common Shares at the Meeting, you cannot vote those Champion Common Shares owned by you at the Meeting. See "General Information Concerning the Meeting and Voting – Explanation of Voting Rights for Beneficial Owners of Champion Common Shares".

Q: Should I send in my letter of transmittal and election form and Champion Common Share certificates now?

A: Yes. It is recommended that all Champion Shareholders complete, sign and return the letter of transmittal and election form (printed on pink paper) with accompanying Champion Common Share certificate(s) to the Depositary as soon as possible.

In order for Champion Shareholders to receive Mamba Shares and to make a valid Consideration Election as to the consideration that they wish to receive under the Arrangement, they must sign and return the letter of transmittal and election form (printed on pink paper) and make a proper Consideration Election thereunder and return it with accompanying Champion Common Share certificate(s) to the Depositary on or before the Election Deadline, being 10:00 a.m. (Toronto time) on March 26, 2014, being the business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed meeting.

If you fail to make a proper Consideration Election by the Election Deadline, you will be deemed to have elected to receive 0.7333333 Mamba Shares for each Champion Common Share held.

See "The Arrangement – Election Procedure for Champion Shareholders".

Q: Should I send in my proxy now?

A: Yes. To ensure the Arrangement Resolution is passed, you need to complete and submit the applicable enclosed form of proxy (printed on blue paper for Champion Shareholders and printed on yellow paper for Champion Optionholders) or, if applicable, provide your broker with voting instructions. See "General Information Concerning the Meeting and Voting – Appointment of Proxyholder; Explanation of Voting Rights for Beneficial Owners of Champion Common Shares".

Q: When will I receive the consideration payable to me under the Arrangement for my Champion Common Shares and/or Champion Options?

A: You will receive the consideration due to you under the Arrangement promptly after the Arrangement Resolution is approved, Court and other approvals have been obtained, the Arrangement becomes effective and your letter of transmittal and election form and Champion Common Share certificate(s) and all other required documents are properly completed and received by the Depositary, as the case may be. See "The Arrangement – Procedure for Arrangement to Become Effective".

Q: What happens if I send in my Champion Common Share certificates and the Arrangement Resolution is not approved or the Arrangement is not completed?

A: If the Arrangement Resolution is not approved or if the Arrangement is not otherwise completed, your Champion Common Share certificates will be returned promptly to you by the Depositary or Champion, as the case may be.

Q: Can I change my vote after I have voted by proxy?

A: Yes. A Champion Securityholder executing the applicable enclosed form of proxy has the right to revoke it under subsection 110(4) of the OBCA. A Champion Securityholder may revoke a proxy by depositing an instrument in writing executed by him or her, or by his or her attorney authorized in writing, at the registered office of Champion at any time up to and including the last day (other than a Saturday, Sunday or other holiday in Toronto, Ontario) preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting prior to the Meeting, or any adjournment or postponement thereof, or in any other manner permitted by law.

SUMMARY OF CIRCULAR

The following is a summary of certain information contained elsewhere in, or incorporated by reference into, this Circular, including the Appendices hereto. Certain capitalized terms used in this summary are defined in the Glossary of Defined Terms or elsewhere in this Circular. This summary is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference into, this Circular.

Purpose of the Meeting

The purpose of the Meeting is for Champion Securityholders to consider and, if thought advisable, pass, with or without variation, the Arrangement Resolution to approve the Arrangement under Section 182 of the OBCA.

Date, Time and Place

The Meeting will be held at the offices of Norton Rose Fulbright, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario on March 27, 2014 at 10:00 a.m. (Toronto time).

Champion Securityholder Approval of Arrangement Resolution

The Champion Board recommends that Champion Securityholders vote their Champion Securities in favour of the Arrangement Resolution. To become effective, the Arrangement Resolution will require approval by the affirmative vote of: (i) at least 66 2/3% of the votes cast at the Meeting by Champion Shareholders, (ii) at least 66 2/3% of the votes cast at the meeting by the Champion Shareholders and Champion Optionholders voting together as a single class, and (iii) a majority of votes cast at the Meeting by Champion Shareholders, excluding the votes cast in respect of Champion Common Shares held by certain interested or related parties or joint actors of Champion.

The Arrangement Resolution must be passed in order for Champion to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the Final Order.

See “The Arrangement – Champion Securityholder Approval”.

Effects of the Arrangement

If the Arrangement Resolution is passed and all of the other conditions to closing of the Arrangement are satisfied, Mamba, together with Canco, will acquire all of the outstanding Champion Common Shares in exchange for Mamba Shares and/or Exchangeable Shares (or a combination thereof) to be issued to the Champion Shareholders. Thereupon, Champion will become a legal subsidiary of Mamba.

In addition, if the Arrangement Resolution is passed and all of the other conditions to closing of the Arrangement are satisfied, the Champion Options would be exchanged for Replacement Options exercisable for Mamba Shares and the Champion Warrants will remain outstanding and be exercisable for Mamba Shares, in accordance with the terms of the Plan of Arrangement.

Upon completion of the Arrangement, Champion shareholders will own approximately 50.8% of Mamba's pro forma issued share capital on a fully diluted in-the-money basis. See “Appendix I – Information Relating to Mamba and Canco”.

See “The Arrangement – Description of the Arrangement”.

Description of the Arrangement

If approved, the Arrangement will become effective at the Exchange Time (which is expected to be at 12:01 a.m. (Toronto time) on or about March 31, 2014, but in any case, not later than June 5, 2014, or such later date as may be agreed by the parties). Commencing at the Effective Time on the Effective Date, subject to the terms and conditions of the Arrangement Agreement, the following steps shall occur as part of the Arrangement and shall be deemed to occur in the following sequence without any further act or formality.

1 The Champion Shareholder Rights Plan shall be deemed to have been terminated (and all rights thereunder shall expire and be of no further force or effect).

2 At the Effective Time, each Champion Warrant outstanding immediately prior to the Effective Time, whether or not vested, will be adjusted either, in accordance with its terms, or otherwise in accordance with the Plan of Arrangement, such that the holder shall be entitled to acquire, on the same terms and conditions as were applicable to such Champion Warrant immediately prior to the Effective Time, the number of Mamba Shares equal to the product of, (i) the number of Champion Common Shares subject to such Champion Warrant immediately prior to the Effective Time, and (ii) the Exchange Ratio. The exercise price per Mamba Share subject to such Champion Warrant shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Champion Common Share subject to such Champion Warrant immediately prior to the Effective Time and (ii) the Exchange Ratio. Except as set out above, the Champion Warrants shall be governed by the terms of the certificates evidencing the Champion Warrants prior to the Effective Time. Where a holder exercises Champion Warrants, the aggregate number of Mamba Shares to which such holder is entitled shall be rounded down to the nearest whole number and the aggregate exercise price payable shall be rounded to the nearest cent.

3 At the Effective Time, each Champion Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for a Replacement Option to acquire (on the same terms and conditions as were applicable to such Champion Option immediately prior to the Effective Time under the Champion Stock Option Plan and the agreement evidencing the grant) the number of Mamba Shares equal to the product of (i) the number of Champion Common Shares subject to such Champion Option immediately prior to the Effective Time and (ii) the Exchange Ratio. The exercise price per Mamba Share subject to any such Replacement Option shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Champion Common Share subject to such Champion Stock Option immediately prior to the Effective Time and (ii) the Exchange Ratio. On and after the Effective Time, no further Champion Options will be granted under the Champion Stock Option Plan. The obligations of Champion under the Champion Stock Option Plan in respect of the Champion Options will be assumed by Mamba.

4 Five minutes after the Effective Time, each issued and outstanding Champion Share (other than Exchangeable Elected Shares and other than Champion Shares held by Mamba or an affiliate thereof or Dissenting Champion Shareholders) held by a Champion Shareholder shall be exchanged with Mamba for the Mamba Share Consideration in accordance with the terms and conditions of the Plan of Arrangement.

5 Five minutes after the Effective Time, each Exchangeable Elected Share shall be exchanged with Canco for Exchangeable Share Consideration in accordance with the election of such Champion Shareholder pursuant to the terms and conditions of the Plan of Arrangement.

6 Five minutes after the Effective Time, Mamba and Canco shall execute the Support Agreement and Mamba, Canco and the Trustee shall execute the Voting and Exchange Trust Agreement and Mamba shall issue to and deposit with the Trustee the Special Voting Share in consideration of the payment to Mamba by Champion on behalf of the Champion Shareholders of one dollar ($1.00), to be thereafter held of record by the Trustee as trustee for and on behalf of, and for the use and benefit of, the holders of the Exchangeable Shares in accordance with the Voting and Exchange Trust Agreement.

7 On the Effective Date, (i) the composition of the board of directors of Mamba shall be amended such that the board will consist of eight (8) directors, of which five (5) directors will be nominees of Champion and of which three (3) will be nominees of Mamba, (ii) Thomas Larsen will be appointed as Chief Executive Officer of Mamba and (iii) Michael O'Keefe will continue to serve as Executive Chairman of Mamba.

See "The Arrangement – Description of the Arrangement".

Champion

Champion is a Canadian-based mineral exploration and development corporation existing under the OBCA, focused on the acquisition, exploration and development of metal deposits, particularly iron ore deposits, in North-Eastern Québec, Newfoundland and Labrador.

The Champion Common Shares are listed on the TSX under the symbol "CHM" and on the Frankfurt stock exchange under the symbol "P02 (WKN–A0LF1C)". Champion is a reporting issuer in all Canadian provinces except Québec.

The Corporation is registered as an extra-provincial corporation to carry on business in the Province of Newfoundland and Labrador and the Province of Québec.

The Corporation has interests in numerous mineral property claims in North-Eastern Québec, Newfoundland and Labrador including the Fermont Property, Powderhorn Property and Gullbridge Property. The Consolidated Fire Lake North Project which comprises a portion of the Fermont Property is the only project which Champion considers to be material. Champion is not in commercial production on any of its mineral resource properties and accordingly has no revenues.

See "Information Relating to Champion – Description of Business".

Mamba and Canco

Mamba

Mamba is a company incorporated in Australia under the Corporations Act. The company is based in Sydney, Australia and its principal activity is the exploration and development of iron ore projects in the Labrador Trough in Labrador, Canada. Mamba's shares are publicly traded on the ASX under the symbol "MAB".

See "Appendix J – Information Relating to Mamba and Canco".

Canco

Canco is a corporation incorporated under the laws of the Province of Ontario and is a direct wholly-owned subsidiary of Mamba, which will, among other things, issue Exchangeable Shares to Eligible Holders who have made a valid Consideration Election to receive Exchangeable Shares in exchange for Champion Common Shares pursuant to the terms and conditions of the Arrangement Agreement.

See "Appendix J – Information Relating to Mamba and Canco".

Fairness Opinion

Canaccord was engaged by Champion on November 15, 2013 as its independent financial advisor to advise and assist Champion in connection with Champion's initiation of a process to consider strategic alternatives, including, if requested, providing an opinion as to the fairness, from a financial point of view, of the consideration to be received in respect of any transaction that emerged from such process.

Canaccord delivered its fairness opinion orally to the Special Committee and then to the Champion Board on December 5, 2013 and subsequently delivered a written opinion to the Special Committee of the Champion Board dated December 5, 2013, a copy of which is attached as Appendix F. The Fairness Opinion concludes that, as of the date of such opinion and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be received by Champion Shareholders pursuant to the Arrangement is fair, from a financial point of view, to such Champion Shareholders, other than Mamba and its subsidiaries and affiliates.

The Fairness Opinion does not constitute a recommendation to Champion Securityholders as to how to vote on the Arrangement Resolution or how to act on any matter relating to the Arrangement. The Board urges the Securityholders to read the Fairness Opinion carefully and in its entirety.

See "The Arrangement – Fairness Opinion".

Recommendation of the Champion Board

The Champion Board believes that the Arrangement is fair to Champion Securityholders and is in the best interests of Champion and Champion Securityholders. Accordingly, the Champion Board unanimously approved the Arrangement and recommends that Champion Securityholders vote their Champion Securities in favour of the Arrangement Resolution.

Reasons for the Recommendation of the Champion Board

In making its recommendation, the Champion Board considered a number of factors, including:

1 The Arrangement provides an immediate and significant premium to Champion Shareholders. The Arrangement values Champion at approximately C$0.39 per Champion Common Share or C$59.8 million on a fully diluted-in-the-money basis as at December 5, 2013. Based on the 20-day volume weighted average price ("**VWAP**") for the period ended December 5, 2013 for Mamba and Champion of A$0.52 and C$0.21, respectively, the Arrangement represents a premium to Champion Shareholders of 72%.

2 The Arrangement and Concurrent Financing will strengthen the combined company's balance sheet as well as provide sufficient funding for the completion of a bankable feasibility study on the Consolidated Fire Lake North Project.

3 The Arrangement is expected to provide an upside with respect to exploration potential at the Snelgrove Lake Project.

4 The Arrangement provides for the addition of key mining executives and directors with a proven track record of success. The addition of Michael O'Keeffe as Executive Chairman is expected to significantly enhance the combined company's ability to attract institutional and strategic investors as well as the capital required to advance the Consolidated Fire Lake North Project.

5 The Arrangement is expected to broaden the investor base, providing the combined company with access to a larger number of institutional and retail investors in North America, Australia, Europe and Asia.

6 The Fairness Opinion concluded that, as of the date of such opinion and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be received by Champion Shareholders pursuant to the Arrangement is fair, from a financial point of view, to such Champion Shareholders, other than Mamba and its subsidiaries and affiliates. See "The Arrangement – Fairness Opinion" and "Appendix F – Fairness Opinion".

7 Champion Shareholders who receive Mamba Shares or Exchangeable Shares (or a combination thereof) under the Arrangement will have the opportunity to become a part of an iron ore company of global significance having increased exposure to revenues and cash flows and the opportunity to participate in the future performance of Mamba Shares.

8 Certain directors, senior officers and insiders of Champion, holding in aggregate approximately 17.85% of the fully diluted Champion Common Shares, have entered into voting agreements with Mamba, pursuant to which they have agreed to vote their securities (including Champion Options) in favour of the Arrangement, subject to certain exceptions. See "Voting Agreements – Champion Voting Support Agreements".

9 Champion Shareholders who are Eligible Holders will have the opportunity to elect to receive consideration that includes Exchangeable Shares (and the Ancillary Rights) and to make a valid tax election with Canco to defer all or part of the Canadian income tax on any capital gain that would otherwise arise on an exchange of their Champion Common Shares for Mamba Shares. See "The

Arrangement – Election Procedure for Champion Shareholders" and "Certain Canadian Federal Income Tax Considerations for Champion Shareholders".

10 Industry, economic and market conditions and trends.

11 Historical market prices and trading information with respect to the Champion Common Shares and the Mamba Shares.

12 Information regarding the business, operations, property, assets, financial performance and condition, operating results and prospects of Champion and Mamba.

13 The likelihood that the Arrangement will be completed, given the conditions and other approvals necessary to complete the Arrangement.

14 The terms of the Arrangement Agreement, which permit the Champion Board to consider and respond to a Superior Proposal subject to the payment of the Termination Fee to Mamba in certain circumstances.

15 Should Mamba receive a Superior Proposal, the terms of the Arrangement Agreement entitle Champion to (a) match any Superior Proposal received by Mamba, and (b) in certain circumstances, receive the Termination Fee from Mamba should Mamba terminate the Arrangement Agreement as a result of the Superior Proposal.

16 The requirement that the Arrangement be approved by the affirmative vote of (i) at least 66 2/3% of the votes cast at the Meeting by Champion Shareholders, (ii) at least 66 2/3% of the votes cast at the meeting by the Champion Shareholders and Champion Optionholders voting together as a single class, and (iii) a majority of votes cast at the Meeting by Champion Shareholders, excluding the votes cast in respect of Champion Common Shares held by certain interested or related parties or joint actors of Champion.

17 The procedures by which the Arrangement is to be approved, including the requirement for approval by the Court after a hearing at which fairness will be considered.

18 The availability of rights of dissent to the registered Champion Shareholders with respect to the Arrangement.

See "The Arrangement – Recommendation of the Champion Board".

Letter of Transmittal and Election Form

All Champion Shareholders need to complete, sign and return the letter of transmittal and election form (printed on pink paper and which was mailed, together with this Circular, to each person who was a registered holder of Champion Common Shares on the Record Date) with accompanying Champion Common Share certificate(s) in order to receive the consideration to which such Champion Shareholder is entitled under the Arrangement.

It is recommended that Champion Shareholders complete, sign and return the applicable letter of transmittal forms with accompanying Champion Common Share certificates to the Depositary as soon as possible.

See "The Arrangement – Letter of Transmittal and Election Form for Champion Shareholders" and "The Arrangement – Election Procedure for Champion Shareholders".

Election Procedure

Available Elections and Procedure for Champion Shareholders

Each registered holder of Champion Common Shares on or prior to the business day immediately preceding the Election Deadline will have the right to make a Consideration Election in the letter of transmittal and election form delivered to the Depositary to receive the consideration set out below depending on the status of such

Champion Shareholder. **To make a valid Consideration Election as to the consideration that you wish to receive under the Arrangement, you must sign and return the letter of transmittal and election form and make a proper Consideration Election thereunder and return it with Champion Common Share certificate(s) to the Depositary on or before the Election Deadline, being 10:00 a.m. (Toronto time) on March 26, 2014, being the business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed meeting.**

Non-Eligible Holders

Each Champion Shareholder who is not an Eligible Holder may only make a Consideration Election, in respect of each Champion Common Share held by such person, to receive the Mamba Share Consideration.

Eligible Holders

Each Champion Shareholder who is an Eligible Holder may make a Consideration Election to receive, in respect of each Champion Common Share held by such person, the Mamba Share Consideration or the Exchangeable Share Consideration (or a combination thereof).

A Champion Shareholder who is an Eligible Holder wishing to obtain a full or partial Canadian tax deferral in respect of the transfer of a Champion Common Share must make a Consideration Election to receive Exchangeable Shares as all or part of the consideration in respect of such transfer.

See "Certain Canadian Federal Income Tax Considerations for Champion Shareholders."

A Consideration Election will have been properly made only if the Depositary has received, by the Election Deadline, a letter of transmittal and election form properly completed and signed and accompanied by the certificate(s) for the Champion Common Shares to which the letter of transmittal and election form relates, properly endorsed or otherwise in proper form for transfer.

The determination of the Depositary as to whether Consideration Elections have been properly made or revoked and when Consideration Elections and revocations were received by it will be binding. **Champion Shareholders who do not make a Consideration Election prior to the Election Deadline, or if the Depositary determines that their Consideration Election was not properly made, with respect to any Champion Common Share, will be deemed to have elected to receive the Mamba Share Consideration as consideration for such Champion Common Shares.** The Depositary may, with the mutual agreement of Champion and Mamba, make such rules as are consistent with the Arrangement for the implementation of the elections contemplated by the Arrangement and as are necessary or desirable fully to effect such elections.

Interests of Certain Persons in the Arrangement

In considering the recommendation of the Champion Board, Champion Securityholders should be aware that certain members of the Champion Board and certain executive officers and consultants of Champion have interests in the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of Champion Securityholders generally. See "The Arrangement – Interests of Certain Persons in the Arrangement" for a description of such interests and benefits.

All benefits received, or to be received, by directors, executive officers or consultants of Champion as a result of the Arrangement are, and will be, solely in connection with their services as directors, employees or consultants of Champion. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for Champion Common Shares or Champion Options, nor is it, nor will it be, conditional on the person supporting the Arrangement.

The Arrangement Agreement

The Arrangement Agreement provides for the Arrangement and matters related thereto. Under the Arrangement Agreement, Champion has agreed to, among other things, call the Meeting to seek approval of Champion Securityholders for the Arrangement Resolution and if, approved, apply to the Court for the Final Order.

The Arrangement is subject to certain conditions that may be outside the control of Champion, including receipt of (i) Champion Securityholder Approval at the Meeting, (ii) conditional approval from the TSX to list the Mamba Shares and (iii) the Final Order.

Mamba Shareholders holding 7.0% of the undiluted capital of Mamba have confirmed their intention to vote in favour and support the Arrangement.

Each of Champion and Mamba has agreed to non-solicitation provisions, which provide for a "fiduciary-out", subject to a right to match, in the event either Champion or Mamba receives a Superior Proposal. In addition, in certain circumstances, if one of the parties' boards of directors authorizes it to enter into an agreement with a third party or to complete a transaction with a third party in connection with a Superior Proposal, a Termination Fee may be payable by either Champion or Mamba, as applicable, pursuant to the terms of the Agreement.

See "The Arrangement Agreement."

Unaudited Pro Forma Consolidated Financial Statements

The unaudited pro forma consolidated financial statements of the Consolidated Group that give effect to the Arrangement are set forth in Appendix I to this Circular.

Court Approval and Completion of the Arrangement

The Arrangement requires approval by the Court. Prior to the mailing of this Circular, Champion obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is attached hereto as Appendix E. A copy of the Notice of Application applying for the Final Order is attached hereto as Appendix D.

Subject to the approval of the Arrangement Resolution by Champion Securityholders at the Meeting, the hearing in respect of the Final Order is expected to take place on March 28, 2014 in the Court at 330 University Avenue, Toronto, Ontario, or as soon thereafter as is reasonably practicable. Any Champion Securityholder who wishes to appear or be represented and to present evidence or arguments must serve and file a notice of appearance as set out in the Notice of Application for the Final Order and satisfy any other requirements of the Court. The Court will consider, among other things, the fairness and reasonableness of the Arrangement and the rights of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court has further been advised that the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof will be based on the Final Order granted by the Court.

Assuming the Final Order is granted and the other conditions to closing contained in the Arrangement Agreement are satisfied or waived, it is currently anticipated that Articles of Arrangement for Champion will be filed with the OBCA Director to give effect to the Arrangement on March 31, 2014.

See "The Arrangement – Court Approval and Completion of the Arrangement".

Fractional Shares

No fractional Exchangeable Shares or fractional Mamba Shares shall be issued upon compliance with the Plan of Arrangement and no dividend, stock split or other change in the capital structure of Canco or Mamba shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of Canco or Mamba. All such fractional Exchangeable Shares or fractional Mamba Shares shall be rounded up to the nearest whole number of Exchangeable Shares or Mamba Shares, as the case may be.

See "The Arrangement – Exchange Procedure".

Dissent Rights

The Interim Order expressly provides registered holders of Champion Common Shares with the right to dissent with respect to the Arrangement. As a result, any Dissenting Champion Shareholder is entitled to be paid by Mamba the fair value (determined as of the Exchange Time) of all, but not less than all, of the shares of the same class beneficially held by such Dissenting Champion Shareholder in accordance with Section 185 of the OBCA, if the shareholder dissents with respect to the Arrangement and the Arrangement becomes effective.

Section 185 of the OBCA provides that a shareholder may only make a claim under that section with respect to all of the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that a registered Champion Shareholder may only exercise the dissent rights under Section 185 of the OBCA (as modified by the Plan of Arrangement and the Interim Order) in respect of Champion Common Shares that are registered in that Champion Shareholder's name.

The execution or exercise of a proxy does not constitute a written objection for purposes of the right to dissent under the OBCA.

The Interim Order and the OBCA require adherence to the procedures established therein and failure to adhere to such procedures may result in the loss of all rights of dissent. Accordingly, each Champion Shareholder who might desire to exercise rights of dissent should carefully consider and comply with the provisions of Section 185 of the OBCA, as modified by the Interim Order, and consult its legal advisors.

Notwithstanding subsection 185(6) of the OBCA (pursuant to which a written objection may be provided at or prior to the Meeting), a Dissenting Champion Shareholder who seeks payment of the fair value of its Champion Common Shares is required to deliver a written objection to the Arrangement Resolution to Champion by 10:00 a.m. (Toronto time) on the business day preceding the Meeting (or, if the Meeting is postponed or adjourned, the business day preceding the date of the reconvened or postponed Meeting). Champion's address for such purpose is 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6, and written objections should be sent to the attention of Jorge Estepa, Vice President, Secretary and Treasurer. A vote against the Arrangement Resolution or a withholding of votes does not constitute a written objection.

A Dissenting Champion Shareholder who fails to send to Champion, within the appropriate time frame, a dissent notice, demand for payment and certificates representing the shares in respect of which the Champion Shareholder dissents, forfeits the right to make a claim under Section 185 of the OBCA as modified by the Plan of Arrangement and the Interim Order. The transfer agent of Champion will endorse on the share certificates received from a Dissenting Champion Shareholder a notice that the holder is a Dissenting Champion Shareholder and will forthwith return the certificates to the Dissenting Champion Shareholder.

Failure to comply strictly with the dissent procedures described in this Circular may result in the loss of any right of dissent. Beneficial owners of Champion Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered owners of Champion Common Shares are entitled to dissent. The obligation of Mamba to complete the Arrangement is conditional on, among other matters, there not having been delivered and not withdrawn notices of dissent in respect of more than 5% of the outstanding Champion Common Shares.

See "Rights of Dissenting Champion Shareholders".

De-listing of Champion Common Shares

If the Arrangement is completed, the Champion Common Shares will be de-listed from the TSX and the Frankfurt stock exchange. Champion will apply to cease to be a reporting issuer (or the equivalent) in all jurisdictions in Canada in which it is a reporting issuer (or the equivalent).

See "Effect of the Arrangement on Markets and Listings".

Certain Canadian Federal Income Tax Considerations for Champion Shareholders and Champion Optionholders

Champion Shareholders who are residents of Canada for purposes of the ITA (other than Eligible Holders discussed below) will realize a taxable disposition of their Champion Common Shares under the Arrangement based on the fair market value of the Mamba Shares received as consideration.

Champion Shareholders who are Eligible Holders may make a Consideration Election to receive as consideration Exchangeable Shares (and the Ancillary Rights). The exchangeable share structure is designed to provide an opportunity for such Eligible Holders who make a valid tax election with Canco to defer all or part of the Canadian income tax on any capital gain that would otherwise arise on an exchange of their Champion Common Shares for Mamba Shares under the Arrangement.

Champion Shareholders who are not residents of Canada for purposes of the ITA and whose Champion Common Shares do not constitute "taxable Canadian property" as defined under the ITA will not be subject to tax under the ITA on the disposition of their Champion Common Shares under the Arrangement.

Champion Optionholders should consult their own advisors with respect to the Canadian income tax consequences of the disposition of such Champion Options under the Arrangement.

See "Certain Canadian Federal Income Tax Considerations for Champion Shareholders" and "Certain Canadian Federal Income Tax Considerations for Optionholders" for a general summary of certain Canadian federal income tax considerations relevant to Champion Shareholders or Champion Optionholders who are either residents or not residents of Canada for purposes of the ITA.

Risk Factors Relating to the Arrangement

There are a number of risk factors relating to the business of Mamba and to the Arrangement, all of which should be carefully considered by Champion Securityholders.

See "Risk Factors Relating to the Arrangement" and "Appendix J – Information Relating to Mamba and Canco – Risk Factors".

THE ARRANGEMENT

Background to the Arrangement

The Arrangement is the result of arm's length negotiations between Champion and Mamba, which originated from interactions between the two companies that began in November 2013.

On October 29, 2013, representatives of Pareto, Champion's financial advisor, met in Toronto, Canada with Thomas Larsen, Chief Executive Officer, and William Harding, lead independent director, of Champion, to discuss various strategic alternatives for Champion. During this meeting, Pareto suggested that Champion meet with Mamba, given the successful track record of its management team in building new mines which included major infrastructure projects.

On November 7, 2013, Thomas Larsen and William Harding of Champion and representatives of Pareto met in London, England with Michael O'Keeffe, Executive Chairman of Mamba and Gavin Argyle of Capital Investment Partners, Mamba's financial advisor, to discuss the potential for a business combination between Champion and Mamba. Over the course of two days, these individuals participated in extensive discussions concerning strategic alternatives and valuation parameters which culminated in a non-binding term sheet which included an indicative exchange ratio to serve as the basis for ongoing negotiations between the companies.

Over the next several days, Norton Rose Fulbright advised Champion and Pareto regarding the tax implications of a business combination with Mamba. Several tax structures were considered by Champion during this period.

On November 13, 2013, Champion held a meeting of its board of directors to discuss the proposed transaction with Mamba. At the meeting, the Champion Board constituted a Special Committee independent of the transaction consisting of Donald A. Sheldon (Chair), Harry Burgess and Francis Sauvé. At the meeting, Thomas Larsen made a presentation to Champion's directors regarding the proposed terms and rationale for the transaction. At this time, the Special Committee and the entire Champion Board approved the entering into by Champion of an exclusivity agreement with Mamba and the continuation of negotiations towards a business combination. The Special Committee and the Champion Board formally appointed Norton Rose Fulbright as counsel to Champion for purposes of the proposed transaction with Mamba.

On November 15, 2013, the Special Committee of Champion entered into a letter agreement engaging Canaccord to provide independent financial advisory services to the Special Committee in connection with the proposed transaction with Mamba and to, among other things, address the fairness, from a financial point of view, of the consideration to be received by Champion Shareholders pursuant to the proposed Arrangement with Mamba.

On November 18, 2013, Champion and Mamba entered into the Exclusivity Agreement. Over the course of the following ten days, the parties conducted technical, legal and financial due diligence on one another. At the same time, legal counsel to Champion and Mamba commenced preparing a draft arrangement agreement as well as drafts of ancillary documents. During this period, Thomas Larsen and Beat Frei, Senior Vice President, Project Finance of Champion, met with senior officials of Mamba in Australia to further discuss business combination terms and the strategy for the merged entity following closing.

On November 26, 2013, the members of the Special Committee met to discuss the proposed transaction with Mamba. At the meeting, Canaccord presented its initial views on the transaction, including the protocols on which fairness should be evaluated. In addition, Norton Rose Fulbright provided an update on the status of the negotiation of the arrangement agreement with Mamba and discussed outstanding issues. Norton Rose Fulbright also discussed with the members of the Special Committee their fiduciary duties in the context of the proposed Arrangement.

Champion and Mamba agreed effective November 27, 2013 to extend the Exclusivity Agreement to 5:00 p.m. (Toronto time) on December 4, 2013.

On December 3, 2013, the Special Committee met with its advisors, including representatives of Canaccord and Norton Rose Fulbright, to receive updates on and to discuss the proposed transaction and the development of a fairness opinion.

On December 5, 2013, the Special Committee met to discuss the proposed Arrangement with Mamba. Canaccord attended and provided its opinion that the consideration to be received by Champion Shareholders under the proposed Arrangement is fair, from a financial point of view, to the Champion Shareholders. Following the receipt of this opinion and following an update from Norton Rose Fulbright regarding any outstanding issues on the draft arrangement agreement, the Special Committee determined that the proposed Arrangement is fair to Champion's Shareholders and Champion's Optionholders and is in the best interests of Champion. The Special Committee then recommended that the board of directors of Champion approve the Arrangement.

Immediately after the adjournment of the meeting of the Special Committee, the Champion Board met to discuss the proposed Arrangement. The Chair of the Special Committee presented the Special Committee's recommendations regarding the Arrangement to the Champion Board. Canaccord then provided a summary of its fairness opinion to the Champion directors. Norton Rose Fulbright provided to the Champion directors an outline of the directors' fiduciary duties in the context of the proposed Arrangement and responded to a number of questions from directors regarding terms of the proposed Arrangement. The Champion Board, after receiving the recommendation of the Special Committee and in consultation with its financial and legal advisors, then unanimously (i) determined that (A) the proposed Arrangement is fair to Champion Shareholders and Champion Optionholders and in the best interests of Champion, and (B) Champion Shareholders and Champion Optionholders should vote in favour of the proposed Arrangement at the Meeting to be held to approve the Arrangement, and (ii) approved entering into of the arrangement agreement with Mamba. Having determined to approve the Arrangement, the board of directors of Champion elected to defer the "Separation Time" (as defined in the Champion Shareholder Rights Plan) until the earlier of (i) such date as may be determined in good faith by the board of directors prior to the time any person becomes an "Acquiring Person" under the Shareholder Rights Plan or (ii) unless otherwise determined by the board of directors, the day immediately prior to the date on which an "Acquiring Person" becomes such.

Later in the evening on December 5, 2013, Champion and Mamba entered into the Arrangement Agreement and issued press releases regarding the proposed Arrangement.

Fairness Opinion

The views of Canaccord expressed in the Fairness Opinion were an important consideration in the Special Committee's recommendation and the Champion Board's decision to proceed with the Arrangement. As indicated above, the Special Committee retained Canaccord on November 15, 2013, to, among other things, address the fairness, from a financial point of view, of the consideration to be received by the Champion Securityholders pursuant to the Arrangement.

Canaccord delivered a written opinion to the Special Committee of the Champion Board dated December 5, 2013, a copy of which is attached as Appendix F, which concluded that, as of the date of such opinion and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be received by Champion Shareholders pursuant to the Arrangement is fair, from a financial point of view, to such Champion Shareholders other than Mamba and its subsidiaries and affiliates.

The summary of the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

Under its engagement letter with Canaccord, the Champion has agreed to pay a fee to Canaccord for its services as an independent financial advisor, including fees for the delivery of the Fairness Opinion. The Champion has also agreed to indemnify Canaccord against certain liabilities in connection with its engagement.

The Fairness Opinion does not constitute a recommendation to any Champion Securityholder as to how to vote or act on any matter relating to the Arrangement. The Board urges the Champion Securityholders to read the Fairness Opinion, attached hereto as Appendix F, carefully and in its entirety.

Recommendation of the Champion Board

The Champion Board believes that the Arrangement is fair to Champion Securityholders and is in the best interests of Champion and Champion Securityholders. Accordingly, the Champion Board

unanimously approved the Arrangement and recommends that Champion Securityholders vote their Champion Securities in favour of the Arrangement Resolution.

In making its recommendation, the Champion Board considered a number of factors, including:

1 The Arrangement provides an immediate and significant premium to Champion Shareholders. The Arrangement values Champion at approximately C$0.39 per Champion Common Share or C$59.8 million on a fully diluted-in-the-money basis as at December 5, 2013. Based on the VWAP for the period ended December 5, 2013 for Mamba and Champion of A$0.52 and C$0.21, respectively, the Arrangement represents a premium to Champion Shareholders of 72%.

2 The Arrangement and Concurrent Financing will strengthen the combined company's balance sheet as well as provide sufficient funding for the completion of a bankable feasibility study on the Consolidated Fire Lake North Project.

3 The Arrangement is expected to provide an upside with respect to exploration potential at the Snelgrove Lake Project.

4 The Arrangement provides for the addition of key mining executives and directors with a proven track record of success. The addition of Michael O'Keeffe as Executive Chairman is expected to significantly enhance the combined company's ability to attract institutional and strategic investors as well as the capital required to advance the Consolidated Fire Lake North Project.

5 The Arrangement is expected to broaden the investor base, providing the combined company with access to a larger number of institutional and retail investors in North America, Australia, Europe and Asia.

6 The Fairness Opinion concluded that, as of the date of such opinion and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be received by Champion Shareholders pursuant to the Arrangement is fair, from a financial point of view, to such Champion Shareholders, other than Mamba and its subsidiaries and affiliates. See "The Arrangement – Fairness Opinion" and "Appendix F – Fairness Opinion".

7 Champion Shareholders who receive Mamba Shares or Exchangeable Shares (or a combination thereof) under the Arrangement will have the opportunity to become a part of an iron ore company of global significance having increased exposure to revenues and cash flows and the opportunity to participate in the future performance of Mamba Shares.

8 Certain directors, senior officers and insiders of Champion, holding in aggregate approximately 17.85% of the fully diluted Champion Common Shares, have entered into voting agreements with Mamba, pursuant to which they have agreed to vote their securities (including Champion Options) in favour of the Arrangement, subject to certain exceptions. See "Voting Agreements – Champion Voting Support Agreements".

9 Champion Shareholders who are Eligible Holders will have the opportunity to elect to receive consideration that includes Exchangeable Shares (and the Ancillary Rights) and to make a valid tax election with Canco to defer all or part of the Canadian income tax on any capital gain that would otherwise arise on an exchange of their Champion Common Shares for Mamba Shares. See "The Arrangement – Election Procedure for Champion Shareholders" and "Certain Canadian Federal Income Tax Considerations for Champion Shareholders".

10 Industry, economic and market conditions and trends.

11 Historical market prices and trading information with respect to the Champion Common Shares and the Mamba Shares.

12 Information regarding the business, operations, property, assets, financial performance and condition, operating results and prospects of Champion and Mamba.

13 The likelihood that the Arrangement will be completed, given the conditions and other approvals necessary to complete the Arrangement.

14 The terms of the Arrangement Agreement, which permit the Champion Board to consider and respond to a Superior Proposal subject to the payment of the Termination Fee to Mamba in certain circumstances.

15 Should Mamba receive a Superior Proposal, the terms of the Arrangement Agreement entitle Champion to (a) match any Superior Proposal received by Mamba, and (b) in certain circumstances, receive the Termination Fee from Mamba should Mamba terminate the Arrangement Agreement as a result of the Superior Proposal.

16 The requirement that the Arrangement be approved by the affirmative vote of (i) at least 66 2/3% of the votes cast at the Meeting by Champion Shareholders, (ii) at least 66 2/3% of the votes cast at the meeting by the Champion Shareholders and Champion Optionholders voting together as a single class, and (iii) a majority of votes cast at the Meeting by Champion Shareholders, excluding the votes cast in respect of Champion Common Shares held by certain interested or related parties or joint actors of Champion.

17 The procedures by which the Arrangement is to be approved, including the requirement for approval by the Court after a hearing at which fairness will be considered.

18 The availability of rights of dissent to the registered Champion Shareholders with respect to the Arrangement.

Champion Securityholder Approval

At the Meeting, Champion Securityholders will be asked to vote to approve the Arrangement Resolution. The approval of the Arrangement Resolution will require the affirmative vote of (i) at least 66 2/3% of the votes cast at the Meeting by Champion Shareholders, (ii) at least 66 2/3% of the votes cast at the Meeting by the Champion Shareholders and Champion Optionholders voting together as a single class, and (iii) a majority of votes cast at the Meeting by Champion Shareholders, excluding the votes cast in respect of Champion Common Shares held by certain interested or related parties or joint actors of Champion.

The Arrangement Resolution must be passed in order for Champion to seek the Final Order and to implement the Arrangement on the Effective Date in accordance with the Final Order.

Description of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of which is attached as Schedule B to the Arrangement Agreement attached as as Appendix B to this Circular.

The Plan of Arrangement includes, among other things, an exchange of each Champion Common Share for (i) the Mamba Share Consideration, (ii) the Exchangeable Share Consideration or (iii) a combination of (i) and (ii), subject in each case to certain limitations described below under the heading “Election Procedure for Champion Shareholders”. If approved, the Arrangement will become effective at the Exchange Time (which is expected to be at 12:01 a.m. (Toronto time) on a date to be determined but expected to be on or about March 31, 2014, but in any case, not later than June 5, 2014). Commencing at the Effective Time on the Effective Date, subject to the terms and conditions of the Arrangement Agreement, the following steps shall occur as part of the Arrangement and shall be deemed to occur in the following sequence without any further act or formality:

1 The Champion Shareholder Rights Plan shall be deemed to have been terminated (and all rights thereunder shall expire and be of no further force or effect).

2 At the Effective Time, each Champion Warrant outstanding immediately prior to the Effective Time, whether or not vested, will be adjusted either, in accordance with its terms, or otherwise in accordance with the Plan of Arrangement, such that the holder shall be entitled to acquire, on the same terms and

conditions as were applicable to such Champion Warrant immediately prior to the Effective Time, the number of Mamba Shares equal to the product of, (i) the number of Champion Common Shares subject to such Champion Warrant immediately prior to the Effective Time, and (ii) the Exchange Ratio. The exercise price per Mamba Share subject to such Champion Warrant shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Champion Common Share subject to such Champion Warrant immediately prior to the Effective Time and (ii) the Exchange Ratio. Except as set out above, the Champion Warrants shall be governed by the terms of the certificates evidencing the Champion Warrants prior to the Effective Time. Where a holder concurrently exercises a number of Champion Warrants, the aggregate number of Mamba Shares to which such holder is entitled shall be rounded down to the nearest whole number and the aggregate exercise price payable shall be rounded to the nearest cent.

3 At the Effective Time, each Champion Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for a Replacement Option to acquire (on the same terms and conditions as were applicable to such Champion Option immediately prior to the Effective Time under the Champion Stock Option Plan and the agreement evidencing the grant) the number of Mamba Shares equal to the product of (i) the number of Champion Common Shares subject to such Champion Option immediately prior to the Effective Time and (ii) the Exchange Ratio. The exercise price per Mamba Share subject to any such Replacement Option shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Champion Common Share subject to such Champion Stock Option immediately prior to the Effective Time and (ii) the Exchange Ratio. On and after the Effective Time, no further Champion Options will be granted under the Champion Stock Option Plan. The obligations of Champion under the Champion Stock Option Plan in respect of the Champion Options will be assumed by Mamba.

4 Five minutes after the Effective Time, each issued and outstanding Champion Share (other than Exchangeable Elected Shares and other than Champion Shares held by Mamba or an affiliate thereof or Dissenting Champion Shareholders) held by a Champion Shareholder shall be exchanged with Mamba for the Mamba Share Consideration in accordance with the terms and conditions of the Plan of Arrangement.

5 Five minutes after the Effective Time, each Exchangeable Elected Share shall be exchanged with Canco for Exchangeable Share Consideration in accordance with the election of such Champion Shareholder pursuant to the terms and conditions of the Plan of Arrangement.

6 Five minutes after the Effective Time, Mamba and Canco shall execute the Support Agreement and Mamba, Canco and the Trustee shall execute the Voting and Exchange Trust Agreement and Mamba shall issue to and deposit with the Trustee the Special Voting Share in consideration of the payment to Mamba by Champion on behalf of the Champion Shareholders of one dollar ($1.00), to be thereafter held of record by the Trustee as trustee for and on behalf of, and for the use and benefit of, the holders of the Exchangeable Shares in accordance with the Voting and Exchange Trust Agreement.

7 On the Effective Date, (i) the composition of the board of directors of Mamba shall be amended such that the board will consist of eight (8) directors, of which five (5) directors will be nominees of Champion and of which three (3) will be nominees of Mamba, (ii) Thomas Larsen will be appointed as Chief Executive Officer of Mamba and (iii) Michael O'Keefe will continue to serve as Executive Chairman of Mamba.

In addition, each Champion Common Share held by a Dissenting Champion Shareholder who is ultimately determined to be entitled to be paid fair value for his, her or its Champion Common Shares shall be deemed to have been transferred to Mamba as of the Exchange Time for the fair value of the Champion Common Share determined as of the Exchange Time. See "Rights of Dissenting Champion Shareholders". Each Champion Common Share in respect of which the Champion Shareholder has exercised his, her or its right of dissent and is ultimately determined not to be entitled to be paid fair value by Mamba for his, her or its Champion Common Shares shall be deemed to be transferred to Mamba as of the Exchange Time for the consideration payable to a Champion Shareholder who has deposited with the Depositary a duly completed letter of transmittal and election form prior to the Election Deadline (as described below).

If the Champion Securityholders approve the Arrangement Resolution on the basis described herein and all other conditions precedent are satisfied or waived, it is expected that the Arrangement will be effected on or about March 31, 2014.

Letter of Transmittal and Election Form for Champion Shareholders

A letter of transmittal and election form (printed on pink paper) is being mailed, together with this Circular, to each person who was a registered holder of Champion Common Shares on the Record Date. In order to receive the consideration to which each Champion Shareholder is entitled under the Arrangement, each registered Champion Shareholder must forward a properly completed and signed letter of transmittal and election form, together with their Champion Common Share certificates. It is recommended that a Champion Shareholder complete, sign and return the letter of transmittal and election form with accompanying Champion Common Share certificates to the Depositary as soon as possible. **For Champion Shareholders to make a valid Consideration Election as to the consideration that they wish to receive under the Arrangement, they must sign and return the letter of transmittal and election form (printed on pink paper) and make a proper Consideration Election thereunder and return it with accompanying Champion Common Share certificate(s) to the Depositary on or before the Election Deadline, being 10:00 a.m. (Toronto time) on March 26, 2014, being the business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed meeting. See "The Arrangement – Election Procedure for Champion Shareholders".**

Any use of the mail to transmit a letter of transmittal and election form and a certificate for Champion Common Shares is at the risk of the Champion Shareholder. If these documents are mailed, it is recommended that registered mail, with return receipt requested, properly insured, be used.

Whether or not Champion Shareholders forward the certificates representing their Champion Common Shares, upon completion of the Plan of Arrangement on the Effective Date, Champion Shareholders will cease to be Champion Shareholders as of the Effective Date and will only be entitled to receive that number of Mamba Shares or Exchangeable Shares (and the Ancillary Rights) to which they are entitled under the Plan of Arrangement or, in the case of Champion Shareholders who properly exercise dissent rights, the right to receive fair value for their Champion Common Shares in accordance with the dissent procedures. See "Rights of Dissenting Champion Shareholders".

The instructions for making elections, exchanging certificates representing Champion Common Shares and depositing such share certificates with the Depositary are set out in the letter of transmittal and election form. The letter of transmittal and election form provides instructions with regard to lost certificates.

Election Procedure for Champion Shareholders

Available Elections and Procedure

Each registered holder of Champion Common Shares on or prior to the business day immediately preceding the Election Deadline will have the right to make a Consideration Election in the letter of transmittal and election form (printed on pink paper) delivered to the Depositary to receive the consideration set out below depending on the status of the Champion Shareholder. **To make a valid Consideration Election as to the consideration that you wish to receive under the Arrangement, you must sign and return the letter of transmittal and election form and make a proper election thereunder and return it with accompanying Champion Common Share certificate(s), to the Depositary on or before the Election Deadline, being 10:00 a.m. (Toronto time) on March 26, 2014, being the business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed meeting.**

<u>Non-Eligible Holders</u>

Each Champion Shareholder who is not an Eligible Holder may only make a Consideration Election to receive, in respect of each Champion Common Share held by such person, the Mamba Share Consideration.

Eligible Holders

Each Champion Shareholder who is an Eligible Holder may make a Consideration Election to receive, in respect of each Champion Common Share held by such person, the Mamba Share Consideration or the Exchangeable Share Consideration (or a combination thereof).

Champion Shareholders who are Eligible Holders wishing to obtain a full or partial tax deferral in respect of the transfer of their Champion Common Shares must make a Consideration Election to receive Exchangeable Shares as all or part of the consideration in respect of such transfer.

See "Certain Canadian Federal Income Tax Considerations for Champion Shareholders".

The Consideration Election will have been properly made only if the Depositary has received, by the Election Deadline, a letter of transmittal and election form properly completed and signed and accompanied by the certificate(s) for the Champion Common Shares to which the letter of transmittal and election form relates, properly endorsed or otherwise in proper form for transfer.

Any Champion Shareholder who has made the Consideration Election by submitting a letter of transmittal and election form to the Depositary may revoke such election by written notice or by filing a later-dated letter of transmittal and election form received by the Depositary prior to the Election Deadline. In addition, all letters of transmittal and election forms will be automatically revoked if the Depositary is notified in writing by Champion and Mamba that the Arrangement Agreement has been terminated. If a letter of transmittal and election form is revoked, the certificate(s) for the Champion Common Shares received with the letter of transmittal and election form will be returned to the Champion Shareholder submitting the same to the address specified in the letter of transmittal and election form as soon as practicable.

The determination of the Depositary as to whether elections have been properly made or revoked and when elections and revocations were received by it will be binding. **A CHAMPION SHAREHOLDER WHO DOES NOT MAKE A CONSIDERATION ELECTION PRIOR TO THE ELECTION DEADLINE, OR IF THE DEPOSITARY DETERMINES THAT THEIR CONSIDERATION ELECTION WAS NOT PROPERLY MADE, WITH RESPECT TO ANY CHAMPION COMMON SHARE, WILL BE DEEMED TO HAVE ELECTED TO RECEIVE THE MAMBA SHARE CONSIDERATION, IN RESPECT OF SUCH CHAMPION COMMON SHARE.** The Depositary may, with the mutual agreement of Champion and Mamba, make such rules as are consistent with the Arrangement for the implementation of the elections contemplated by the Arrangement and as are necessary or desirable fully to effect such elections.

Exchange Procedure

Prior to the Effective Time, Mamba and Canco, as applicable, shall deposit or cause to be deposited with the Depositary, for the benefit of the holders of Champion Common Shares, the aggregate number of whole Exchangeable Shares (issuable to all Champion Shareholders who made a Consideration Election to receive Exchangeable Shares under the Arrangement) and the aggregate number of whole Mamba Shares issuable under the Arrangement.

Upon the delivery of a duly completed letter of transmittal and election form and, the surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented Champion Common Shares that were exchanged under the Arrangement and such other documents and instruments as the Depositary may reasonably require, the Champion Shareholder will be entitled to receive, and as soon as practicable after the Effective Time the Depositary will deliver to such holder, the direct registration statement evidencing the issuance of the Mamba Shares and/or the Exchangeable Shares or certificate(s) representing the Mamba Shares and/or the Exchangeable Shares, representing that number (rounded up to the nearest whole number) of Mamba Shares and/or Exchangeable Shares which such holder is entitled to receive, less any amounts to be withheld (as discussed further below) and the surrendered certificate will be cancelled.

Champion Shareholders are advised that Mamba and Canco, as applicable, may elect to deliver direct registration statements to evidence the issuance of the Mamba Shares and/or Exchangeable Shares, as applicable, in which case Champion Shareholders will not receive a physical share certificate evidencing the issuance of such shares.

In the event of a transfer of ownership of Champion Common Shares that was not registered in the transfer records of Champion, a direct registration statement, or certificates representing, the number of Mamba Shares and/or Exchangeable Shares issuable to the registered holder may be registered in the name of and issued to, the transferee if the certificate representing such Champion Common Shares is presented to the Depositary, accompanied by a duly completed letter of transmittal and election form and all documents required to evidence and effect such transfer.

Champion Shareholders who hold Champion Common Shares registered in the name of a broker, investment dealer, bank, trust company or other intermediary should contact the intermediary for instructions and assistance in providing details for registration and delivery of the Mamba Shares or Exchangeable Shares to which the registered holder is entitled.

Until surrendered, each certificate that immediately prior to the Effective Time represented Champion Common Shares will be deemed, following the Effective Time, to represent only the right to receive upon such surrender (i) the consideration to which the holder is entitled under the Arrangement, and (ii) any dividends or other distributions with a record date after the Effective Time paid or payable with respect to any Mamba Shares and/or Exchangeable Shares issued in exchange therefore, in each case less any applicable tax withholdings.

No dividends or other distributions paid, declared or made with respect to Exchangeable Shares or Mamba Shares with a record date after the Effective Time will be paid to the holder of any unsurrendered Champion Common Shares exchanged pursuant to the Arrangement, unless and until the holder of record of the certificate representing such Champion Common Shares properly surrenders such certificate. Subject to applicable Laws, at the time of surrender of any such certificate, the holder of record of the certificate will be paid, without interest (i) the amount of dividends or other distributions with a record date after the Effective Time which have been paid or made prior to such surrender with respect to the whole number of Exchangeable Shares or Mamba Shares, as the case may be, and (ii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but which have not been paid or made prior to such surrender.

If any certificate that immediately prior to the Effective Time represented outstanding Champion Common Shares has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, and upon contacting the Depositary at investor@equityfinancialtrust.com or 1-866-393-4891, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, any Exchangeable Shares or Mamba Shares deliverable in respect thereof in accordance with such holder's letter of transmittal and election form, as determined in accordance with the Arrangement. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the person to whom such payment is to be delivered must, as a condition precedent to the issuance thereof, give a bond satisfactory to Champion, Mamba, Canco and the Depositary in such amount as Champion, Mamba or Canco may direct or otherwise indemnify Champion, Mamba, Canco and the Depositary in a manner satisfactory to them against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

Any certificate or entitlement which immediately prior to the Effective Time represented outstanding Champion Common Shares that were exchanged pursuant to the Arrangement and which has not been surrendered on or prior to the date of the notice of the Redemption Date sent by Canco, shall cease to represent a claim or interest of any kind or nature as a shareholder of Canco or Mamba. On such date, the Exchangeable Shares or Mamba Shares to which the former registered holder of the certificate or entitlement referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to Canco or Mamba, as the case may be, together with all entitlements to dividends, distributions and interest thereon held for such former registered holder.

Champion, Mamba, Canco and the Depositary are entitled to deduct and withhold from any dividend payment or consideration otherwise payable under the Arrangement to any holder of Champion Common Shares, Mamba Shares or Exchangeable Shares such amounts as Champion, Mamba, Canco or the Depositary are required to deduct and withhold with respect to such payment under the ITA or any other applicable Laws. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required or

permitted to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Champion, Mamba, Canco and the Depositary are authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Champion, Mamba, Canco or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement and Champion, Mamba, Canco or the Depositary will notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

The Depositary will act as the agent of persons depositing Champion Common Shares pursuant to the Arrangement for the purpose of receiving the Mamba Share Consideration and Exchangeable Share Consideration and transmitting the Mamba Share Consideration and Exchangeable Share Consideration to such persons and receipt of the Mamba Share Consideration and Exchangeable Share Consideration by the Depositary will be deemed to constitute receipt of payment by persons depositing Champion Common Shares.

Arrangements Respecting Champion Options

Pursuant to the Arrangement Agreement, at the Effective Time, each Champion Stock Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for a Replacement Option to acquire (on the same terms and conditions as were applicable to such Champion Stock Option immediately prior to the Effective Time under the Champion Option Plan and the agreement evidencing the grant), the number of Mamba Shares equal to the product of (i) the number of Champion Common Shares subject to such Champion Stock Option immediately prior to the Effective Time and (ii) the Exchange Ratio.

The exercise price per Mamba Share subject to any such Replacement Option shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Champion Common Share subject to such Champion Stock Option immediately prior to the Effective Time and (ii) the Exchange Ratio.

Each Replacement Option shall be governed by the terms of the Champion Option Plan and any certificate or agreement previously evidencing the Champion Option shall thereafter evidence and be deemed to evidence such Replacement Option, and such Replacement Options shall be designed to meet the requirements under subsection 7(1.4) of the ITA. Where a holder concurrently exercises a number of Replacement Options, the aggregate number of Mamba Shares to which such holder is entitled shall be rounded down to the nearest whole number and the aggregate exercise price shall be rounded to the nearest cent.

On and after the Effective Time, no further Champion Stock Options will be granted under the Champion Option Plan. The obligations of Champion under the Champion Option Plan in respect of the Champion Stock Options will be assumed by Mamba.

Arrangements Respecting Champion Warrants

Each Champion Warrant outstanding immediately prior to the Effective Time, whether or not vested, will be adjusted either, in accordance with its terms, or otherwise in accordance with the Plan of Arrangement, such that the holder shall be entitled to acquire, on the same terms and conditions as were applicable to such Champion Warrant immediately prior to the Effective Time, the number of Mamba Shares equal to the product of (i) the number of Champion Common Shares subject to such Champion Warrant immediately prior to the Effective Time and (ii) the Exchange Ratio. The exercise price per Mamba Share subject to such Champion Warrant shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Champion Common Share subject to such Champion Warrant immediately prior to the Effective Time and (ii) the Exchange Ratio.

Except as set out above, the Champion Warrant shall be governed by the terms of the certificates evidencing the Champion Warrants prior to the Effective Time. Where a holder concurrently exercises a number of Champion Warrants, the aggregate number of Mamba Shares to which such holder is entitled shall be rounded down to the nearest whole number and the aggregate exercise price payable shall be rounded to the nearest cent.

Interests of Certain Persons in the Arrangement

In considering the recommendation of the Champion Board, Champion Securityholders should be aware that certain members of the Champion Board and certain executive officers and consultants of Champion have interests in connection with the Arrangement and the transactions contemplated by the Arrangement, including those referred to below, or may receive benefits that may differ from, or be in addition to, the interests of Champion Securityholders generally, that may create actual or potential conflicts of interest in connection with the transactions contemplated in the Arrangement. The Champion Board is aware of these interests and considered them along with the other matters described above in "The Arrangement – Recommendation of the Champion Board".

All benefits received, or to be received, by directors, executive officers or consultants of Champion as a result of the Arrangement are, and will be, solely in connection with their services directly provided as directors, employees or consultants of Champion. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for Champion Common Shares or Champion Options, nor is it, nor will it be, conditional on the person supporting the Arrangement.

Advisory Fee

Champion has approved the payment of an advisory fee to certain of its officers and consultants in connection with the Arrangement, payable in cash upon the Effective Time, in an amount equal to 1% of the value of the Mamba Shares issued to Champion Shareholders pursuant to the Arrangement (the "**Advisory Fee**"). The Advisory Fee will be paid as follows:

Name	Percentage of Advisory Fee
Thomas Larsen	30%
Douglas H. Bache	30%
William Harding	30%
Miles Nagamatsu	5%
Jorge Estepa	5%

Champion Common Shares and Champion Options

The following table sets forth the names and positions of the directors, officers and consultants of Champion and as of the date hereof, the number and percentage of Champion Common Shares and Champion Options owned or over which control or direction was exercised by such director, officer or consultant of Champion and, where known after reasonable inquiry, by their respective associates or affiliates:

Name and Office Held	Number and Percentage of Champion Common Shares[(1)(2)]	Number and Percentage of Champion Options[(1)(3)]
Thomas Larsen Chief Executive Officer, President and Director (Chairman)	2,456,488 1.78%	1,600,000 16.55%
Miles Nagamatsu Chief Financial Officer	697,500 0.51%	475,000 4.91%
Jorge Estepa Vice President, Secretary and Treasurer	590,000 0.43%	625,000 6.46%
Jeffrey Hussey Senior Vice President, Corporate Development	275,755 0.20%	525,000 5.43%

Name and Office Held	Number and Percentage of Champion Common Shares[1][2]	Number and Percentage of Champion Options[1][3]
Martin Bourgoin Executive Vice President, Operations	Nil	425,000 4.40%
Beat Frei Senior Vice President, Project Finance	868,500 0.63%	500,000 5.17%
Bruce E. Mitton Vice President, Exploration	50,000	350,000 3.62%
Jean-Luc Chouinard Vice President, Project Development	Nil	200,000 2.07%
Francis Sauvé Director	1,300,000 0.94%	300,000 3.10%
Paul R. Ankcorn Director	223,000 0.16%	300,000 3.10%
Alexander S. Horvath Director, Executive Vice President Exploration & Development	285,000 0.21%	525,000 5.43%
Donald A. Sheldon Director	742,500 0.54%	350,000 3.62%
Harry Burgess Director	25,000 0.02%	300,000 3.10%
William Harding Director and Consultant	Nil	300,000 3.10%
James Wang Director	Nil	300,000 3.10%
Douglas H. Bache Consultant	230,000 0.17%	450,000 4.65%

Notes:

(1) The information as to Champion Common Shares and Champion Options beneficially owned or controlled is not within the knowledge of Champion management and has been furnished by the respective individual.

(2) Based on 137,895,609 Champion Common Shares issued and outstanding as at the date hereof.

(3) Based on 9,670,000 Champion Options issued and outstanding as at the date hereof.

Champion Stock Options

Certain directors, officers and consultants of Champion have been granted Champion Stock Options as indicated in the table above. Pursuant to the Plan of Arrangement, at the Effective Time, each Champion Stock Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for a Replacement Option to acquire Mamba Shares. On and after the Effective Time, no further Champion Stock Options will be granted under the Champion Stock Option Plan and the obligations of Champion under such plan will be assumed by Mamba. See "The Arrangement – Arrangements Respecting Champion Options".

Professional Services and Consulting Agreements

Champion has entered into various professional services agreements and consulting agreements (the "**Services Agreements**") with the following directors, officers, consultants and professional corporations controlled by certain officers and consultants: Gambier Holdings Corp., controlled by Thomas Larsen (Chief Executive Officer and President), Marlborough Management Limited, controlled by Miles Nagamatsu (Chief Financial Officer), J. Estepa Consulting, Inc., controlled by Jorge Estepa (Vice President, Secretary and Treasurer), Alexander S. Horvath (Executive Vice President Exploration & Development), Jeff Hussey and

Associates Inc., controlled by Jeffrey Hussey (Senior Vice President, Corporate Development), Comforta GmbH, controlled by Beat Frei (Senior Vice President, Project Finance) and DHBache & Company Inc., controlled by Douglas H. Bache. The Services Agreements, as amended as described below, will continue following the closing of the Arrangement.

The Services Agreements with the following professional corporations and individuals provide for additional compensation to be paid solely as a result of a termination which would include, at the election of such persons, a change of control, such as the Arrangement, in the amount indicated. However, it is a condition to the closing of the Arrangement that these agreements be amended and restated prior to the Effective Date to remove any provision regarding termination payments at the election of such persons in the event of a change of control and to include in each of the agreements, to the extent not already included, a provision regarding payment to such individual of one year's salary in the event of termination without cause. In consideration for the removal of the provisions regarding a termination payment at the election of such persons in the event of a change of control, Mamba will issue to each such individual, that number of freely tradeable Mamba Shares having a value equal to the "Payment Amount" specified below based on a price of A$0.50 per Mamba Share.

	Termination Payments	**Payment Amount**
Gambier Holdings Corp.	$900,000	$600,000
Marlborough Management Limited	$540,000	$360,000
J. Estepa Consulting Inc.	$540,000	$360,000
Alexander S. Horvath	$360,000	$180,000
Jeff Hussey and Associates Inc.	$360,000	$180,000
Comforta GmbH	$360,000	$180,000
DHBache & Company Inc.	$300,000	$150,000

Directors' and Officers' Insurance

Pursuant to the Arrangement Agreement, Mamba has consented to Champion securing, prior to the Effective Time directors' and officers' liability insurance from a reputable and financially sound insurance carrier, containing terms that are no less advantageous to the directors and officers of Champion than those contained in Champion's policy in effect on the date of the Arrangement Agreement for the current and former directors and officers of Champion on a six-year "trailing" (or "run-off") basis with respect to any claim related to a period of time at or prior to the Effective Time, provided however that any such coverage does not exceed an annual cost greater than 250% of most recent premium paid by Champion prior to the date of the Arrangement Agreement (the "**Cap**"). Mamba shall require Champion to maintain such coverage following the Effective Time, provided that if equivalent coverage cannot be obtained, or can be obtained only by paying an annual premium in excess of the Cap, Mamba shall only be required to cause Champion to obtain as much coverage as can be obtained by paying an annual premium equal to the Cap.

Indemnification of Directors and Officers

The Arrangement Agreement provides that, from and after the Effective Time, and subject to certain restrictions provided in the Arrangement Agreement, Mamba will, and will cause Champion to, indemnify and hold harmless and provide advancement of expenses to, and Mamba shall not do anything to prevent Champion from indemnifying and holding harmless and providing advancement of expenses to, all present and past directors and officers of Champion (the "**Indemnified Persons**") to the maximum extent permitted by Law and in accordance with the terms of any such arrangements between Champion and its present and past directors and officers existing on the date hereof, against any and all liabilities and obligations, costs or expenses (including reasonable legal fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative arising out of or related to such Indemnified Person's service as a director or officer of Champion or services performed by such persons at the request of Champion at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time (to the extent the Indemnified Person acted honestly and in good faith and in the best interests of Champion and in the case of criminal or administrative action or proceeding that is enforced by

a monetary penalty, the Indemnified Person had reasonable grounds for believing that the conduct was lawful), including the approval of the Arrangement Agreement, the Arrangement or the other transactions contemplated by the Agreement or arising out of or related to the Arrangement Agreement and the transactions contemplated therein.

The Arrangement Agreement also provides that, subject only to certain limitations provided in the Arrangement Agreement, all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time and rights to advancement of expenses relating thereto existing in favour of any Indemnified Person as provided in the articles of incorporation or by-laws of Champion or any indemnification contract or policy between such Indemnified Person and Champion will survive the Effective Time and will not be amended, repealed or otherwise modified in any manner that would adversely affect any right thereunder of any such Indemnified Person.

Intention of Champion Directors and Officers

The directors, officers and insiders of Champion, who collectively beneficially own or exercise control or direction over approximately 22,743,843 Champion Common Shares, and 7,525,000 Champion Options which represent approximately 17.85% of the Champion Common Shares on a fully-diluted basis, have entered into Champion Voting Support Agreements pursuant to which, and subject to the terms thereof, they have agreed to vote all of their Champion Common Shares and Champion Options in favour of the Arrangement Resolution. See "Voting Agreements – Champion Voting Support Agreements".

Procedure for Arrangement to Become Effective

The Arrangement is proposed to be carried out pursuant to Section 182 of the OBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Court must grant the Final Order approving the Arrangement;

(b) all conditions precedent to the Arrangement further described in the Arrangement Agreement must be satisfied or waived by the appropriate party (see "The Arrangement Agreement – Conditions Precedent"); and

(c) the Articles of Arrangement in the form prescribed by the OBCA must be filed with the OBCA Director.

Court Approval and Completion of the Arrangement

The Arrangement requires approval by the Court. Prior to the mailing of this Circular, Champion obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is attached hereto as Appendix E. A copy of the Notice of Application applying for the Final Order is attached hereto as Appendix D.

Subject to the approval of the Arrangement Resolution by Champion Securityholders at the Meeting, the hearing in respect of the Final Order is expected to take place on March 28, 2014 in the Court at 330 University Avenue, Toronto, Ontario, or as soon thereafter as is reasonably practicable. Any Champion Securityholder who wishes to appear or be represented and to present evidence or arguments must serve and file a notice of appearance as set out in the Notice of Application for the Final Order and satisfy any other requirements of the Court. The Court will consider, among other things, the fairness and reasonableness of the Arrangement and the rights of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court has further been advised that the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof will be based on the Final Order granted by the Court.

Assuming the Final Order is granted and the other conditions to closing contained in the Arrangement Agreement are satisfied or waived, it is currently anticipated that Articles of Arrangement for Champion will be filed with the OBCA Director to give effect to the Arrangement on or about March 31, 2014.

Although Champion's objective is to have the Effective Date occur as soon as possible after the Meeting, the Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the Final Order or any delay in obtaining any required regulatory approvals. Champion and Mamba may also terminate the Arrangement Agreement, whereby the Arrangement will not become effective without prior notice to or action on the part of Champion Shareholders. See "The Arrangement Agreement – Termination".

Depositary

Champion has retained the services of the Depositary for the receipt of the letter of transmittal and election forms and the certificates representing Champion Common Shares. The Depositary will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws and expenses in connection therewith.

Expenses of the Arrangement

The combined estimated fees, costs and expenses of Champion and Mamba in connection with the Arrangement including, without limitation, financial advisory fees, filing fees, legal and accounting fees, and printing and mailing costs are anticipated to be approximately $4.3 million.

DESCRIPTION OF EXCHANGEABLE SHARES AND RELATED AGREEMENTS

Description of Exchangeable Shares

The Exchangeable Shares, together with the Ancillary Rights, represent securities of a Canadian issuer having economic rights that are, as nearly as practicable, equivalent to those of Mamba Shares. The receipt of Exchangeable Shares (rather than Mamba Shares) permits certain Champion Shareholders to take advantage of a full or partial tax deferral available under the ITA. Certain Champion Shareholders resident in Canada may want to make a Consideration Election to receive Exchangeable Shares rather than Mamba Shares.

The Exchangeable Shares shall be redeemable by Canco (on a one-for-one basis) for Mamba Shares on a date which shall be no earlier than January 1, 2015 and thereafter no later than the third anniversary of the effective date of the Arrangement subject to earlier redemption rights arising if there are less than two million Exchangeable Shares outstanding or if there is a change of control of Mamba. Holders of Exchangeable Shares shall not have any voting rights in respect of their Exchangeable Shares, but are entitled through special voting rights, administered through the Voting and Exchange Trust Agreement, to vote as if they were holders of Mamba Shares.

Mamba shall have the overriding Call Rights to the Exchangeable Shares, pursuant to which, in accordance with the terms of the Arrangement Agreement, Mamba shall have the right to purchase the Exchangeable Shares from the holders of such Exchangeable Shares upon payment by Mamba of an amount per share equal to the Current Market Price of the Mamba Shares on the last business day prior to the Call Rights triggering event, which shall be satisfied in full by Mamba delivering or causing to be delivered to, or to the direction of, such holder one Mamba Share plus cash or a cheque in an amount equal to the Dividend Amount accrued for such holder, if any, and each holder of the Exchangeable Shares shall be obligated to sell all the Exchangeable Shares to Mamba and Canco shall have no obligation to pay any amounts to the holders of such Exchangeable Shares so purchased by Mamba.

For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Call Rights, as applicable, Mamba shall deposit or cause to be deposited with the Transfer Agent, on or before the date for such purchase, the aggregate number of Mamba Shares which Mamba shall deliver or cause to be delivered to, or to the direction of, the holders of Exchangeable Shares and a cheque or cheques of Mamba representing the Dividend Amount accrued for each such holder, less any amounts required to be deducted or withheld under the ITA or applicable Laws, pursuant to the terms of the Plan of Arrangement. Provided that Mamba has complied with its obligations, the holders of the Exchangeable Shares shall cease to be holders of the Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights

under the Voting and Exchange Trust Agreement), other than the right to receive their proportionate number of Mamba Shares and the accrued Dividend Amount as described above.

A disadvantage of holding Exchangeable Shares is that the Exchangeable Shares will not be listed or posted for trading on any stock exchange, as a result of which there may be limited or no active trading markets for the Exchangeable Shares. Moreover, if the Call Rights are not exercised on redemption or retraction of the Exchangeable Shares, a holder of Exchangeable Shares may be deemed to receive a taxable dividend for Canadian tax purposes that may exceed the holder's economic gain. See "Certain Canadian Federal Income Tax Considerations for Champion Shareholders".

The following is a summary description of the material provisions of the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares and is qualified in its entirety by reference to the complete text thereof which is attached as Appendix I to the Plan of Arrangement, attached as Schedule B to the Arrangement Agreement which is attached to this Circular as Appendix B and also includes Section 5 of the Plan of Arrangement which provides for the rights of Mamba to acquire Exchangeable Shares.

Ranking

The Exchangeable Shares shall be entitled to a preference over the common shares of Canco and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Canco, whether voluntary or involuntary, or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs.

Dividends and Other Distributions

A holder of an Exchangeable Share shall be entitled to receive and the board of directors of Canco shall declare, subject to applicable Laws, on each date (a "**Mamba Dividend Declaration Date**") on which the board of directors of Mamba declares a dividend on the Mamba Shares:

(a) in the case of a cash dividend declared on the Mamba Shares, a cash dividend on the Exchangeable Shares in an amount for each Exchangeable Share equal to the cash dividend declared on each Mamba Share on the Mamba Dividend Declaration Date;

(b) in the case of a share dividend declared on the Mamba Shares to be paid in Mamba Shares, a stock dividend of such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of Mamba Shares to be paid on each Mamba Share unless in lieu of such share dividend Canco elects to effect a corresponding and contemporaneous and economically equivalent (as determined by the board of directors of Canco) subdivision of the outstanding Exchangeable Shares; or

(c) in the case of a dividend or other distribution declared on the Mamba Shares in property other than cash or Mamba Shares, a dividend or other distribution in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent (as determined by the board of directors of Canco) to the type and amount of property declared as a dividend on each Mamba Share.

Such dividends or other distribution shall be paid out of money, assets or property of Canco properly applicable to the payment of dividends or other distribution, or out of authorized but unissued shares of Canco, as applicable. The holders of Exchangeable Shares will not be entitled to any dividends or other distribution other than or in excess of the foregoing.

The record date for the determination of the holders of Exchangeable Shares entitled to receive payment of, and the payment date for, any dividend or other distribution declared on the Exchangeable Shares will be the same dates as the record date and payment date, respectively, for the corresponding dividend or other distribution declared on the Mamba Shares.

If on any payment date for any dividends declared on the Exchangeable Shares, the dividends are not paid in full on all of the Exchangeable Shares then outstanding, any such dividends or other distribution that remain unpaid will be paid on a subsequent date or dates determined by the board of directors of Canco on which Canco has sufficient moneys, assets or property properly applicable to the payment of such dividends or other distribution.

The board of directors of Canco is required to determine, in good faith and in its sole discretion, economic equivalence for the purposes of the Exchangeable Shares and each such determination will be conclusive and binding on Canco and its shareholders. In making each such determination, a number of factors set out in the Exchangeable Share provisions are, without excluding other factors determined by the board of directors of Canco to be relevant, to be considered by the board of directors of Canco.

Certain Restrictions

So long as any of the Exchangeable Shares are outstanding, Canco shall not at any time without, but may at any time with, the approval of the holders of the Exchangeable Shares:

(a) pay any dividends on the common shares of Canco or any other shares ranking junior to the Exchangeable Shares, other than share dividends payable in common shares of Canco or any such other shares ranking junior to the Exchangeable Shares, as the case may be;

(b) redeem or purchase or make any capital distribution in respect of common shares of Canco or any other shares ranking junior to the Exchangeable Shares;

(c) redeem or purchase any other shares of Canco ranking equally with the Exchangeable Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of Canco, whether voluntary or involuntary, or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs;

(d) except for a subdivision of Exchangeable Shares in accordance with the provisions attaching to the Exchangeable Shares, issue any Exchangeable Shares or any other shares of Canco ranking equally with the Exchangeable Shares other than by way of share dividend to the holders of such Exchangeable Shares; and

(e) issue any shares of Canco ranking superior to the Exchangeable Shares.

The restrictions listed in (a), (b), (c) and (d) above shall not apply if all dividends on the outstanding Exchangeable Shares corresponding to dividends declared and paid to date on the Mamba Shares shall have been declared and paid on the Exchangeable Shares.

Distribution on Liquidation

In the event of the liquidation, dissolution or winding-up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, subject to the exercise by Mamba or a Mamba Affiliate, as applicable, of the Liquidation Call Right, a holder of Exchangeable Shares shall be entitled, subject to applicable Laws, to receive from the assets of Canco in respect of each Exchangeable Share held by such holder on the Liquidation Date before any distribution of any part of the assets of Canco among the holders of the common shares of Canco or any other shares ranking junior to the Exchangeable Shares, an amount per share (the "**Liquidation Amount**") equal to the Current Market Price of a Mamba Share on the last business day prior to the Liquidation Date plus the Dividend Amount which shall be satisfied in full by Canco delivering or causing to be delivered to such holder one Mamba Share plus cash or a cheque in an amount equal to the Dividend Amount, if any.

Mamba shall have the Liquidation Call Right, in the event of and notwithstanding the proposed liquidation, dissolution or winding-up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, to purchase from all but not less than all of the holders of Exchangeable Shares (other than any holder of Exchangeable Shares which is Mamba or an affiliate of Mamba) on the

Liquidation Date all but not less than all of the Exchangeable Shares held by each such holder on payment by Mamba of the Liquidation Call Purchase Price equal to the Current Market Price of Mamba Shares on the last business day prior to the Liquidation Date plus the Dividend Amount, which shall be satisfied in full by Mamba delivering or causing to be delivered to such holder one Mamba Share plus cash or a cheque in an amount equal to the Dividend Amount, if any. Mamba may transfer and assign the Liquidation Call Right to a Mamba Affiliate.

In the event of the exercise of the Liquidation Call Right by Mamba, each holder shall be obligated to sell all the Exchangeable Shares held by the holder to Mamba on the Liquidation Date on payment by Mamba to the holder of the Liquidation Call Purchase Price for each such share, and Canco shall have no obligation to pay any Liquidation Amount or Dividend Amount to the holders of such shares so purchased by Mamba.

To exercise the Liquidation Call Right, Mamba must notify the Transfer Agent, as agent for the holders of Exchangeable Shares, and Canco of Mamba's intention to exercise such right at least 45 days before the Liquidation Date in the case of a voluntary liquidation, dissolution or winding-up of Canco or any other voluntary distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, and at least five business days before the Liquidation Date in the case of an involuntary liquidation, dissolution or winding-up of Canco or any other involuntary distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs. The Transfer Agent will notify the holders of Exchangeable Shares as to whether or not Mamba has exercised the Liquidation Call Right forthwith after the expiry of the period during which the same may be exercised by Mamba. If Mamba exercises the Liquidation Call Right, then on the Liquidation Date, Mamba will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Liquidation Call Purchase Price.

Retraction and Redemption of Exchangeable Shares and Call Rights

Holders of Exchangeable Shares will be entitled at any time following the Effective Time to retract (i.e., to require Canco to redeem) any or all Exchangeable Shares registered in their name and to receive the Retraction Price therefor, subject to the Retraction Call Right described below. Holders of Exchangeable Shares may effect such retraction by presenting to Canco or its transfer agent the certificate(s) representing the Exchangeable Shares the holder desires to have Canco redeem, together with such other documents and instruments as may be required under the OBCA and the articles and by-laws of Canco or by its transfer agent, and a duly executed Retraction Request (i) specifying that the holder desires to have all or any number specified therein of the Retracted Shares redeemed by Canco, (ii) stating the Retraction Date, provided that the Retraction Date is not less than ten business days nor more than fifteen business days after the date on which the Retraction Request is received by Canco and further provided that, in the event that no such business day is specified by the holder in the Retraction Request, the Retraction Date will be deemed to be the fifteenth business day after the date on which the Retraction Request is received by Canco, and (iii) acknowledging the Retraction Call Right of Mamba to purchase all but not less than all the Retracted Shares directly from the holder and that the Retraction Request will be deemed to be a revocable offer by the holder to sell the Retracted Shares in accordance with the Retraction Call Right for the Retraction Price and on the terms and conditions described below.

Upon receipt by Canco of a Retraction Request, Canco will immediately notify Mamba of the Retraction Request. If Mamba exercises the Retraction Call Right and provided that the Retraction Request is not revoked by the holder in the manner described below, Canco will not redeem the Retracted Shares and Mamba will purchase from such holder, and such holder will sell to Mamba, on the Retraction Date the Retracted Shares for a purchase price equal to the Retraction Price. In the event that Mamba does not exercise the Retraction Call Right, and provided that the Retraction Request is not revoked by the holder in the manner described below, Canco will redeem the Retracted Shares on the Retraction Date for the Retraction Price.

A holder of Retracted Shares may, by notice in writing given by the holder to Canco before the close of business on the business day immediately preceding the Retraction Date, withdraw such holder's Retraction Request, in which event such Retraction Request will be null and void and the revocable offer constituted by the Retraction Request to sell the Retracted Shares to Mamba will be deemed to have been revoked.

Subject to applicable Laws, and provided that Mamba or a Mamba Affiliate, as applicable, has not exercised the Redemption Call Right, Canco shall on the Redemption Date, redeem all but not less than all of the then outstanding Exchangeable Shares by delivery of the Redemption Price to each holder thereof.

Notice of the Redemption Date will be sent to Mamba and Mamba at the same time as it is sent to the holders of Exchangeable Shares and, notwithstanding any proposed redemption of the Exchangeable Shares, Mamba will have the Redemption Call Right to purchase all, but not less than all, of the outstanding Exchangeable Shares on the Redemption Date, which shall be satisfied in full by Mamba delivering or causing to be delivered to such holder one Mamba Share plus the Dividend Amount for each Exchangeable Share.

Mamba shall also have the Change of Law Call Right, in the event of a Change of Law, to purchase from all but not less than all of the holders of Exchangeable Shares (other than any holder of Exchangeable Shares which is an affiliate of Mamba) all but not less than all of the Exchangeable Shares held by each such holder upon payment by Mamba of an amount per share which will be satisfied in full by delivering one Mamba Share plus cash or a cheque in an amount equal to the Dividend Amount, if any. Mamba may transfer and assign the Change of Law Call Right to a Mamba Affiliate.

Unless the relevant Canadian tax legislation is amended, any Canadian tax deferral obtained by a Champion Shareholder who receives Exchangeable Shares under the Arrangement will end on the exchange or redemption of Exchangeable Shares. Moreover, if the Call Rights are not exercised on redemption of the Exchangeable Shares by Mamba, a holder of Exchangeable Shares may realize a dividend for Canadian tax purposes that may exceed the holder's economic gain. See "Certain Canadian Federal Income Tax Considerations for Champion Shareholders".

Voting Rights

Except as required by applicable Laws and in respect of certain matters as further described in the share provisions of the Exchangeable Shares, the holders of the Exchangeable Shares will not be entitled as such to receive notice of or to attend any meeting of the shareholders of Canco or to vote at any such meeting. Without limiting the generality of the foregoing, the holders of the Exchangeable Shares will not have class votes except as required by applicable Laws.

Amendment and Approval

Any approval required to be given by the holders of the Exchangeable Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Exchangeable Shares or any other matter requiring the approval or consent of the holders of the Exchangeable Shares in accordance with applicable Laws will be deemed to have been sufficiently given if it has been given in accordance with applicable Laws, subject to a minimum requirement that such approval be evidenced by a resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Exchangeable Shares duly called and held at which the holders of at least 10% of the outstanding Exchangeable Shares are present or represented by proxy.

Voting and Exchange Trust Agreement

The following description of certain material provisions of the Voting and Exchange Trust Agreement is qualified in its entirety by reference to the complete text of the Voting and Exchange Trust Agreement, which is attached as Schedule I to the Arrangement Agreement which is attached to this Circular as Appendix B.

The purpose of the Voting and Exchange Trust Agreement is to create a trust for the benefit of the registered holders from time to time of Exchangeable Shares (other than Mamba or affiliates of Mamba). The Trustee will hold the Special Voting Share in order to enable the Trustee to exercise the voting rights attached thereto and will hold the Exchange Right and the Automatic Exchange Right (as such terms are defined in the Voting and Exchange Trust Agreement) in order to enable the Trustee to exercise such rights, in each case as trustee for and on behalf of such registered holders.

Voting Rights

Pursuant to the Voting and Exchange Trust Agreement, Mamba will issue to the Trustee the Special Voting Share to be held of record by the Trustee as trustee for and on behalf of, and for the use and benefit of, the registered holders from time to time of Exchangeable Shares (other than Mamba or affiliates of Mamba) and in accordance with the provisions of the Voting and Exchange Trust Agreement.

Under the Voting and Exchange Trust Agreement, the Trustee will be entitled to all of the voting rights, including the right to vote in person or by proxy, attaching to the Special Voting Share on any matters that may properly come before the shareholders of Mamba at a meeting of shareholders.

With respect to all meetings of shareholders of Mamba at which holders of Mamba Shares are entitled to vote and with respect to all written consents sought from shareholders of Mamba, each registered holder of Exchangeable Shares shall be entitled to instruct the Trustee to cast and exercise for each Exchangeable Share owned of record by such holder on the record date established by Mamba in respect of each matter to be voted at such meeting (or consented to in writing), a pro rata number of voting rights attached to the Special Voting Share to be determined by reference to the total number of outstanding Exchangeable Shares not owned by Mamba and its affiliates on the record date established by Mamba or by applicable Laws. The aggregate voting rights attached to the Special Voting Share at a Mamba meeting in which shareholders of Mamba are entitled to vote shall consist of a number of votes equal to one vote per outstanding Exchangeable Share from time to time not owned by Mamba and its affiliates on the record date established by Mamba, and for which the Trustee shall have received voting instructions from the holder of the Exchangeable Share.

The Trustee will exercise each vote attached to the Special Voting Share only as directed by the relevant holder and, in the absence of instructions from a holder as to voting, the Trustee will not have voting rights with respect to such Exchangeable Share. A holder may, upon instructing the Trustee, obtain a proxy from the Trustee entitling the holder to vote directly at the relevant meeting the votes attached to the Special Voting Share to which the holder is entitled.

The Trustee will send to the holders of the Exchangeable Shares the notice of each meeting at which the Mamba Shareholders are entitled to vote, together with the related meeting materials and a statement as to the manner in which the holder may instruct the Trustee to exercise the votes attaching to the Special Voting Share, at the same time as Mamba sends such notice and materials to the Mamba Shareholders. The Trustee will also send to the holders of Exchangeable Shares copies of all information statements, interim and annual financial statements, reports and other materials sent by Mamba to the Mamba Shareholders at the same time as such materials are sent to the Mamba Shareholders. To the extent such materials are provided to the Trustee by Mamba, the Trustee will also send to the holders all materials sent by third parties to Mamba Shareholders generally, including dissident proxy circulars and tender and exchange offer circulars, as soon as possible after such materials are first sent to Mamba Shareholders.

All rights of a holder of Exchangeable Shares to exercise votes attached to the Special Voting Share will cease upon the exchange of such holder's Exchangeable Shares for Mamba Shares.

Exchange upon Canco Insolvency Event

Mamba agrees in the Voting and Exchange Trust Agreement that, upon the occurrence of a Canco Insolvency Event, the Trustee shall have the right to require Mamba to purchase all or any part of the Exchangeable Shares from each or any holder, provided that the Trustee may exercise such right only on the basis of instructions received from each such holder. The purchase price payable by Mamba for each Exchangeable Share purchased pursuant to the Canco Insolvency Event will be satisfied by the delivery of one Mamba Share to the holder thereof plus cash or a cheque in an amount equal to the Dividend Amount, if any.

As soon as practicable following the occurrence of a Canco Insolvency Event or any event that with the passage of time or the giving of notice or both would be a Canco Insolvency Event, Canco and Mamba will give written notice thereof to the Trustee. As soon as practicable after receiving such notice, or upon the Trustee becoming aware of a Canco Insolvency Event, the Trustee will give notice to each holder of Exchangeable Shares of such event and will advise the holder of its rights with respect to the Exchange Right.

Automatic Exchange upon Liquidation of Mamba

Mamba agrees in the Voting and Exchange Trust Agreement that, in the event of a Mamba Liquidation Event, Mamba will purchase all of the Exchangeable Shares from the holders thereof immediately prior to the effective date of such Mamba Liquidation Event. The purchase price payable by Mamba for each Exchangeable Share purchased pursuant to the Mamba Liquidation Event will be satisfied by the delivery of one Mamba Share for

each Exchangeable Share purchased, together with cash or a cheque in an amount equal to the Dividend Amount, if any.

Support Agreement

The following is a summary description of the material provisions of the Support Agreement and is qualified in its entirety by reference to the complete text of the Support Agreement, which is attached as Schedule H to the Arrangement Agreement.

Pursuant to the Support Agreement, Mamba has covenanted that, so long as any Exchangeable Shares not owned by Mamba or its affiliates are outstanding, Mamba will, among other things: (a) not declare or pay any dividend on the Mamba Shares unless (i) on the same day Canco declares or pays, as the case may be, an equivalent dividend on the Exchangeable Shares and (ii) Canco has sufficient money or other assets or authorized but unissued securities available to enable the due declaration and the due and punctual payment, in accordance with applicable Laws, of an equivalent dividend on the Exchangeable Shares; (b) advise Canco in advance of the declaration of any dividend on the Mamba Shares and take other actions reasonably necessary to ensure that the declaration date, record date and payment date for dividends on the Exchangeable Shares are the same as those for any corresponding dividends on the Mamba Shares; (c) ensure that the record date for any dividend declared on the Mamba Shares is not less than seven days after the declaration date of such dividend; (d) take all actions and do all things necessary to enable and permit Canco, in accordance with applicable Laws, to pay the Liquidation Amount, the Retraction Price or the Redemption Price to the holders of the Exchangeable Shares in the event of a liquidation, dissolution or winding-up of Canco, a Retraction Request by a holder of Exchangeable Shares or a redemption of Exchangeable Shares by Canco, as the case may be; (e) take all actions and do all things necessary or desirable to enable and permit Mamba, in accordance with applicable Laws, to perform its obligations arising upon the exercise by it of the Liquidation Call Right, the Retraction Call Right, the Redemption Call Right or the Change of Law Call Right, as the case may be; and (f) except in connection with any event, circumstance or action which causes or could cause the occurrence of a Redemption Date, not exercise its vote as a shareholder to initiate the voluntary liquidation, dissolution or winding up of Canco or any other distribution of the assets of Canco, nor take any action or omit to take any action that is designed to result in the liquidation, dissolution or winding up of Canco or any other distribution of the assets of Canco among its shareholders for purpose of winding up its affairs.

In order to protect the economic equivalence of the Exchangeable Shares, the Support Agreement provides that, so long as any Exchangeable Shares not owned by Mamba or its affiliates are outstanding:

(a) Mamba will not without prior approval of Canco and the prior approval of the holders of the Exchangeable Shares given in accordance with the terms of the Exchangeable Shares:

(i) issue or distribute Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares) to the holders of all or substantially all of the then outstanding Mamba Shares by way of stock dividend or other distribution, other than an issue of Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares) to holders of Mamba Shares (A) who exercise an option to receive dividends in Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares) in lieu of receiving cash dividends, or (B) pursuant to any dividend reinvestment plan or similar arrangement; or

(ii) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Mamba Shares entitling them to subscribe for or to purchase Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares); or

(iii) issue or distribute to the holders of all or substantially all of the then outstanding Mamba Shares (A) shares or securities (including evidences of indebtedness) of Mamba of any class (other than Mamba Shares or securities convertible into or exchangeable for or carrying rights to acquire Mamba Shares), (B) rights, options, warrants or other assets other than those referred to in clause (a)(ii) above, or (C) assets of Mamba,

unless in each case the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued or distributed simultaneously to holders of the Exchangeable Shares and at least seven days' prior written notice thereof is given to the holders of Exchangeable Shares.

(b) Mamba will not without the prior approval of Canco and the prior approval of the holders of the Exchangeable Shares given in accordance with the terms of the Exchangeable Shares:

(i) subdivide, redivide or change the then outstanding Mamba Shares into a greater number of Mamba Shares; or

(ii) reduce, combine, consolidate or change the then outstanding Mamba Shares into a lesser number of Mamba Shares; or

(iii) reclassify or otherwise change Mamba Shares or effect an amalgamation, merger, arrangement, reorganization or other transaction affecting Mamba Shares;

unless the same or an economically equivalent change is simultaneously made to, or in the rights of the holders of, the Exchangeable Shares and at least seven days prior written notice is given to the holders of Exchangeable Shares; provided that, for greater certainty, the foregoing clause will not in any way limit or affect the right of Canco to accelerate the Redemption Date in accordance with the provisions described above under "Description of Exchangeable Shares – Retraction and Redemption of Exchangeable Shares and Call Rights" or to redeem (or the right of Mamba to purchase pursuant to the Redemption Call Right) Exchangeable Shares on the Redemption Date, and will not apply if all of the Exchangeable Shares have been redeemed or purchased on such Redemption Date;

(c) Mamba will ensure that the record date for any event referred to in paragraphs (a) or (b) above, or (if no record date is applicable for such event) the effective date for any such event, is not less than seven business days after the date on which such event is declared or announced by Mamba (with contemporaneous notification thereof by Mamba to Canco);

(d) the board of directors of Canco will be entitled to determine, acting in good faith and in its sole discretion, economic equivalence for the purposes of any event referred to in paragraphs (a) or (b) above and each such determination will be conclusive and binding on Mamba; and

(e) Canco agrees that, to the extent required, upon due notice from Mamba, Canco will use its best efforts to take or cause to be taken such steps as may be necessary for the purposes of ensuring that appropriate dividends are paid or other distributions are made by Canco, or subdivisions, redivisions or changes are made to the Exchangeable Shares, in order to implement the required economic equivalence with respect to the Mamba Shares and Exchangeable Shares.

The Support Agreement provides that in the event that a tender offer, share exchange offer, issuer bid, takeover bid or similar transaction with respect to Mamba Shares is proposed by Mamba or is proposed to Mamba or its shareholders and is recommended by the board of directors of Mamba, or is otherwise effected or to be effected with the consent or approval of the board of directors of Mamba, and the Exchangeable Shares are not redeemed by Canco or purchased by Mamba pursuant to the Redemption Call Right, Mamba will expeditiously and in good faith take all such actions and do all such things as are necessary or desirable to enable and permit holders of Exchangeable Shares (other than Mamba and its affiliates) to participate in such offer to the same extent and on an economically equivalent basis as the holders of Mamba Shares, without discrimination. Without limiting the generality of the foregoing, Mamba will take all such actions and do all such things as are necessary or desirable to ensure that holders of Exchangeable Shares may participate in each such offer without being required to retract Exchangeable Shares as against Canco (or, if so required, to ensure that any such retraction, shall be effective only upon, and shall be conditional upon, the closing of such offer and only to the extent necessary to tender or deposit to the offer).

The Support Agreement also provides that, as long as any outstanding Exchangeable Shares are owned by any person or entity other than Mamba or any of its affiliates, Mamba will, unless approval to do otherwise is obtained from the holders of the Exchangeable Shares in accordance with the terms of the Exchangeable Shares, remain the direct or indirect beneficial owner of all issued and outstanding voting shares of Canco.

With the exception of changes for the purpose of (i) adding to the covenants of any or all of the parties, (ii) making certain necessary amendments, or (iii) curing ambiguities or clerical errors (provided, in each case, that the boards of directors of each of Mamba and Canco are of the opinion that such amendments are not prejudicial to the rights or interests of the holders of the Exchangeable Shares), the Support Agreement may not be amended without the approval of the holders of the Exchangeable Shares given in accordance with the terms of the Exchangeable Shares.

Under the Support Agreement, Mamba will not exercise, and will prevent its affiliates from exercising, any voting rights which may be exercisable by holders of Exchangeable Shares from time to time with respect to any Exchangeable Shares owned by Mamba or its affiliates on any matter considered at meetings of holders of Exchangeable Shares (including any approval sought from such holders in respect of matters arising under the Support Agreement).

THE ARRANGEMENT AGREEMENT

The following description of certain material provisions of the Arrangement Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is attached as Appendix B to this Circular.

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties, given by each of Champion, on the one hand, and Mamba, on the other hand, in respect of matters pertaining to, among other things, organization, standing and corporate power, subsidiaries, capitalization, due authorization of the transaction, publicly filed documents, disclosure and other matters relating to the business and operations of Champion and Mamba, which representations and warranties will not survive the completion of the Arrangement.

Conditions Precedent

Mutual Conditions Precedent

The Arrangement Agreement provides that completion of the Arrangement is subject to the satisfaction or waiver of a number of conditions precedent, which may only be waived by mutual consent of the parties, including:

(a) Champion Securityholder Approval shall have been obtained at the Meeting in accordance with the Interim Order;

(b) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to Champion and Mamba, acting reasonably, on appeal or otherwise;

(c) Mamba Shareholder Approval shall have been obtained at the Mamba Meeting;

(d) all waivers, consents, permits, orders and approvals of any Agency (including any Regulatory Approvals), and the expiry of any waiting periods (whether regulatory or contractual), the failure of which to obtain or receive, or the non-expiry of which, would or would reasonably be expected to be Materially Adverse to Champion or Mamba and their respective Subsidiaries, in each case taken as a whole, shall have been obtained, or received or shall have expired, as the case may be, and such waivers, consents, permits, orders and approvals shall be on terms that are not Materially Adverse to Champion or Mamba and their respective Subsidiaries, in each case taken as a whole;

(e) the Mamba Shares, issuable (i) to the Champion Shareholders pursuant to the Arrangement, (ii) pursuant to the rights attached to the Exchangeable Shares, (iii) pursuant to the terms and conditions of the Replacement Options, and (iv) pursuant to the terms and conditions of the Champion Warrants shall have been approved for listing on the ASX, subject to official notice of issuance, and subject to fulfilling listing requirements;

(f) there shall not be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Champion or Mamba from consummating the Arrangement and such applicable Law (if applicable) continues to be in effect through the Outside Date;

(g) the Arrangement Agreement shall not have been terminated in accordance with its terms;

(h) the distribution of the Mamba Shares and the Exchangeable Shares pursuant to the Arrangement (including those Mamba Shares distributable pursuant to the rights attached to the Exchangeable Shares, the Replacement Options and the Champion Warrants) shall be exempt from the prospectus requirements of applicable Law either by virtue of exemptive relief from the applicable securities regulatory authorities or by virtue of applicable exemptions under applicable Law and the first trade thereof shall not be subject to resale restrictions under applicable Law;

(i) Mamba shall have obtained all shareholder approvals required from shareholders of Mamba pursuant to the Corporations Act 2001 and the ASX Listing Rules (including, but not limited, Mamba Shareholder Approval); and

(j) the existing Services Agreements shall have been amended and restated prior to the Effective Date in accordance with Schedule 2.1 of the Champion Disclosure Statement.

Conditions Precedent in Favour of Champion

The Arrangement Agreement provides that Champion's obligation to complete the Arrangement is also subject to the satisfaction or waiver of a number of additional conditions, each of which is for the exclusive benefit of Champion and may be waived, in whole or in part, by Champion in its sole discretion, including:

(a) Mamba shall not have failed to perform any of its obligations to be performed by it under the Arrangement Agreement nor shall Canco have failed to perform any of its obligations arising in respect of the Arrangement or any transaction contemplated by the Arrangement Agreement, on or prior to the Effective Time or, in the event of any failure, such failure is not Materially Adverse to Mamba and its Subsidiaries, taken as a whole;

(b) the representations and warranties of Mamba under the Arrangement Agreement shall be true and correct in all respects except where the failure of such representations and warranties to be true and correct would not reasonably be expected to be Materially Adverse to Mamba and its Subsidiaries, taken as a whole, (provided that certain representations and warranties of Mamba in the Arrangement Agreement shall be true and correct in all respects) and Champion shall have received a certificate of Mamba addressed to Champion and dated the Effective Date, signed on behalf of Mamba by a senior officer of Mamba (on Mamba's behalf and without personal liability) confirming the same as at the Effective Date;

(c) there shall not have occurred, since the date of the Arrangement Agreement, any event, change, effect or development that individually or in the aggregate, has had a Materially Adverse effect on Mamba and its Subsidiaries, taken as a whole;

(d) at the Effective Time, Canco will be a "taxable Canadian corporation" within the meaning of the ITA;

(e) the Mamba Supporting Shareholders (or any one of them) shall not have breached any of the representations, warranties, covenants or other agreements contained in any of the Mamba Voting Support Agreements;

(f) prior to the Effective Time, Mamba shall have made an offer to the holders of the Performance Shares to convert every 10 Performance Shares into one Mamba Share and at least 77% of such Performance Shares shall have been tendered to the offer and shall have been so converted;

(g) prior to the Effective Time, Mamba will have completed all necessary filings and shall have provided satisfactory evidence thereof to Champion in order to (i) amend the composition of the board of directors of Mamba such that the board will consist of eight directors, of which 5 will be nominees of Champion and of which 3 will be nominees of Mamba, and (ii) appoint Thomas Larsen as Chief Executive Officer of Mamba;

(h) prior to the Effective Time, Mamba shall have received conditional listing approval from the TSX in respect of the listing of Mamba Shares (including those Mamba Shares distributable pursuant to the rights attached to the Exchangeable Shares, the Replacement Options and the Champion Warrants) on the TSX commencing on the Effective Date; and

(i) prior to the Effective Date, in connection with the Concurrent Financing, Mamba shall have received executed irrevocable subscriptions with subscription funds fully paid into trust (it being acknowledged that such irrevocable subscriptions may be conditional on the effectiveness of the Arrangement) for Mamba Shares totalling at least A$10 million (or such greater amount as may be agreed to by Champion and Mamba) at a subscription price of no less than A$0.50 per share from institutional and other investors, which investors and their subscription amounts shall be acceptable to Champion and Mamba, each acting reasonably.

Conditions Precedent in Favour of Mamba

The Arrangement Agreement provides that the obligations of Mamba to complete the Arrangement are also subject to the satisfaction or waiver of a number of additional conditions, each of which are for the exclusive benefit of Mamba and may be waived, in whole or in part, by Mamba in its sole discretion, including:

(a) Champion shall not have failed to perform any of the obligations to be performed by it under the Arrangement Agreement on or prior to the Effective Date or, in the event of any failure, such failure is not Materially Adverse to Champion;

(b) the representations and warranties of Champion under the Arrangement Agreement shall be true and correct in all respects except where the failure of such representations and warranties to be true and correct would not reasonably be expected to be Materially Adverse to Champion, and Mamba shall have received a certificate of Champion addressed to Mamba and dated the Effective Date, signed on behalf of Champion by a senior officer of Champion (on Champion's behalf and without personal liability) confirming the same as at the Effective Date;

(c) there shall not have been delivered and not withdrawn notices of dissent with respect to the Arrangement in respect of more than 5% of the Champion Common Shares;

(d) prior to the Effective Date, Champion shall have repaid in full any and all debt owed by Champion under the convertible note in favour of, and all fees owed to, McCarthy Tétrault LLP, including any unpaid portion of the principal amount and interest owing thereunder, and shall have received from McCarthy Tétrault an acknowledgment and release that fully releases and forever discharges Champion of any and all obligations arising in respect of such convertible note and fees and any and all engagement letters and related arrangements;

(e) the Champion Supporting Shareholders (or any one of them) shall not have breached any of the representations, warranties, covenants or other agreements contained in any of the Champion Voting Support Agreements; and

(f) there shall not have occurred, since the date of the Arrangement Agreement, any event, change, effect or development that individually or in the aggregate, has had a Materially Adverse effect on Champion.

Covenants

Each of Champion and Mamba has agreed to certain covenants under the Arrangement Agreement, including using commercially reasonable efforts to satisfy the conditions precedent to their respective obligations under the Arrangement Agreement.

Alternative Transactions

Non-Solicitation

Except in respect of any action or inaction that is permitted by the Arrangement Agreement, each Principal Party has agreed that it shall not (and shall not permit any of its Subsidiaries to), directly or indirectly, through any of its or its Subsidiaries' Representatives or otherwise:

(a) solicit, initiate, knowingly encourage, or facilitate (including by way of furnishing non-public information) any inquiries or the making by any third party of any proposals regarding an Acquisition Proposal;

(b) participate or engage in any discussions or negotiations regarding an Acquisition Proposal or that could reasonably lead to an Acquisition Proposal;

(c) approve, accept, endorse or recommend any Acquisition Proposal; or

(d) accept or enter into any agreement, arrangement or understanding related to any Acquisition Proposal.

In addition, each Principal Party has agreed to:

(a) immediately cease and cause to be terminated any existing discussions or negotiations, directly or indirectly, with any person with respect to any Acquisition Proposal or that could reasonably lead to an Acquisition Proposal; and

(b) not, directly or indirectly, waive or vary any terms or conditions of any confidentiality or standstill agreement that it has entered into with any person considering any Acquisition Proposal and to promptly request the return (or the deletion from retrieval systems and data bases or the destruction) of all information, in each case subject to the terms and conditions of each such agreement.

Permitted Actions

Notwithstanding anything in the Arrangement Agreement, nothing shall prevent a Principal Party or its respective Subsidiaries or Representatives or board of directors from:

(a) complying with the obligations of the applicable board of directors under applicable securities Law to prepare and deliver a directors' circular in response to a take-over bid;

(b) considering, participating in discussions or negotiations and entering into confidentiality agreements and providing information, in each case pursuant to the provisions of Section 6 of the Arrangement Agreement, regarding a *bona fide* written Acquisition Proposal that the board of directors of Champion or Mamba has determined by formal resolution, in good faith and after receiving confirmation in support of the board's determination from its financial advisors and outside legal counsel, that such Acquisition Proposal could reasonably be expected, if consummated, to result in a Superior Proposal; and

(c) failing to recommend (in the case of Champion, to the Champion Securityholders, and in the case of Mamba, to the Mamba Shareholders) the matters to be approved by securityholders of either Champion or Mamba at the Meeting or the Mamba Meeting, as applicable, in connection with the Arrangement or withdrawing, amending, modifying or qualifying such recommendation, in a manner adverse to the other party, or failing to reaffirm such recommendation, within five business days after having been requested in writing by the other party to do so, in a manner adverse to the other party (a "**Change of Recommendation**") if, in the good faith judgment of its board of directors, after consultation with legal counsel, the failure to take such action would be inconsistent with such board of directors' exercise of fiduciary duties or such action or disclosure is otherwise required by applicable Law; provided that, for greater certainty, in the event of a Change of Recommendation and a termination by the other party of the Arrangement Agreement in accordance with the applicable sections of the Arrangement Agreement, as the case may be, such party shall pay the Termination Fee as required by the applicable sections of the Arrangement Agreement.

Notification of Acquisition Proposal

Each Principal Party shall, as soon as practicable but in any event within 24 hours, notify the other Principal Party, at first orally and then promptly thereafter in writing, of any Acquisition Proposal received after the date of the Arrangement Agreement, or any amendments to that Acquisition Proposal, or any request for information relating to any Acquisition Proposal or any request for access to a Principal Party or any of its Subsidiaries or the properties, books, or records of a Principal Party or any of its Subsidiaries, by any person that such Principal Party reasonably believes is proposing to make, or has made, any Acquisition Proposal. Such notices shall include a description of the material terms and conditions of any proposal and the identity of the person making such proposal or inquiry, together with a copy of any such written Acquisition Proposal. The Principal Party providing notice shall thereafter provide such other details of the proposal or inquiry, discussions or negotiations as the other Principal Party may reasonably request and shall attach copies of all letters, agreements and other documentation (whether executed or in draft) exchanged by or on behalf of the notifying Principal Party and the party proposing such Acquisition Proposal. The notifying Principal Party shall keep the other Principal Party reasonably informed by way of further notices of the status including any change to the material terms of any such Acquisition Proposal.

Access to Information

If a Principal Party receives a request for information from a person that has made a *bona fide* written Acquisition Proposal that complies with the Arrangement Agreement, then, and only in such case, the board of directors of such Principal Party may, subject to (only if such person is not already party to a confidentiality agreement in favour of such Principal Party), the execution by such person of a confidentiality agreement, containing terms at least as favourable to such Principal Party as those contained in the Exclusivity Agreement and a prohibition on such person's use of any information regarding such Principal Party or its Subsidiaries for any reason whatsoever other than as relates to such person's evaluation and consummation of the transaction that is the subject of the Acquisition Proposal, provide such person with access to information regarding such Principal Party and its Subsidiaries; provided that such Principal Party sends a copy of any such confidentiality agreement to the other Principal Party promptly upon its execution and such Principal Party provides the other Principal Party (to the extent it has not already done so) with copies of the information provided to such person and promptly provides the other Principal Party with access to all information to which such person was provided access.

Implementation of Superior Proposal

Subject to the rights of the other Principal Party described below under the heading "The Arrangement Agreement – Alternative Transactions – Response to the Superior Proposal", each Principal Party may terminate the Arrangement Agreement in order to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal only if:

(a) such Principal Party has complied with its obligations under Article 6 of the Arrangement Agreement with respect to the Superior Proposal, including by providing the other Principal Party with all documentation required to be delivered under Section 6.2 and Section 6.3 of the

Arrangement Agreement and a copy of the Superior Proposal (including any draft agreement to be entered into by such Principal Party which governs the Superior Proposal);

(b) the board of directors of the Principal Party wishing to enter into the definitive agreement, undertaking or arrangement in respect of the Superior Proposal, has made a written determination that the Acquisition Proposal constitutes a Superior Proposal, and of the intention of the board of directors to authorize such Principal Party to enter into such definitive agreement, undertaking or arrangement, together with a written notice regarding the value and financial terms that such board of directors has determined should be ascribed to any non-cash consideration offered under such Acquisition Proposal that such board of directors has determined constitutes a Superior Proposal;

(c) a period expiring at 5:00 p.m. (Toronto time) on the fifth business day (the "**Response Period**") after the later of (i) the date on which the other Principal Party received written notice from such Principal Party that it has resolved, subject only to compliance with Section 6.4 of the Arrangement Agreement, to accept, or enter into a definitive agreement, undertaking or arrangement in respect of, a Superior Proposal, and (ii) the date the other Principal Party received a copy of the Superior Proposal as provided in Section 6.5(a) of the Arrangement Agreement, has elapsed;

(d) the board of directors of such Principal Party has considered any amendment to the terms of the Arrangement Agreement proposed in writing by the other Principal Party (or on its behalf) before the end of the Response Period as contemplated in Section 6.6 of the Arrangement Agreement and determined in good faith, having first received confirmation in support of the board's determination from its financial advisors and outside legal counsel, that the Superior Proposal remains a Superior Proposal (as assessed against the Arrangement Agreement, together with the written amendments, if any, proposed by the other Principal Party before the end of the Response Period);

(e) in the case of Champion, subject to Mamba not being in breach of or having failed to perform any of its representations, warranties, covenants or agreements set forth in the Arrangement Agreement, where such breach or failure would render Mamba and Canco incapable of consummating the Arrangement, Champion has paid (or caused to be paid) to Mamba the Termination Fee in accordance with Section 8.1(a)(i) of the Arrangement Agreement; and

(f) in the case of Mamba, subject to Champion not being in breach of or having failed to perform any of its representations, warranties, covenants or agreements set forth in the Arrangement Agreement, where such breach or failure would render Champion incapable of consummating the Arrangement, Mamba has paid (or caused to be paid) to Champion the Termination Fee in accordance with Section 8.2(a)(i) of the Arrangement Agreement.

In the event that a Principal Party receives a Superior Proposal within 10 days prior to the date, in the case of Champion of the Meeting or in the case of Mamba of the Mamba Meeting, such Principal Party shall be entitled to adjourn or postpone the Meeting or the Mamba Meeting, as the case may be, to a date that is not more than 7 business days (or such greater period as may be required to comply with applicable Law) after the end of the Response Period and if the Response Period would not terminate before the Meeting or the Mamba Meeting, as applicable, at the request of the Principal Party entitled to such Response Period, the other Principal Party shall adjourn the Meeting or Mamba Meeting, as the case may be, to a date that is no less than 2 and no more than 5 business days (or such greater period as may be required to comply with applicable Law) after the Response Period.

Response to the Superior Proposal

During the Response Period, the other Principal Party (the "**Matching Party**") shall have the right, but not the obligation, to offer in writing to amend the terms of the Arrangement Agreement and the Arrangement. The board of directors of the Principal Party that intends to enter into an agreement, undertaking or arrangement with respect to the Superior Proposal (the "**Receiving Party**") shall review any such written offer by the Matching Party to amend the Arrangement Agreement in good faith, in consultation with its financial advisors

and outside legal counsel, to determine whether the Acquisition Proposal to which the Matching Party is responding would continue to be a Superior Proposal when assessed against the Arrangement Agreement, as would be amended in accordance with the written amendments, if any, proposed by the Matching Party before the end of the Response Period. If the board of directors of the Receiving Party does not so determine by formal resolution, the Receiving Party shall enter into an amended agreement with the Matching Party reflecting the Matching Party's proposed written amendments. If the board of directors of the Receiving Party does so determine then, the Receiving Party may terminate the Arrangement Agreement in accordance with Section 7.1(b)(iii) or 7.1(c)(iii) of the Arrangement Agreement, as applicable, in order to enter into a definitive agreement, undertaking or arrangement in respect of such Superior Proposal; provided that in no event shall the board of directors of the Receiving Party take any action prior to the end of the Response Period that may obligate the Receiving Party or any other person to seek to interfere with the completion of the Arrangement, or impose any "break-up," or other fees or options or rights to acquire assets or securities, or any other obligations that would survive completion of the Arrangement, on the Receiving Party or any of its Subsidiaries, property or assets and provided further that the Receiving Party has paid such amounts as may be payable to the Matching Party upon termination in accordance Section 8.1 or Section 8.2 of the Arrangement Agreement, as applicable.

Termination

The Arrangement Agreement (other than certain specified terms which survive) may be terminated at any time before the Effective Time:

(a) by mutual agreement in writing executed by Champion and Mamba (for itself and on behalf of Canco) (for greater certainty, without further action on the part of Champion Securityholders if termination occurs after the holding of the Meeting);

(b) by Champion:

(i) after the Outside Date, subject to compliance with certain notice and cure provisions set forth in the Arrangement Agreement, if the mutual conditions precedent or the conditions precedent in favour of Champion have not been satisfied or waived by Champion on or before the Outside Date, provided that Champion's failure to fulfill any of its obligations under the Arrangement Agreement or its breach of any of its representations and warranties under the Arrangement Agreement has not been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date;

(ii) if there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Champion, Canco or Mamba from consummating the Arrangement and such applicable Law (if applicable) or enjoinment shall have become final and non-appealable;

(iii) at any time if the board of directors of Champion authorizes Champion to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal in the circumstances contemplated by the Arrangement Agreement (see "The Arrangement – Alternative Transactions – Implementation of Superior Proposal"), provided that concurrently with such termination, Champion pays the Termination Fee payable;

(iv) at any time following the Meeting, if Champion Securityholder Approval is not obtained at the Meeting;

(v) at any time following the Mamba Meeting, if Mamba Shareholder Approval is not obtained at the Mamba Meeting;

(vi) at any time if Mamba has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the Arrangement Agreement, which breach or failure is, or would reasonably be expected to be, Materially Adverse to Mamba and its Subsidiaries as a whole;

(vii) if at any time, the board of directors of Mamba, (A) prior to obtaining Mamba Shareholder Approval, makes a Change of Recommendation; or (B) approves, recommends, endorses, accepts or authorizes Mamba to enter into any agreement, undertaking or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement as contemplated in the Arrangement Agreement) not contemplated by Section 6.4(b) or 6.5(d) of the Arrangement Agreement; or

(viii) at any time if Mamba breaches or fails to perform any of the covenants or agreement set for in Article 6 of the Arrangement Agreement; and

(c) by Mamba:

(i) after the Outside Date, subject to compliance with certain notice and cure provisions set forth in the Arrangement Agreement, if the mutual conditions precedent or the conditions precedent in favour of Mamba have not been satisfied or waived by Mamba on or before the Outside Date, provided that Mamba's failure to fulfill any of its obligations under the Arrangement Agreement or its breach of any of its representations and warranties under the Arrangement Agreement has not been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date;

(ii) if there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Champion, Canco or Mamba from consummating the Arrangement and such applicable Law (if applicable) or enjoinment shall have become final and non-appealable;

(iii) at any time if the board of directors of Mamba authorizes Mamba to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal in the circumstances contemplated by the Arrangement Agreement (see "The Arrangement – Alternative Transactions – Implementation of Superior Proposal"), provided that concurrently with such termination, Mamba pays the Termination Fee payable;

(iv) at any time following the Meeting, if Champion Securityholder Approval is not obtained at the Meeting;

(v) at any time following the Mamba Meeting, if Mamba Shareholder Approval is not obtained at the Mamba Meeting;

(vi) at any time if Champion has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the Arrangement Agreement, which breach or failure is, or would reasonably be expected to be, Materially Adverse to Champion;

(vii) if at any time, the board of directors of Champion, (A) prior to obtaining Champion Securityholder Approval at the Meeting, makes a Change of Recommendation; or (B) approves, recommends, endorses, accepts or authorizes Champion to enter into any agreement, undertaking or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement as contemplated in Article 6 of the Arrangement Agreement) not contemplated by Section 6.4(b) or Section 6.5(d) of the Arrangement Agreement; or

(viii) at any time if Champion breaches or fails to perform any of the covenants or agreement set for in Article 6 of the Arrangement Agreement.

Termination Fee and Reimbursement of Expenses

Payments to Mamba

If (a) Champion exercises its rights of termination in connection with the authorization of the Champion Board for Champion to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal pursuant to the terms of the Arrangement Agreement, or (b) Mamba exercises its rights of termination after the Champion Board, prior to obtaining Champion Securityholder Approval at the Meeting, makes a Change of Recommendation or, in certain circumstances, approves, recommends, endorses, accepts or authorizes Champion to enter into any agreement, undertaking or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement as contemplated in the Arrangement Agreement, Champion shall immediately pay (or cause to be paid) the Termination Fee to Mamba in immediately available funds.

If Mamba exercises its right of termination as a result of a breach or failure by Champion to perform any of the covenants or agreements in the Arrangement Agreement, Champion shall immediately pay (or cause to be paid) to Mamba in immediately available funds to an account designated by Mamba all properly documented fees, costs and expenses incurred by Mamba in connection with the transactions contemplated by the Arrangement Agreement and the Arrangement, up to a maximum of $1,000,000.

If, prior to the time of the Meeting, a *bona fide* written Acquisition Proposal in relation to Champion or its subsidiaries has been publicly announced and has not been withdrawn and at any time within the 6 months after the date of such termination, Champion approves, accepts, enters into any agreement, undertaking or arrangement in respect of, or consummates such Acquisition Proposal or any variation thereof is completed by Champion, Champion shall immediately pay to Mamba on closing of such Acquisition Proposal the Termination Fee in immediately available funds to an account designated by Mamba.

Payments to Champion

If (a) Mamba exercises its rights of termination in connection with the authorization of the board of directors of Mamba for Mamba to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal pursuant to the terms of the Arrangement Agreement, or (b) Champion exercises its rights of termination after the board of directors of Mamba, prior to obtaining Mamba Shareholder Approval at the Mamba Meeting, makes a Change of Recommendation or, in certain circumstances, approves, recommends, endorses, accepts or authorizes Mamba to enter into any agreement, undertaking or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement as contemplated in the Arrangement Agreement), Mamba shall immediately pay (or cause to be paid) the Termination Fee to Champion in immediately available funds.

If Champion exercises its right of termination as a result of a breach or failure by Mamba to perform any of the covenants or agreements in the Arrangement Agreement, Mamba shall immediately pay (or cause to be paid) to Champion in immediately available funds to an account designated by Champion all properly documented fees, costs and expenses incurred by Champion in connection with the transactions contemplated by the Arrangement Agreement and the Arrangement, up to a maximum of $1,000,000.

If, prior to the time of the Mamba Meeting, a *bona fide* written Acquisition Proposal in relation to Mamba or its subsidiaries has been publicly announced and has not been withdrawn and at any time within the 6 months after the date of such termination, Mamba approves, recommends, accepts, enters into any agreement, undertaking or arrangement in respect of, or consummates such Acquisition Proposal or any variation thereof is completed, Mamba shall immediately pay to Champion on closing of such Acquisition Proposal the Termination Fee in immediately available funds to an account designated by Champion.

VOTING AGREEMENTS

Champion Voting Support Agreements

Mamba entered into the Champion Voting Support Agreements with each of the Champion Supporting Securityholders pursuant to which the Champion Supporting Securityholders have agreed, subject to the terms and conditions thereof, to vote their Champion Common Shares and Champion Options in favour of the

Arrangement. The Champion Supporting Securityholders collectively beneficially own or exercise control or direction over 22,743,843 Champion Common Shares, 7,525,000 Champion Options collectively representing approximately 17.85% of the Champion Common Shares on a fully-diluted basis.

The following description of certain material provisions of the Champion Voting Support Agreements with directors and officers of Champion is a summary only and is not comprehensive and is qualified in its entirety by reference to the full text of the Champion Voting Support Agreements.

Certain directors and officers of Champion have entered into Champion Voting Support Agreements pursuant to which each such director or officer has agreed, on and subject to the terms thereof, to vote his or her Champion Common Shares and Champion Options in favour of the Arrangement. In addition, any additional securities of Champion in respect of which a Champion Supporting Securityholder acquires direct or indirect legal or beneficial ownership or control or direction shall be deemed to be subject to their respective Champion Voting Support Agreement. Each Champion Supporting Securityholder has agreed not to exercise any rights of appraisal or rights of dissent which such securityholder may have arising from the Arrangement. In addition, each of the Champion Supporting Securityholders agreed that until termination of the Arrangement Agreement, it shall not: (a) sell, transfer, gift, assign, pledge, hypothecate, encumber, convert or otherwise dispose of any of the securityholder's Champion Common Shares or Champion Options or enter into any agreement, arrangement or understanding in connection therewith; or (b) grant any proxies or powers of attorney, or deposit such securityholder's Champion Common Shares or Champion Options into any voting trust or enter into a voting agreement, pooling agreement, understanding or arrangement with respect to the Champion Common Shares or Champion Options.

In addition, each of the Champion Supporting Securityholders agreed that until the termination of the Arrangement Agreement, it will vote (or cause to be voted) all of the securityholder's Champion Common Shares or Champion Options at any meeting of the shareholders of Champion: (i) in favour of the approval, consent, ratification and adoption of the Arrangement (and any actions required in furtherance thereof); (ii) against any action that is intended or would reasonably be expected to impede, interfere with, delay, postpone or discourage the Arrangement; and (iii) against any action that would result in any breach of any representation, warranty or covenant or agreement or any other obligation of Champion in the Arrangement Agreement.

When not in material default in the performance of its obligations under the respective Champion Voting Support Agreement, a Champion Supporting Securityholder may, without prejudice to any of its rights under the respective Champion Voting Support Agreement and in its sole discretion, terminate the respective Champion Voting Support Agreement by written notice to Mamba if (a) any of the representations and warranties of Mamba under the Champion Voting Support Agreement are untrue in any material respects, (b) Mamba has not complied with any of its covenants under the Champion Voting Support Agreement in any material respects, or (c) pursuant to the terms of the Champion Voting Support Agreement in the event the Arrangement Agreement is terminated in the case of a Superior Proposal.

Each of the Champion Voting Support Agreements shall automatically terminate on the first to occur of (a) the Effective Time, (b) the termination of the Arrangement Agreement, or (c) upon mutual agreement in writing executed by the parties.

Mamba Voting Support Agreements

Champion entered into the Mamba Voting Support Agreements with each of the Mamba Supporting Shareholders pursuant to which the Mamba Supporting Shareholders have agreed, subject to the terms and conditions thereof, to vote their Mamba Shares and Mamba Options in favour of the Arrangement. The Mamba Supporting Shareholders collectively beneficially own or exercise control or direction over 4,960,135 Mamba Shares, 2,500,000 Mamba Options and 4,000,005 Performance Shares, collectively representing approximately 7.0% of the Mamba Shares on a fully-diluted basis.

The following description of certain material provisions of the Mamba Voting Support Agreements with directors and officers of Mamba is a summary only and is not comprehensive.

Certain directors and officers of Mamba have entered into Mamba Voting Support Agreements pursuant to which each such director or officer has agreed, on and subject to the terms thereof, to vote his or her Mamba Shares and Mamba Options in favour of the Arrangement. In addition, any additional securities of Champion in respect of which a Mamba Supporting Shareholder acquires direct or indirect legal or beneficial ownership or control or direction shall be deemed to be subject to their respective Mamba Voting Support Agreement. Each Mamba Supporting Shareholder has agreed not to exercise any rights of appraisal or rights of dissent which such securityholder may have arising from the Arrangement. In addition, each of the Mamba Supporting Shareholder agreed that until termination of the Arrangement Agreement, it shall not: (a) sell, transfer, gift, assign, pledge, hypothecate, encumber, convert or otherwise dispose of any of the shareholder's Mamba Shares or Mamba Options or enter into any agreement, arrangement or understanding in connection therewith; or (b) grant any proxies or powers of attorney, or deposit such shareholder's Mamba Shares or Mamba Options into any voting trust or enter into a voting agreement, pooling agreement, understanding or arrangement with respect to the Mamba Shares or Mamba Options.

In addition, each Mamba Supporting Shareholder agreed that until the termination of the Arrangement Agreement, it will vote (or cause to be voted) all of the shareholder's Mamba Shares or Mamba Options at any meeting of the shareholders of Mamba: (i) in favour of the approval, consent, ratification and adoption of the Arrangement (and any actions required in furtherance thereof); (ii) against any action that would reasonably be expected to impede, interfere with, delay, postpone or discourage the Arrangement; and (iii) against any action that would result in any breach of any representation, warranty or covenant of Mamba in the Arrangement Agreement.

When not in material default in the performance of its obligations under the respective Mamba Voting Support Agreement, a Mamba Supporting Shareholder may, without prejudice to any of its rights under the respective Mamba Voting Support Agreement and in its sole discretion, terminate the respective Mamba Voting Support Agreement by written notice to Champion if (a) any of the representations and warranties of Champion under the Mamba Voting Support Agreement are untrue, (b) Champion has not complied with any of its covenants under the Mamba Voting Support Agreement, or (c) pursuant to the terms of the Mamba Voting Support Agreement in the event of a Superior Proposal.

Each of the Mamba Voting Support Agreements shall automatically terminate on the first to occur of (a) the Effective Time, (b) the termination of the Arrangement Agreement, or (c) upon mutual agreement in writing executed by the parties.

REGULATORY MATTERS

The consummation of the Arrangement is, or may be, conditional upon certain filings with, notices to and consents, approvals and actions of, various Agencies with respect to the transactions contemplated by the Arrangement Agreement being made and received prior to the Effective Time. These approvals are summarized below.

Canadian Securities Law Matters

Resale of Exchangeable Shares and Mamba Shares

The Exchangeable Shares and Mamba Shares to be issued to Champion Shareholders pursuant to the Arrangement, together with the Mamba Shares issuable on the exchange of the Exchangeable Shares, will be issued pursuant to an exemption from the prospectus requirements of applicable securities Laws of the provinces and territories of Canada under Section 2.11 of NI 45-106 and will generally not be subject to any resale restrictions under such securities Laws provided that (i) the issuer of such shares is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade (pursuant to Section 2.9 of NI 45-102, upon completion of the Arrangement and provided that Canco and Mamba are reporting issuers in a jurisdiction in Canada at that time, Canco and Mamba will be deemed to have been a reporting issuer from the time that Champion was a reporting issuer); (ii) the trade is not a control distribution; (iii) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade; (iv) no extraordinary commission or consideration is paid to a person or company in respect of the trade; (v) if the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation, and (vi) such holder is not a

person or company engaged in or holding itself out as engaging in the business of trading securities or such trade is made in accordance with applicable dealer registration requirements or in reliance upon an exemption from such requirements. Champion Shareholders should consult with their own financial and legal advisors with respect to any restrictions on the resale of Exchangeable Shares and Mamba Shares received on completion of the Arrangement and Mamba Shares issued on exchange of Exchangeable Shares. Each of Mamba and Canco will be deemed to be a reporting issuer in each of the Provinces of Canada other than Québec as a result of the Arrangement with Champion which is currently a reporting issuer in all Canadian Provinces other than Québec. An application shall be made to the Ontario Securities Commission so that Canco will be designated a reporting issuer.

It is a condition to the completion of the Arrangement pursuant to the terms of the Arrangement Agreement that the distribution of the Mamba Shares and the Exchangeable Shares pursuant to the Arrangement (including those Mamba Shares distributable pursuant to the rights attached to the Exchangeable Shares) shall be exempt from the prospectus requirements of applicable Law either by virtue of exemptive relief from the applicable securities regulatory authorities or by virtue of applicable exemptions under applicable Law and the first trade of the Mamba Shares and the Exchangeable Shares shall not be subject to resale restrictions under applicable Law.

Ongoing Canadian Reporting Obligations

Mamba will, upon completion of the Arrangement, be required to comply with Canadian statutory financial and other continuous and timely reporting requirements, including the requirement for insiders of Mamba to file reports with respect to trades of Mamba securities.

Pursuant to Section 13.3 of NI 51-102, Canco will be exempt from Canadian statutory financial and other continuous and timely reporting requirements, including the requirement for insiders of Canco to file reports with respect to trades of Canco securities, so long as the conditions prescribed by Section 13.3 of NI 51-102 are satisfied, including that Canco concurrently sends to holders of Exchangeable Shares all financial and other continuous and timely disclosure documents that Mamba sends to holders of Mamba Shares in the manner and at the time required by applicable Canadian securities laws. In the event Canco is not able to rely on Section 13.3 of NI 51-102, management of Mamba expects that Canco will apply to the applicable Canadian securities regulatory authorities for exemptive relief from the continuous disclosure obligations imposed by NI 51-102 similar to that provided by Section 13.3 of NI 51-102.

Special Transaction Rules

Since Champion is a reporting issuer in the Province of Ontario, the Arrangement is subject to MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure that all securityholders are treated in a manner that is fair, generally requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. The protections afforded by MI 61-101 apply to "business combinations" (as such term is defined in MI 61-101).

The Arrangement is a business combination under MI 61-101. As described below under the heading "Regulatory Matters – Canadian Securities Law Matters – Special Transaction Rules – Disclosure Concerning Certain Benefits", each of Thomas Larsen, Miles Nagamatsu, Jorge Estepa, Jeffrey Hussey, Beat Frei, Alexander S. Horvath, Douglas H. Bache and William Harding are related parties of Champion and are entitled to receive a "collateral benefit" (as such term is defined in MI 61-101) as a consequence of the Arrangement.

<u>Minority Approval</u>

MI 61-101 requires that, in addition to any other required securityholder approval, a business combination is subject to Minority Approval. In relation to the Arrangement and for purposes of the required Champion Securityholder approval for the Arrangement, the "minority" shareholders of Champion are all Champion Shareholders other than (i) Mamba, (ii) any interested party to the Arrangement within the meaning of MI 61-101, (iii) any related party to such interested party within the meaning of MI 61-101 (subject to the exceptions set out therein), and (iv) any person that is a joint actor with a person referred to in the foregoing clauses (ii) or (iii) for the purposes of MI 61-101.

As described below, each of Thomas Larsen, Miles Nagamatsu, Jorge Estepa, Jeffrey Hussey, Beat Frei, Alexander S. Horvath, Douglas H. Bache and William Harding is an interested party in connection with the Arrangement and each is entitled to receive a "collateral benefit" such that any Champion Common Shares beneficially owned, or over which control or direction is exercised by Thomas Larsen, Miles Nagamatsu, Jorge Estepa, Jeffrey Hussey, Beat Frei, Alexander S. Horvath, Douglas H. Bache and William Harding or any of their joint actors must be excluded for the purposes of determining whether Minority Approval has been obtained.

Accordingly, to the knowledge of the directors and executive officers of Champion, after reasonable inquiry, an aggregate of 5,403,243 votes attached to the Champion Common Shares beneficially owned or over which control or direction is exercised by Thomas Larsen, Miles Nagamatsu, Jorge Estepa, Jeffrey Hussey, Beat Frei, Alexander S. Horvath, Douglas H. Bache and William Harding, representing in the aggregate amount approximately 3.92% of the issued and outstanding Champion Common Shares, will be excluded in determining whether Minority Approval has been obtained for the purposes of MI 61-101.

Disclosure Concerning Certain Benefits

Pursuant to MI 61-101, votes attached to Champion Common Shares held by Champion Shareholders that receive a "collateral benefit" (as defined in MI 61-101) in connection with a business combination must be excluded in determining whether Minority Approval has been obtained. A "collateral benefit", as defined under MI 61-101, includes any benefit that a "related party" of Champion (which includes the directors and senior officers of Champion and its subsidiaries) is entitled to receive as a consequence of the Arrangement, including a lump sum payment or an enhancement in benefits related to past or future services as an employee, director or consultant of Champion; however, such a benefit will not constitute a "collateral benefit" provided that certain conditions are satisfied.

Under MI 61-101, a benefit received by a related party of Champion is not considered to be a collateral benefit if the benefit is received solely in connection with the related party's services as an employee, director or consultant of Champion or an affiliated entity and (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the Arrangement, (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the Arrangement in any manner, (iii) full particulars of the benefit are disclosed in this Circular, and (iv) either (A) at the time the Arrangement was agreed to, the related party and its associated entities beneficially own or exercise control or direction over less than 1% of the outstanding Champion Common Shares, or (B) (x) the related party discloses to an independent committee of Champion the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the Arrangement, in exchange for the Champion Common Shares beneficially owned by the related party, (y) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in (x), and (z) the independent committee's determination is disclosed in this Circular.

Mamba will issue that number of freely tradeable Mamba Shares having a value equal to the "Payment Amount" specified below based on a price of A$0.50 per Mamba Share, to the following officers, consultants and professional corporations controlled by certain directors, officers and consultants of Champion including: Gambier Holdings Corp., controlled by Thomas Larsen (Chief Executive Officer and President), Marlborough Management Limited, controlled by Miles Nagamatsu (Chief Financial Officer), J. Estepa Consulting, Inc., controlled by Jorge Estepa (Vice President, Secretary and Treasurer), Alexander S. Horvath (Executive Vice President Exploration & Development), Jeff Hussey and Associates Inc., controlled by Jeffrey Hussey (Senior Vice President, Corporate Development), Comforta GmbH, controlled by Beat Frei (Senior Vice President, Project Finance) and DHBache & Company Inc., controlled by Douglas H. Bache. The issuance of these Mamba Shares is in connection with the amendment of the Services Agreement and the benefit of receiving such shares ("**Benefits**") may result in the issuances of these Mamba Shares being characterized as "collateral benefits".

	Payment Amount
Gambier Holdings Corp.	$600,000
Marlborough Management Limited	$360,000
J. Estepa Consulting Inc.	$360,000
Alexander S. Horvath	$180,000
Jeff Hussey and Associates Inc.	$180,000
Comforta GmbH	$180,000
DHBache & Company Inc.	$150,000

See "The Arrangement – Interests of Certain Persons in the Arrangement – Professional Services and Consulting Agreements".

In addition to the Benefits, Champion has approved the payment of the Advisory Fee to certain of its officers and consultants in connection with the Arrangement, payable in cash upon the Effective Time, in an amount equal to 1% of the value of the Mamba Shares issued to Champion Shareholders pursuant to the Arrangement. See "Arrangement – Interests of Certain Persons in the Arrangement – Advisory Fee".

While the Benefits and the Advisory Fee were not conferred, for the purpose, in whole or in part, of increasing the value of the consideration paid to such individuals for securities relinquished under the Arrangement and the conferring of such benefits was not conditional on any of such individuals supporting the Arrangement, any Champion Common Shares beneficially owned, or over which control or direction is exercised by Thomas Larsen, Miles Nagamatsu, Jorge Estepa, Jeffrey Hussey, Beat Frei, Alexander S. Horvath, Douglas H. Bache and William Harding will be excluded for the purposes of determining whether Minority Approval of the Arrangement Resolution has been obtained.

Formal Valuation Requirements

MI 61-101 requires in certain circumstances that an issuer carrying out a business combination obtain a formal valuation prepared by an independent valuator. The Arrangement is not a prescribed class of business combination for which a formal valuation is required pursuant to MI 61-101.

United States Securities Law Matters

No Intention to List in the United States

Mamba does not currently intend to seek a listing for the Mamba Shares, or the Mamba Shares issued upon exercise of the Exchangeable Shares, on a stock exchange in the United States.

Exemption from the Registration Requirements of the 1933 Act

The Mamba Shares and Exchangeable Shares issuable in connection with the Arrangement will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act and exemptions provided under the securities laws of each state of the United States in which Champion Shareholders reside. Section 3(a)(10) of the 1933 Act exempts from registration a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof, by a court or by a governmental authority expressly authorized by law to grant such approval. The Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the 1933 Act with respect to the Mamba Shares and Exchangeable Shares issued in connection with the Arrangement.

Only Eligible Holders (as hereinafter defined) may elect to receive Exchangeable Shares in connection with the Arrangement. Mamba Shares issuable upon the exchange of the Exchangeable Shares are not exempt from the

1933 Act by virtue of the exemption afforded by Section 3(a)(10), or similar exemptions under state securities laws. If a shareholder in the United States holds Exchangeable Shares, such shareholder will need to demonstrate to Mamba's satisfaction that the exchange for Common Shares can be effected pursuant to applicable exemptions under the 1933 Act and state securities laws in connection with such exchange and any subsequent sale of Mamba Shares.

Resale of Mamba Shares and Exchangeable Shares in the United States

In certain circumstances, the 1933 Act will impose restrictions on the resale of Mamba Shares and Exchangeable Shares received pursuant to the Arrangement in the United States. The restrictions on resale imposed by the 1933 Act will depend on whether the recipients of Mamba Shares and Exchangeable Shares are "affiliates" of Mamba after the Effective Time or were affiliates of Mamba within 90 days prior to the Effective Time. For the purpose of the 1933 Act, an "affiliate" of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer and generally includes executive officers and directors of the issuer as well as principal shareholders of the issuer. "Control" means the possession, direct or indirect, of the power to direct or cause direction of the management and policies of an issuer, whether through the ownership of voting securities, by contract or otherwise.

Champion Shareholders who are not affiliates of Mamba after consummation of the Arrangement, and were not affiliates of Mamba within 90 days prior to the Effective Time, may freely resell Mamba Shares or Exchangeable Shares received pursuant to the Arrangement in the United States. Any Champion Shareholder who is or was such an affiliate, or becomes an affiliate of Mamba, may not resell Mamba Shares or Exchangeable Shares received pursuant to the Arrangement except in transactions outside of the United States to the extent permitted by, and subject to the conditions and limitations of, the resale provisions of Regulation S under the 1933, Rule 144 under the 1933 Act, or as otherwise permitted under the 1933 Act.

Champion Shareholders who are not affiliates of Mamba after consummation of the Arrangement may freely resell Mamba Shares or Exchangeable Shares received pursuant to the Arrangement in the United States. Any Champion Shareholder who is or becomes an affiliate of Mamba may not resell Mamba Shares or Exchangeable Shares received pursuant to the Arrangement except in transactions permitted by the resale provisions of Rule 144 or Rule 904 of Regulation S promulgated under the 1933 Act, or pursuant to an effective registration statement.

Affiliates – Rule 144

In general, under Rule 144, persons who are affiliates of Mamba after the completion of the Arrangement, or were affiliates of Mamba within 90 days prior to such time, will be entitled to sell in the United States, during any three-month period, the Mamba Shares or Exchangeable Shares that they receive in connection with the Arrangement, provided that the number of such securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated quotation system of a registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale, requirements, aggregation rules and the availability of current public information about Mamba.

Persons who are affiliates of Mamba after the completion of the Arrangement will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of Mamba.

Affiliates – Regulation S

In general, under Regulation S, at any time that Mamba is a foreign private issuer" (as defined in Rule 3b-4 under the Securities Exchange Act) persons who are affiliates of Mamba after the completion of the Arrangement, or were affiliates of Mamba within 90 days prior to such time, solely by virtue of their status as an officer or director of Mamba may sell their Mamba Shares or Exchangeable Shares outside the United States in an "offshore transaction" if neither the seller, an affiliate nor any person acting on its behalf engages in "directed selling efforts" in the United States and provided that no selling commission, fee or other remuneration is paid in connection with such sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. For purposes of Regulation S "directed selling efforts" means "any

activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered". Also, under Regulation S, an "offshore transaction" includes an offer that is not made to a person in the United States where either (a) at the time the buy order is originated, the buyer is outside the United States or the seller reasonably believes that the buyer is outside of the Unites States; or (b) the transaction is executed in, on or through the facilities of a "designated offshore securities market" (such as the ASX). Certain additional restrictions, set forth in Rule 903 of Regulation S, are applicable to sales outside the United States by a holder of Mamba Shares who is an affiliate of Mamba after the completion of the Arrangement, or was an affiliate within 90 days prior to the completion of the Arrangement, other than by virtue of his or her status as an officer or director of Mamba.

No Registration of Mamba Shares Issued Upon Exchange of the Exchangeable Shares

The Mamba Shares to be issued upon exchange of the Exchangeable Shares are not covered by the Section 3(a)(10) exemption from registration referenced above and may be issued only in accordance with an applicable exemption from the registration requirements of the 1933 Act. Accordingly, resales of such Mamba Shares will be subject to applicable restrictions imposed by the 1933 Act. Holders of such shares, who receive them in a transaction exempt from registration under the 1933 Act, can resell such shares pursuant to Rule 144 or Rule 904 of Regulation S promulgated under the 1933 Act or as otherwise permitted under the 1933 Act. Mamba does not intend to file a registration statement in order to register under the 1933 Act the offer and sale of Mamba Shares issued upon exchange of the Exchangeable Shares.

The foregoing discussion is only a general overview of the requirements of the U.S. securities laws that may be applicable to the resale of Mamba Shares or Exchangeable Shares received pursuant to the Arrangement. Recipients of Mamba Shares and Exchangeable Shares are urged to obtain legal advice to ensure that their resale of such securities complies with applicable U.S. securities laws.

Australian Securities Law Matters

Sections 707(3) and 707(4) of the *Corporations Act 2001* require Mamba to make disclosure under Part 6D.2 of the *Corporations Act 2001* if any Mamba Shares issued to Champion Shareholders under the Arrangement are to be sold within 12 months of their issue.

However, Mamba has obtained in-principle relief from this requirement from ASIC so that Champion Shareholders who receive Mamba Shares under the Arrangement or upon the exchange of Exchangeable Shares may freely trade their Mamba Shares within Australia (including on the ASX) without the need for such disclosure under Part 6D.2.

Stock Exchange Approvals

Listing on the TSX

Mamba has applied to list the Mamba Shares issuable by Mamba under the Arrangement (including upon the exchange of the Exchangeable Shares for Mamba Shares) on the TSX. It is a condition of closing that Mamba shall have received conditional listing approval from the TSX in respect of the listing of Mamba Shares (including the Mamba Shares distributable pursuant to the rights attached to the Exchangeable Shares, the Mamba Options and the Champion Warrants) on the TSX commencing on the Effective Date.

Listing on the ASX

Mamba will apply for quotation of the Mamba Shares issuable by Mamba under the Arrangement (including upon the exchange of the Exchangeable Shares for Mamba Shares) on the ASX. Mamba will not apply for quotation of the Exchangeable Shares or the Special Voting Share on the ASX or any other exchange.

Mamba is seeking confirmation from the ASX that the terms that apply to the Exchangeable Shares and the Special Voting Share raise no issues for the ASX under ASX Listing Rules 6.1 or 6.2.

Mamba is also seeking a waiver from the ASX to the extent necessary to permit Mamba, without obtaining further Mamba Shareholder Approval, to issue new Mamba Shares to Champion Shareholders as consideration under the Arrangement (including Mamba Shares subsequently issued in exchange for Exchangeable Shares).

Other Regulatory Matters

Competition Act (Canada)

Part IX of the Competition Act requires that the parties to certain classes of transactions provide prescribed information to the Commissioner where the applicable thresholds set out in Sections 109 and 110 of the Competition Act are exceeded and no exemption applies ("**Notifiable Transactions**"). Champion has concluded that the applicable thresholds for mandatory pre-merger notification under the Competition Act will not be exceeded and, therefore, that the Arrangement is not a Notifiable Transaction.

Whether or not a merger is a Notifiable Transaction, the Commissioner can apply to the Competition Tribunal for a remedial order under Section 92 of the Competition Act at any time before the merger has been completed or, if completed, within one year after it was substantially completed. On application by the Commissioner under Section 92 of the Competition Act, and except where conditions applicable to the efficiencies defence under Section 96 of the Competition Act are met, the Competition Tribunal may, where it finds that the merger prevents or lessens, or is likely to prevent or lessen, competition substantially, order that the merger not proceed or, if completed, order its dissolution or the disposition of assets or shares involved in such merger; in addition to, or in lieu thereof, with the consent of the person against whom the order is directed and the Commissioner, the Competition Tribunal can order a person to take any other action. The Commissioner may also seek interim relief, prior to or after commencing a Section 92 proceeding, enjoining completion or implementation of a merger pending completion of her review and/or the section 92 proceeding.

Investment Canada Act

Subject to certain limited exceptions, the direct acquisition of control of a Canadian business by a non-Canadian is subject to a post-closing notification requirement under Part III of the Investment Canada Act or, if a prescribed monetary threshold is met, subject to a pre-closing review requirement under Part IV of the Investment Canada Act (Parts III and IV of the Investment Canada Act are referred to herein as the "**General ICA Provisions**"). As the prescribed monetary thresholds in Part IV of the Investment Canada Act will not be exceeded, the acquisition of control of Champion will only require a post-closing notification under Part III.

Under Part IV.1 of the Investment Canada Act, investments by non-Canadians to establish a new Canadian business, acquire control of a Canadian business, or acquire, in whole or in part, or to establish an entity carrying on all or any part of its operations in Canada, regardless of whether the General ICA Provisions apply and regardless of whether the acquired or established entity constitutes a business for the purposes of the Investment Canada Act, can be made subject to review and approval on grounds that the investment could be injurious to national security. If the transaction is reviewed under Part IV.1 of the Investment Canada Act, the Governor in Council may, by order, take any measure in respect of the investment that the Governor in Council considers advisable to protect national security, including: (a) directing the purchaser not to implement the investment; (b) authorizing the investment on condition that the non-Canadian (i) give any written undertakings to Her Majesty in right of Canada relating to the investment that the Governor in Council considers necessary in the circumstances, or (ii) implement the investment on the terms and conditions contained in the order; or (c) if the investment has been implemented, requiring the purchaser to divest itself of control of the Canadian business or of its investment in the entity.

ELIGIBILITY FOR INVESTMENT IN CANADA

Based on the current provisions of the ITA and the regulations thereunder, the Mamba Shares, if acquired on the date hereof and if the Mamba Shares are listed on a designated stock exchange for purposes of the ITA (which currently includes the ASX), will be qualified investments under the ITA for a trust governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan and a tax-free savings account ("**TFSA**"), each as defined in the ITA ("**Registered Plans**"). **Registered Plans are not Eligible Holders and therefore cannot make a Consideration Election to acquire Exchangeable Shares and**

Ancillary Rights. Exchangeable Shares and Ancillary Rights are not qualified investments for Registered Plans.

Notwithstanding that Mamba Shares may be qualified investments for a trust governed by a TFSA, RRSP or RRIF, the holder of a TFSA or the annuitant of an RRSP or a RRIF, as the case may be (each a "**Plan Holder**"), will be subject to a penalty tax on such shares if such shares are a "prohibited investment" for the TFSA, RRSP or RRIF. Mamba Shares will generally be a "prohibited investment" if the Plan Holder does not deal at arm's length with Mamba for purposes of the ITA or has a "significant interest" (as defined in the ITA) in Mamba. Generally, a "significant interest" of a corporation includes the direct or indirect ownership of 10% or more of the issued shares of any class of the capital stock of the corporation or of any other corporation that is related to the corporation, either alone or together with persons with whom Plan Holder does not deal at arm's length. Plan Holders are advised to consult their own tax advisors with respect to whether Mamba Shares are "prohibited investments" in their particular circumstances and the tax consequences of Mamba Shares being acquired or held by trusts governed by a Registered Plan in respect of which they are a holder or an annuitant.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR CHAMPION SHAREHOLDERS

The following is a summary of certain Canadian federal income tax considerations for Champion Shareholders under the ITA relating to the Arrangement that will generally apply to Champion Shareholders who, for purposes of the ITA, and at all relevant times, beneficially hold their Champion Common Shares, and will hold their Mamba Shares and Exchangeable Shares, as capital property and deal at arm's length with, and are not affiliated with, Champion, Mamba or Canco.

This summary does not apply to a Champion Shareholder: (i) with respect to whom Mamba is or will be a "foreign affiliate" within the meaning of the ITA, (ii) that is a "financial institution", for the purposes of the mark-to-market rules in the ITA, (iii) an interest in which is a "tax shelter investment" as defined in the ITA, (iv) that is a "specified financial institution" as defined in the ITA, (v) who has made a "functional currency" election under Section 261 of the ITA, or (vi) who received Champion Common Shares upon exercise of a stock option prior to the Effective Time. Any such Champion Shareholder should consult its own tax advisor with respect to the Arrangement.

Champion Common Shares, Mamba Shares and Exchangeable Shares will generally be considered to be capital property unless such securities are held in the course of carrying on a business of trading or dealing in securities, or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Champion Shareholders who are residents of Canada for purposes of the ITA and whose Champion Common Shares might not otherwise qualify as capital property, may be entitled to make an irrevocable election in accordance with subsection 39(4) of the ITA to have their Champion Common Shares, and every "Canadian security" (as defined in the ITA) owned by such Champion Shareholder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Neither the Exchangeable Shares nor the Mamba Shares will be Canadian securities for this purpose and therefore will not be deemed to be capital property under subsection 39(4) of the ITA for a holder who has made an irrevocable election under such subsection. Champion Shareholders who do not hold their Champion Common Shares as capital property or who will not hold their Mamba Shares and/or Exchangeable Shares as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is based on the facts set out in the Circular, the current provisions of the ITA and the regulations thereunder and the published administrative policies and assessing practices of the CRA publicly available prior to the date of this document. This summary takes into account all proposed amendments to the ITA and the regulations thereunder that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof ("**Proposed Amendments**") and assumes that such Proposed Amendments will be enacted substantially as proposed. However, no assurance can be given that such Proposed Amendments will be enacted in the form proposed, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Arrangement and/or the holding of Mamba Shares or Exchangeable Shares. Except for the Proposed Amendments, this summary does not take into account or anticipate any other changes in law or any changes in the CRA's administrative policies and assessing practices, whether by judicial, governmental or legislative

action or decision, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ from the Canadian federal income tax considerations described herein.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular Champion Shareholder. Champion Shareholders should consult their own tax advisors as to the tax consequences to them of the Arrangement and the holding of Mamba Shares and/or Exchangeable Shares.

For purposes of the ITA, all amounts relating to the acquisition, holding or disposition of securities (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in Australian dollars must be converted into Canadian dollars generally based on the Bank of Canada noon exchange rate on the date such amounts arise.

Resident in Canada

The following section of the summary only applies to a Champion Shareholder who, for purposes of the ITA, is or is deemed to be a resident of Canada at all relevant times.

Receipt of Ancillary Rights

A Champion Shareholder who makes a Consideration Election to receive Exchangeable Shares in consideration for Champion Common Shares under the Arrangement will also receive the Ancillary Rights. Such Champion Shareholder will be required to account for these Ancillary Rights in determining the proceeds of disposition of such Champion Common Shares and, where the Champion Shareholder makes a Joint Tax Election, the cost under the ITA of Exchangeable Shares received in consideration therefor. Champion is of the view that the Ancillary Rights have nominal fair market value. Such view is not binding on the CRA and it is possible that the CRA could take a contrary view. This summary assumes that the Ancillary Rights have nominal fair market value.

Grant of Call Rights

A Champion Shareholder who makes a Consideration Election to receive Exchangeable Shares, and the Ancillary Rights, under the Arrangement will grant the Call Rights to Mamba. Champion is of the view that the Call Rights have only a nominal fair market value and accordingly no amount should be considered received by a Champion Shareholder for granting the Call Rights. Such view is not binding on the CRA and it is possible that the CRA could take a contrary view. Provided that this view with respect to the value of such Call Rights is correct, the granting of the Call Rights should not result in any material adverse income tax consequences to a Champion Shareholder who acquires Exchangeable Shares. This summary assumes that the Call Rights have nominal value.

Exchange of Champion Common Shares for Mamba Shares

A Champion Shareholder who makes a Consideration Election to receive Mamba Shares in exchange for their Champion Common Shares under the Arrangement will be considered to have disposed of such Champion Common Shares for proceeds of disposition equal to the fair market value at the Effective Time of the Mamba Shares acquired by such Champion Shareholder on the exchange. As a result, the Champion Shareholder will generally realize a capital gain (or a capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Champion Shareholder of such Champion Common Shares. For a description of the tax treatment of capital gains and losses, see "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Taxation of Capital Gains or Capital Losses" below.

Exchange of Champion Common Shares for Exchangeable Shares and Ancillary Rights – Non-Rollover Transaction

A Champion Shareholder who makes a Consideration Election to receive Exchangeable Shares and Ancillary Rights in exchange for their Champion Common Shares that are Exchangeable Elected Shares will, unless such Champion Shareholder makes a valid joint election under subsection 85(1) or 85(2) of the ITA as discussed

below, be considered to have disposed of such Exchangeable Elected Shares for proceeds of disposition equal to the sum of (i) the fair market value at the Effective Time of any Exchangeable Shares received by the Champion Shareholder on the exchange, and (ii) the fair market value at the Effective Time of the Ancillary Rights received by the Champion Shareholder on the exchange. As noted above, however, this summary assumes that the fair market value of the Ancillary Rights will be nominal.

As a result, the Champion Shareholder will generally realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Champion Shareholder of the Exchangeable Elected Shares. For a description of the tax treatment of capital gains and losses, see "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Taxation of Capital Gains or Capital Losses" below.

In such circumstances, the cost to a holder of Exchangeable Shares and Ancillary Rights acquired on the exchange will be equal to the fair market value of such shares and rights at the Effective Time.

Exchange of Champion Common Shares for Consideration Including Exchangeable Shares and Ancillary Rights – Rollover Transaction Joint Tax Election

A Champion Shareholder who is an Eligible Holder, who makes a Consideration Election to receive Exchangeable Shares and Ancillary Rights in exchange for their Champion Common Shares that are Exchangeable Elected Shares, and who makes a valid joint election with Canco pursuant to subsection 85(1) of the ITA (or, in the case of an Eligible Holder that is a Canadian partnership, pursuant to subsection 85(2) of the ITA) in respect of such Exchangeable Elected Shares (a "Joint Tax Election") may thereby obtain a full or partial deferral of a capital gain otherwise arising on the exchange of such Champion Common Shares as described above under "Resident in Canada – Exchange of Champion Common Shares for Exchangeable Shares and Ancillary Rights – Non-Rollover Transaction", depending on the Elected Amount (as defined below) and the adjusted cost base to the holder of the Exchangeable Elected Shares at the time of the exchange.

Canco will only make a Joint Tax Election with an Eligible Holder. Eligible Holders who wish to make a Joint Tax Election with Canco should give their immediate attention to this matter following the Effective Time. For further information respecting the Joint Tax Election, see Interpretation Bulletin IT-291R3 "Transfer of Property to a Corporation under Subsection 85(1)" (January 12, 2004) and Information Circular IC 76-19R3 "Transfer of Property to a Corporation under Section 85" (June 17, 1996) issued by the CRA.

The comments made herein with respect to such elections are provided for general information only. The law in this area is complex and contains numerous technical requirements. Eligible Holders wishing to make a Joint Tax Election should consult their own tax advisors.

Elected Amount

An Eligible Holder of Exchangeable Elected Shares may elect an amount which, subject to certain limitations contained in the ITA, will be treated as the proceeds of disposition of such Exchangeable Elected Shares (the "Elected Amount"). The limitations imposed by the ITA in respect of the Elected Amount are that the Elected Amount may not:

(a) be less than the fair market value at the Effective Time of the Ancillary Rights acquired on the exchange;

(b) be less than the lesser of (i) the adjusted cost base to the Eligible Holder of the Eligible Holder's Exchangeable Elected Shares at the Effective Time, and (ii) the fair market value of the Exchangeable Elected Shares at the Effective Time; and

(c) exceed the fair market value of the Exchangeable Elected Shares at the Effective Time.

Tax Treatment to Champion Shareholders

Where an Eligible Holder and Canco make a valid Joint Tax Election in respect of Exchangeable Elected Shares, the tax treatment to such Eligible Holder will generally be as follows:

(a) the Eligible Holder will be deemed to have disposed of the Exchangeable Elected Shares for proceeds of disposition equal to the Elected Amount;

(b) the Eligible Holder will not realize a capital gain (or a capital loss), provided that the Elected Amount is equal to the sum of (i) the aggregate adjusted cost base to the Eligible Holder of its Exchangeable Elected Shares immediately before the Effective Time and (ii) any reasonable costs of disposition;

(c) the Eligible Holder will realize a capital gain (or a capital loss) to the extent that the Elected Amount exceeds (or is less than) the sum of (i) the aggregate adjusted cost base to the Eligible Holder of its Exchangeable Elected Shares immediately before the Effective Time and (ii) any reasonable costs of disposition. For a description of the tax treatment of capital gains and losses, see "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Taxation of Capital Gains or Capital Losses" below;

(d) the cost to the Eligible Holder of the Ancillary Rights received on the exchange will be equal to the fair market value thereof at the Effective Time; and

(e) the cost to the Eligible Holder of the Exchangeable Shares received on the exchange will be equal to the amount by which the Elected Amount exceeds the fair market value at the Effective Time of the Ancillary Rights received on the exchange.

Procedure for Making an Election

To make a Joint Tax Election, the Eligible Holder must provide two signed copies of the applicable tax election forms to Canco within 90 days following the Effective Date, duly completed and including (i) the required information concerning the Eligible Holder, (ii) the details of the number of Exchangeable Elected Shares transferred in respect of which the Eligible Holder is making a Joint Tax Election, and (iii) the applicable Elected Amounts for such Exchangeable Elected Shares. An Eligible Holder interested in making the Joint Tax Election in respect of the Exchangeable Shares it receives in the Arrangement should so indicate on the letter of transmittal and election form. A tax election package, consisting of the relevant federal tax election forms and a letter of instructions, may be sent by mail to such holder. A tax election package may also be obtained by mail from the Depositary. The relevant federal tax election form is form T2057 (or, in the event that the Champion Common Shares are held by an Eligible Holder that is a "Canadian partnership" within the meaning of the ITA, form T2058).

Joint Ownership

Where the Champion Common Shares are held in joint ownership and two or more of the co-owners wish to make a Joint Tax Election, a co-owner designated for such purpose should file a copy of the federal election form T2057 (and any other relevant provincial or territorial forms) for each co-owner. Such election forms must be accompanied by a list of the names, addresses and social insurance numbers or tax account numbers of each of the co-owners, along with documentation authorizing the designated co-owner to complete, sign and file the forms on behalf of each co-owner.

Partnerships

Where the Champion Common Shares are held by an Eligible Holder that is a "Canadian partnership" within the meaning of the ITA and the partnership wishes to make a Joint Tax Election, a partner designated by the partnership must file a copy of the federal election form T2058 (and any other relevant provincial or territorial forms) on behalf of all members of the partnership. Such election forms must be accompanied by a list of the names, addresses, social insurance numbers or tax account numbers of each of the partners, along with documentation authorizing the designated partner to complete, sign and file the forms on behalf of each partner.

Additional Provincial or Territorial Election Forms

Certain provinces or territories may require that a separate joint tax election be filed for provincial or territorial income tax purposes. Canco will also make a joint tax election with an Eligible Holder under the provisions of

any relevant provincial or territorial income tax law having similar effect to section 85 of the ITA, subject to the same limitations as described herein. Eligible Holders should consult their own tax advisors to determine whether separate election forms must be filed with any provincial or territorial taxing authority and to determine the procedure for filing any such separate election form. **It will be the sole responsibility of each Eligible Holder who wishes to make such an election to obtain the appropriate provincial or territorial election forms and to duly complete and submit such forms to Canco for its execution at the same time as the federal election forms.**

Execution by Canco of Election Form

Subject to the election forms being correct and complete and complying with the provisions of the applicable income tax law and the Arrangement, Canco will sign duly completed tax election forms received from an Eligible Holder within 90 days following the Effective Date and return them to the Eligible Holder within 90 days of receipt thereof.

Canco will not be responsible for the proper or accurate completion of the tax election forms or to check or verify the content of any election form and, except for Canco's obligation to return duly completed tax election forms (which are received by it within 90 days after the Effective Date) within 90 days after the receipt thereof, Canco will not be responsible for any taxes, interest or penalties or any other costs or damages resulting from the failure by an Eligible Holder to properly and accurately complete or file the necessary election forms in the form and manner and within the time prescribed by the ITA (or any applicable provincial legislation). In its sole discretion, Canco may choose to sign and return tax election forms received more than 90 days following the Effective Date, but Canco will have no obligation to do so.

Filing of Election Forms

For the CRA to accept a tax election form without a late filing penalty being paid by an Eligible Holder, the election form, duly completed and executed by both the Eligible Holder and Canco must be received by the CRA on or before the earliest due date for the filing of either Canco's or the Eligible Holder's income tax return for the taxation year in which the exchange takes place.

In the absence of a transaction subsequent to the Effective Date but prior to December 31 that results in a taxation year end for Canco, the taxation year of Canco is expected to end on December 31. In such circumstances, the Joint Tax Election generally must, in the case of an Eligible Holder who is an individual (other than a trust), be received by the CRA by April 30, 2015 (being generally the deadline when such individuals are required to file tax returns for the 2014 taxation year).

Information concerning the filing deadline will be included in the tax election package that will be available on Champion's website at http://www.championironmines.com and may be mailed to Eligible Holders who have indicated that they wish to receive Exchangeable Shares.

Eligible Holders are strongly advised to consult their own tax advisors as soon as possible respecting the deadlines applicable to their own particular circumstances, including any similar deadlines required under any provincial or territorial tax legislation for provincial or territorial tax elections. However, regardless of such deadlines, properly completed tax election forms must be received by Canco at the address set out in the tax election package (which may be obtained by mail from Champion or the Depositary and will also be available via the internet on Champion's website at http://www.championironmines.com) within 90 days following the Effective Date of the Arrangement. Any Eligible Holder who does not ensure that Canco has received the properly completed tax election forms within 90 days following the Effective Date of the Arrangement may not be able to benefit from the rollover provisions of the ITA and any applicable provincial or territorial tax legislation.

Ancillary Rights

The Joint Tax Elections will be executed by Canco on the basis that the fair market value of the Ancillary Rights is a nominal amount per Exchangeable Share issued on the exchange. This amount will be provided to Champion Shareholders in the letter of instructions included in the tax election package.

Redemption, Exchange and Disposition of Exchangeable Shares

A Champion Shareholder will be considered to have disposed of Exchangeable Shares:

(a) on a redemption (including pursuant to a Retraction Request) of such Exchangeable Shares by Canco and

(b) on an acquisition of such Exchangeable Shares by Mamba.

As discussed below, the Canadian federal income tax consequences of the disposition for the Champion Shareholder will be different depending on whether the event giving rise to the disposition is a redemption by Canco or an acquisition by Mamba.

A holder who exercises the right to require the redemption of an Exchangeable Share by giving a Retraction Request cannot control whether the Exchangeable Share will be acquired by Mamba under the Retraction Call Right or redeemed by Canco.

Redemption or Retraction of Exchangeable Shares

On a redemption (including a pursuant to a Retraction Request) of an Exchangeable Share by Canco, the Champion Shareholder will be deemed to have received a dividend equal to the amount, if any, by which the fair market value at the time of redemption of any consideration received in respect of the redemption (the "redemption proceeds"), exceeds the paid-up capital (for purposes of the ITA) of the Exchangeable Share at the time of redemption. See "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Dividends on Exchangeable Shares" below. On the redemption, the holder of an Exchangeable Share will also be considered to have disposed of the Exchangeable Share for proceeds of disposition equal to the redemption proceeds less the amount of such deemed dividend. The holder will also generally realize a capital gain (or a capital loss) equal to the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of the Exchangeable Shares. In certain cases the amount otherwise deemed to be a dividend received by a Champion Shareholder that is a corporation may be treated as additional proceeds of disposition rather than as a dividend in accordance with specific rules in the ITA. For a description of the tax treatment of capital gains and losses, see "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Taxation of Capital Gains or Capital Losses" below.

Exchange of Exchangeable Shares with Mamba

On the exchange of an Exchangeable Share by the holder with Mamba for Mamba Shares and the Dividend Amount, if any, the holder will generally realize a capital gain (or a capital loss) to the extent the proceeds of disposition of the Exchangeable Share, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of the Exchangeable Share. For these purposes, the proceeds of disposition will be the fair market value of the Mamba Shares received upon exchange plus the Dividend Amount, if any. For a description of the tax treatment of capital gains and losses, see "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Taxation of Capital Gains or Capital Losses" below. The acquisition by Mamba of an Exchangeable Share from the holder thereof will not result in a deemed dividend to the holder.

Disposition of Exchangeable Shares other than on Redemption, Retraction or Exchange

A disposition or deemed disposition of Exchangeable Shares by a Champion Shareholder, other than on the redemption, retraction or exchange of the Exchange Shares with Mamba, will generally result in a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of those Exchangeable Shares immediately before the disposition. For a description of the tax treatment of capital gains and losses, see "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Taxation of Capital Gains or Capital Losses" below.

Dividends on Exchangeable Shares

In the case of a Champion Shareholder who is an individual, dividends received or deemed to be received on the Exchangeable Shares will be included in computing the Champion Shareholder's income and will be subject to the gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations. Provided that appropriate designations are made by Canco at the time a dividend or deemed dividend is paid, such dividends will be treated as "eligible dividends" for the purposes of the ITA and a holder who is an individual resident in Canada will be entitled to an enhanced dividend tax credit in respect of such dividends. There are limitations on the ability of a corporation to designate dividends and deemed dividends as eligible dividends.

In the case of a Champion Shareholder that is a corporation, dividends received or deemed to be received on the Exchangeable Shares will be required to be included in computing the corporation's income for the taxation year in which such dividends are received and provided Mamba is not a "specified financial institution" (as defined in the ITA) at the time the dividend is received, such dividends will generally be deductible in computing the corporation's taxable income. **Corporate shareholders should consult their own tax advisors for advice with respect to the potential application of these provisions.**

A Champion Shareholder that is a "private corporation" (as defined in the ITA) or any other corporation resident in Canada and controlled or deemed to be controlled by or for the benefit of an individual or a related group of individuals may be liable under Part IV of the ITA to pay a refundable tax of 33 1/3% on dividends received or deemed to be received on the Exchangeable Shares to the extent that such dividends are deductible in computing the Champion Shareholder's taxable income.

The Exchangeable Shares will be taxable preferred shares and short-term preferred shares for the purpose of the ITA. Therefore, a holder of Exchangeable Shares that is a corporation and receives or is deemed to receive dividends on such shares will not be subject to the 10% tax under Part IV.1 of the ITA.

Dividends on Mamba Shares

Dividends on Mamba Shares will be included in the recipient's income for the purposes of the ITA. Such dividends received by a Mamba Shareholder who is an individual will not be subject to the gross-up and dividend tax credit rules in the ITA. A Mamba Shareholder that is a corporation must include such dividends in computing its income and will not be entitled to deduct the amount of the dividends in computing its taxable income.

A Mamba Shareholder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the ITA) may be liable to pay a refundable tax of 6 2⁄3% on its "aggregate investment income" (as defined in the ITA), including dividends received on Mamba Shares that are not deductible in computing taxable income.

Any Australian non-resident withholding tax on these dividends generally will be eligible for foreign tax credit or deduction treatment to the extent and under the circumstances provided in the ITA.

Acquisition and Disposition of Mamba Shares

The cost of Mamba Shares received in exchange for a Champion Common Share pursuant to the Arrangement or on the retraction, redemption or exchange of an Exchangeable Share will be equal to the fair market value of such Mamba Shares at the time of such event and will generally be averaged with the adjusted cost base of any other Mamba Shares held at that time by the holder as capital property for the purpose of determining the holder's adjusted cost base of such Mamba Shares.

A disposition or deemed disposition of Mamba Shares by a holder will generally result in a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of the Mamba Shares immediately before the disposition. For a description of the tax treatment of capital gains and losses, see "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Taxation of Capital Gains or Capital Losses" below.

Taxation of Capital Gains or Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Champion Shareholder in a taxation year must be included in the holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a holder in a taxation year must be deducted from taxable capital gains realized by the holder in that year (subject to and in accordance with rules contained in the ITA). Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the ITA.

A Champion Shareholder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the ITA) may be liable to pay a refundable tax of 6 2/3% on its "aggregate investment income" (as defined in the ITA), including any taxable capital gains.

If the holder of a Champion Common Share or an Exchangeable Share is a corporation, the amount of any capital loss realized on a disposition or deemed disposition of such share may be reduced by the amount of dividends received or deemed to have been received by it on such share (and in certain circumstances a share exchanged for such share) to the extent and under circumstances described in the ITA. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns such shares or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such shares. Holders to whom these rules may be relevant should consult their own tax advisors.

Alternative Minimum Tax on Individuals

A capital gain realized, or deemed to be realized and the actual amount of taxable dividends (not including the gross-up) received or deemed to be received by an individual (including certain trusts and estates) who is resident or deemed to be a resident of Canada, may give rise to liability for alternative minimum tax under the ITA. Any additional tax payable by an individual under the alternative minimum tax provisions may be carried forward and applied against certain tax otherwise payable in any of the seven immediately following taxation years, to the extent specified by the ITA.

Foreign Property Information Reporting

In general, a "specified Canadian entity" for a taxation year or fiscal period whose total cost amount of "specified foreign property" (both as defined in the ITA) at any time in the year or fiscal period exceeds $100,000, is required to file an information return for the year or period disclosing prescribed information. With some exceptions, a Champion Shareholder resident in Canada in the year will be a specified Canadian entity.

Exchangeable Shares, Ancillary Rights and Mamba Shares will constitute specified foreign property to a holder. Accordingly, holders of Exchangeable Shares, Ancillary Rights and Mamba Shares should consult their own tax advisors regarding compliance with these rules.

Holders of Exchangeable Shares, Ancillary Rights and Mamba Shares should consult their own tax advisors regarding the reporting rules contained in the ITA.

Offshore Investment Fund Property

The ITA contains rules which may require a taxpayer to include in income in each taxation year an amount in respect of the holding of an "offshore investment fund property". These rules could apply to a holder of a Mamba Share or Exchangeable Share if, but only if:

(a) the Mamba Share or Exchangeable Share may reasonably be considered to derive its value, directly or indirectly, primarily from portfolio investments in: (i) shares of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options

to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing (collectively, "**Investment Assets**"); and

(b) it may reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the holder acquiring, holding or having an interest in the Mamba Share or Exchangeable Share was to derive a benefit from portfolio investments in Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such assets for any particular year are significantly less than the tax that would have been applicable under Part I of the ITA if the income, profits and gains been earned directly by such holder.

If applicable, these rules would generally require a holder of a Mamba Share or Exchangeable Share to include in income, for each taxation year in which such holder holds the Mamba Share or Exchangeable Share, an imputed amount determined by applying a prescribed rate of interest to the "designated cost" to the holder of the Mamba Share or Exchangeable Share at the end of each month in the year, less the amount of certain income of the holder from the Mamba Share or Exchangeable Share in the year. Any amount required to be included in computing a holder's income in respect of an Mamba Share or Exchangeable Share under these rules would be added to the adjusted cost base to the holder of such share.

Holders of Mamba Shares or Exchangeable Shares should consult their own tax advisors regarding the application and consequences of these rules.

Dissenting Champion Shareholders

A Dissenting Champion Shareholder will be deemed to have transferred its Champion Common Shares to Mamba as of the Effective Time and will receive a cash payment from Mamba in respect of the fair value of the Dissenting Champion Shareholder's Champion Common Shares. Such a Dissenting Champion Shareholder will be considered to have disposed of the Champion Common Shares for proceeds of disposition equal to the amount received by the Dissenting Champion Shareholder (less any interest awarded by a court). As a result, such Dissenting Champion Shareholder will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition received exceed (or is less than) the aggregate of (i) the adjusted cost base to the Dissenting Champion Shareholder of the Champion Common Shares; and (ii) any reasonable costs of disposition.

Interest awarded to a Dissenting Champion Shareholder by a court will be included in the Dissenting Shareholder's income for the purposes of the ITA. In addition, a Dissenting Champion Shareholder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the ITA) may be liable to pay a refundable tax of 6 2/3% on its "aggregate investment income" (as defined in the ITA), including taxable capital gains and interest income.

A Champion Shareholder who exercises his or her dissent rights but who is not ultimately determined to be entitled to be paid fair value for the Champion Common Shares held by such Champion Shareholder will be deemed to have participated in the Arrangement and will receive Mamba Shares and be subject to Canadian income tax on the same basis as other Champion Shareholders who receive Mamba Shares under the Arrangement.

Not Resident in Canada

The following section of the summary only applies to a holder of Champion Common Shares who, (i) for the purposes of the ITA and any applicable income tax treaty and at all relevant times, is not, and is not deemed to be, a resident of Canada (ii) does not, and is not deemed to, use or hold Champion Common Shares or Mamba Shares received pursuant to the Arrangement in or in the course of, carrying on a business in Canada, and (iii) is not an insurer who carries on an insurance business or is deemed to carry on an insurance business in Canada and elsewhere (in this section, a "**Non-Resident Holder**"). A Champion Shareholder that is not resident in Canada but that is not a Non-Resident Holder should consult its own tax advisor with respect to the Arrangement.

Exchange of Champion Common Shares for Mamba Shares

A Non-Resident Holder who exchanges Champion Common Shares under the Arrangement for Mamba Shares should not be subject to tax under the ITA in respect of any capital gain realized on the exchange unless (i) the Champion Common Shares are, or are deemed to be, "taxable Canadian property" (as defined in the ITA) of the Non-Resident Holder at the time of the exchange, and the (ii) the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the Non-Resident Holder's country of residence.

Generally, Champion Common Shares will not be "taxable Canadian property" of a Non-Resident Holder at a particular time provided that the Champion Common Shares are listed on a designated stock exchange (which includes the TSX at that time, unless: (i) at any time during the sixty-month period immediately preceding the disposition of the Champion Common Shares by such Non-Resident Holder, (A) the Non-Resident Holder, (B) persons not dealing at "arm's length" (as defined in the ITA) with such Non-Resident Shareholder, (C) pursuant to certain Proposed Amendments released on July 12, 2013, partnerships in which the Non-Resident Holder or a person described in (B) holds a membership interest, directly or indirectly through one or more partnerships, or (D) the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of the capital stock of Champion and more than 50% of the fair market value of the Champion Common Shares was delivered directly or indirectly from one or any combination of (A) real or immovable property situated in Canada, (B) "Canadian resource properties" as defined in the ITA, (C) "timber resource properties" as defined in the ITA, and (D) options in respect of, interests in, or civil law rights in, an such properties; or (ii) the Non-Resident Holder's Champion Common Shares were acquired in certain types of tax-deferred exchanges in consideration for property that was itself taxable Canadian property.

Even if the Champion Common Shares are, or are deemed to be, "taxable Canadian property" of a Non-Resident Holder, a taxable capital gain resulting from the disposition of such shares will not be included in computing the Non-Resident Holder's income for purposes of the ITA provided that the Champion Common Share constitutes "treaty-protected property", as defined in the ITA. A Champion Common Share owned by a Non-Resident Holder will generally be "treaty-protected property" at the time of the disposition if the gain from the disposition of such share would, because of an applicable income tax convention between Canada and the Non-Resident Holder's country of residence, be exempt from tax under the ITA. Non-Resident Holders should consult their own tax advisors with respect to the availability of any relief under the terms of an applicable income tax convention between Canada and the Non-Resident Holder's country of residence in their particular circumstances.

In the event that the Champion Common Shares are, or are deemed to be, "taxable Canadian property" of a Non-Resident Holder and the capital gain realized upon a disposition of such shares is not exempt from tax under the ITA by virtue of an applicable income tax convention, the tax consequences as described above under "Resident in Canada – Taxation of Capital Gains or Capital Losses" will generally apply.

A Non-Resident Holder who disposes of Champion Common Shares that are "taxable Canadian Property" will be required to file a Canadian federal income tax return reporting the disposition of such shares in the year of disposition (unless the disposition is an "excluded disposition", as defined in the ITA). **Non-Resident Holders who dispose of "taxable Canadian property" should consult their own tax advisors regarding any resulting Canadian reporting requirements.**

Dissenting Non-Resident Holders

A Non-Resident Holder who is a Dissenting Champion Shareholder (a "**Non-Resident Dissenting Holder**") will be deemed to have transferred its Champion Common Shares to Mamba as of the Effective Time and will receive a cash payment from Mamba in respect of the fair value of the Non-Resident Dissenting Holder's Champion Common Shares. Such a Non-Resident Dissenting Holder will be considered to have disposed of the Champion Common Shares for proceeds of disposition equal to the amount received by the Non-Resident Dissenting Holder (less any interest awarded by a court). As a result, such Non-Resident Dissenting Holder will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition received exceed (or is less than) the aggregate of (i) the adjusted cost base to the Non-Resident Dissenting Holder of the Champion Common Shares; and (ii) any reasonable costs of disposition.

The Non-Resident Dissenting Holder will be taxable on any such capital gain only if the Champion Common Shares are, or are deemed to be, "taxable Canadian property" of the Non-Resident Dissenting Holder and the Non-Resident Dissenting Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the Non-Resident Dissenting Holder's country of residence. In the event that the Champion Common Shares are, or are deemed to be, "taxable Canadian property" of a Non-Resident Dissenting Holder and the capital gain realized upon a disposition of such shares is not exempt from tax under the ITA by virtue of an applicable income tax convention, the tax consequences as described above under "Resident in Canada – Taxation of Capital Gains or Capital Losses" will generally apply.

A Non-Resident Dissenting Holder will not be subject to Canadian withholding tax on any amount of interest that is awarded by the Court.

A Non-Resident Dissenting Holder who exercises his or her dissent rights but who is not ultimately determined to be entitled to be paid fair value for the Champion Common Shares held by such Non-Resident Dissenting Holder will be deemed to have participated in the Arrangement and will receive Mamba Shares and be subject to Canadian income tax on the same basis as other Non-Resident Holders who receive Mamba Shares under the Arrangement.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR CHAMPION OPTIONHOLDERS

The following is, as of the date hereof, a summary of certain Canadian federal income tax considerations generally applicable under the ITA in respect of the Arrangement that will generally apply to a Champion Optionholder who (i) at all relevant times, are, or are deemed to be, resident in Canada for the purposes of the ITA, (ii) exchange Champion Options pursuant to the Plan of Arrangement for Replacement Options, (iii) are a current or former employee or director of Champion, (iv) received the Champion Options in respect of, in the course of, or by virtue of, such employment or in consideration for the services performed as a director of Champion, and (v) at the time the Champion Optionholder's Champion Options were granted, dealt at arm's length with Champion. This summary does not describe the tax consequences of an exercise or other disposition of Champion Options by Champion Optionholders, prior to the Effective Time, and holders who have, or wish to, exercise or dispose of their Champion Options prior to the Effective Time should consult their own tax advisors. Champion Optionholders to whom this summary does not apply should consult their own advisors with respect to the consequences of transactions contemplated herein.

Exchange of Champion Options for Replacement Options

The terms of the Arrangement provide that each Champion Option that is outstanding immediately prior to the Effective Time, whether or not vested, will be exchanged for a Replacement Option. Provided that (i) the amount by which the fair market value of the Mamba Share immediately after the exchange exceeds the exercise price to acquire such share under the Replacement Option is not greater than (ii) the amount by which the fair market value of the Champion Share immediately before the exchange exceeded the exercise price to acquire such share under the Champion Option exchanged, a Champion Optionholder that exchanges a Champion Option for a Replacement Option will not be considered to have disposed of their Champion Option and the Replacement Option will be deemed to be a continuation of the Champion Option so exchanged.

CERTAIN AUSTRALIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the Australian tax consequences of a Champion Securityholder who is not a resident of Australia of the Arrangement. This summary is of a general nature and based on the law and practice as in effect at 9:00 am Sydney time on the date of this Notice of Special Meeting and Management Proxy Circular.

The discussion below is not intended to constitute a complete analysis of all the Australian tax consequences relating to the Arrangement, or all the Australian tax consequences of the Arrangement for all for Champion Securityholders, some of whom may be subject to special or additional rules. This summary is not intended to address the Australian tax consequences to any person who is a resident of Australia or who acquires, holds or disposes of the Champion Common Shares, Champion Options, Mamba Shares or Exchangeable Shares as part of or in the course of carrying on a business in Australia, via an Australian permanent establishment or branch or in any other manner. This summary is also not intended to address the Australian tax consequences

to any person who at any time holds or has the right to acquire 10% or more of the voting rights in or rights to distribution of income or capital from Mamba on an associate inclusive basis.

Each Champion Securityholder should consult their own tax advisers concerning the tax consequences of the Arrangement in their own particular circumstances.

Champion Optionholders

Champion Optionholders who are not Australian residents, and who do not hold their Champion Options as part of or in the course of carrying on a business in Australia, via an Australian permanent establishment or branch or in any other manner should not be subject to Australian tax in respect of the Arrangement to the extent that it affects their Champion Options.

Disposal of Champion Common Shares in exchange for Exchangeable Shares

Champion Shareholders who are not Australian residents, and who do not hold their Champion Common Shares as part of or in the course of carrying on a business in Australia, via a permanent establishment, branch or in any other manner should not be subject to Australian tax in respect of any of the disposal of their Champion Common Shares in exchange for Exchangeable Shares, the receipt of the Ancillary Rights, the grant of the Call Rights to Mamba or any subsequent events in respect of the Ancillary Rights or Call Rights.

Distributions on Exchangeable Shares

Champion Shareholders who are not Australian residents, and who do not hold Exchangeable Shares as part of or in the course of carrying on a business in Australia, via an Australian permanent establishment or branch or in any other manner should not be subject to Australian tax in respect of distributions received on their Exchangeable Shares.

Disposal of Exchangeable Shares

Champion Shareholders who are not Australian residents, and who do not hold their Exchangeable Shares as part of or in the course of carrying on a business in Australia, via an Australian permanent establishment or branch or in any other manner should not be subject to Australian tax in respect of the retraction, redemption, exchange or other disposal of their Exchangeable Shares, whether in exchange for Mamba Shares or for other consideration.

Disposal of Champion Common Shares in exchange for Mamba Shares

Champion Shareholders who are not Australian residents, and who do not hold their Champion Common Shares as part of or in the course of carrying on a business in Australia, via an Australian permanent establishment or branch or in any other manner should not be subject to Australian tax in respect of the disposal of their Champion Common Shares in exchange for Mamba Shares.

Disposal of Mamba Shares

A holder of a Mamba Share who is not a resident of Australia for tax purposes and who does not acquire, hold or dispose of the Mamba Share in Australia or in connection with a business carried on in Australia should not be subject to any Australian income or capital gains tax on a profit or gain from the disposal of the Mamba Share, provided that, in the case of ordinary income tax, the profit does not have an Australian source and, in the case of capital gains tax, the holder of the Mamba Share and its associates do not at any time hold or have the right to acquire 10% or more of the voting rights in or rights to distribution of income or capital from Mamba.

Whether a profit or gain from the disposal of the Mamba Share would potentially be subject to the ordinary income tax rules at all (so as to make the question of source relevant) will depend on the circumstances of the particular non-resident holder. The application of the source rules is largely based on court determinations and depends heavily on the particular facts and circumstances of each case and, as a consequence, can be uncertain. Even if a profit from the disposal of Mamba Shares by a non-resident holder was to have an Australian source it would be necessary for the non-resident holder to determine whether there is an applicable

double tax treaty between Australia and the country of which the non-resident holder is a resident that may prevent or limit Australia's right to tax a profit in the particular facts and circumstances of the non-resident holder.

For a Canadian resident holder of a Mamba Share who does not acquire, hold or dispose of the Mamba Share in Australia or in connection with a business carried on in Australia through an Australian permanent establishment, the Canada-Australia double tax treaty would normally protect the Canadian resident holder of a Mamba Share from ordinary income tax on the disposal of a Mamba Share (but not necessarily from capital gains tax).

RISK FACTORS RELATING TO THE ARRANGEMENT

The following risk factors should be considered by Champion Securityholders in evaluating whether to approve the Arrangement Resolution. These risk factors should be considered in conjunction with the other information contained in or incorporated by reference into this Circular. These risk factors relate to the Arrangement. For information on risks and uncertainties relating to the business of Mamba, the Mamba Shares and Exchangeable Shares, see "Risk Factors" in Appendix J – "Information Relating to Mamba and Canco".

Because the market price of Mamba Shares and Champion Common Shares will fluctuate and the exchange ratio is fixed, Champion Shareholders cannot be certain of the market value of the Mamba Shares and/or Exchangeable Shares they will receive for their Champion Common Shares under the Arrangement.

The exchange ratio is fixed and will not increase or decrease due to fluctuations in the market price of Mamba Shares or Champion Common Shares. The market price of Mamba Shares or Champion Common Shares could each fluctuate significantly prior to the Effective Date in response to various factors and events, including, competing bids to acquire the outstanding Champion Common Shares, the differences between Mamba's and Champion's actual financial or operating results and those expected by investors and analysts, changes in analysts' projections or recommendations, changes in general economic or market conditions, and broad market fluctuations. As a result of such fluctuations, historical market prices are not indicative of future market prices or the market value of the Mamba Common Shares or Exchangeable Shares that holders of Champion Common Shares may receive on the Effective Date. There can be no assurance that the market value of the Mamba Shares or Exchangeable Shares that the holders of Champion Common Shares may receive on the Effective Date will equal or exceed the market value of the Champion Common Shares held by such Shareholders prior to the Effective Date. Similarly, there can be no assurance that the trading price of Mamba Shares will not decline following the completion of the Arrangement.

There can be no certainty that all conditions precedent to the Arrangement will be satisfied. Failure to complete the Arrangement could negatively impact the market price of the Champion Common Shares and Champion's future business and operations.

The Arrangement is subject to certain conditions that may be outside the control of Champion, including receipt of Champion Securityholder Approval at the Meeting, conditional approval from the TSX to list the Mamba Shares, the completion of the Concurrent Financing and receipt of the Final Order. There can be no certainty, nor can Champion provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Arrangement is not completed, the market price of the Champion Common Shares may decline to the extent that the market price reflects a market assumption that the Arrangement will be completed and for other reasons. See "Market Prices and Trading Volumes of Champion Common Shares and Mamba Shares". If the Arrangement is not completed and the Champion Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to pay consideration for the Champion Common Shares that is an equivalent or more attractive than the consideration to be paid pursuant to the Arrangement.

The Arrangement Agreement may be terminated by Champion or Mamba in certain circumstances which could negatively impact Champion's stock price and future business and operations.

Each of Champion and Mamba has the right, in certain circumstances, to terminate the Arrangement Agreement. Accordingly, there can be certainty, nor can Champion provide any assurance, that the

Arrangement Agreement will not be terminated by either of Champion or Mamba prior to the completion of the Arrangement. See "The Arrangement Agreement – Termination".

Mamba and Champion may not integrate successfully.

The Arrangement will involve the integration of companies that previously operated independently. As a result, the combination will present challenges to management, including the integration of the operations, systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, unanticipated costs, diversion of management's attention and the loss of key employees.

The difficulties Mamba's management encounters in the transition and integration processes could have an adverse effect on the revenues, level of expenses and operating results of the combined company. As a result of these factors, it is possible that the benefits expected from the combination will not be realized and the value of the Mamba Shares may decrease.

Uncertainty surrounding the Arrangement could adversely affect Champion's retention of strategic partners and personnel and could negatively impact Champion's future business and operations.

Because the Arrangement is dependent upon satisfaction of certain conditions, its completion is subject to uncertainty. In response to this uncertainty, Champion's strategic partners may delay or defer decisions concerning Champion. Any delay or deferral of those decisions by strategic partners could have a material adverse effect on the business and operations of Champion, regardless of whether the Arrangement is ultimately completed. Similarly, current and prospective employees of Champion may experience uncertainty about their future roles with Mamba until Mamba's strategies with respect to Champion are announced and executed. This may adversely affect Champion's ability to attract or retain key management in the period until the Arrangement is completed.

The Termination Fee provided under the Arrangement Agreement may discourage other parties from attempting to acquire Champion.

Under the Arrangement Agreement, Champion would be required to pay the Termination Fee in the event the Arrangement Agreement is terminated in certain circumstances. This Termination Fee may discourage other parties from attempting to acquire Champion Common Shares, even if those parties would otherwise be willing to offer greater value to Champion Shareholders than offered by Mamba under the Arrangement.

In certain circumstances, if the Arrangement Agreement is terminated without any payment of the Termination Fee, Champion may be required to reimburse Mamba for expenses.

If Mamba exercises its rights of termination as a result of a breach or failure on the part of Champion to perform any of its non-solicitation covenants or agreements set forth in the Arrangement Agreement, Champion must immediately pay Mamba's properly documented fees, costs and expenses incurred in connection with the Arrangement Agreement up to a maximum of $1,000,000. See "The Arrangement Agreement – Termination Fee and Reimbursement of Expenses".

Even if the Arrangement Agreement is terminated without payment of the Termination Fee, Champion may, in future, be required to pay the Termination Fee in certain circumstances.

If, prior to the time of the Meeting, a *bona fide* written Acquisition Proposal in relation to Champion has been publicly announced and has not been withdrawn and at any time within the six months after the date of such termination, Champion approves, accepts, enters into any agreement, undertaking or arrangement in respect of, or consummates such Acquisition Proposal or any variation thereof is completed by Champion, Champion shall immediately pay to Mamba on closing of such Acquisition Proposal the Termination Fee in immediately available funds to an account designated by Mamba.

See "The Arrangement Agreement – Termination Fee and Reimbursement of Expenses".

The pro forma consolidated financial statements are presented for illustrative purposes only and may not be an indication of Champion's financial condition or results of operation following the Arrangement.

The pro forma consolidated financial statements contained in Appendix I attached to this Circular are presented for illustrative purposes only and may not be an indication of Champion's financial condition or results of operation following the Arrangement for several reasons. For example, the pro forma consolidated financial statements have been derived from historical statements of Champion and Mamba and certain adjustments and assumptions have been made after giving effect to the Arrangement. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the pro forma consolidated financial statements do not reflect all costs that are expected to be incurred by Champion in connection with the Arrangement. For example, the impact of any incremental costs incurred in integrating Champion and Mamba is not reflected in the pro forma consolidated financial statements. In addition, the assumptions used in preparing the pro forma consolidated financial statements may not prove to be accurate and other factors may affect Champion's financial condition or results of operation following the Arrangement. Champion's stock price may be adversely affected if the actual results fall short of the pro forma consolidated financial statements contained in this Circular. See "Information Relating to Champion – Unaudited Pro Forma Consolidated Financial Statements of Champion".

Directors, officers and consultants of Champion may have interests in the Arrangement that are different from those of Champion Securityholders generally.

Certain directors, officers and consultants of Champion may have interests in the Arrangement that may be different from, or in addition to, the interests of Champion Securityholders generally, including, but not limited to, the issuance of additional Mamba Shares in connection with the amendments to certain Services Agreements and the payment of the Advisory Fee. See "The Arrangement – Interests of Certain Persons in the Arrangement".

The Champion Board established the Special Committee which committee has reviewed and evaluated the interests that certain directors, officers and consultants of Champion may receive under the Arrangement and which may constitute 'collateral benefits" for purposes of MI 61-101. The Champion Board unanimously recommended in favour of the Arrangement. Nevertheless, Champion Securityholders should consider the interests in connection with their vote on the Arrangement Resolution, including whether these interests may have influenced Champion's directors and officers to recommend or support the Arrangement.

INFORMATION RELATING TO CHAMPION

Description of Business

Champion is a Canadian-based mineral exploration and development company existing under the OBCA, focused on the acquisition, exploration and development of metal deposits, particularly iron ore deposits, in North-Eastern Québec, Newfoundland and Labrador.

The Champion Common Shares are listed on the TSX under the symbol "CHM" and on the Frankfurt stock exchange under the symbol "P02 (WKN–A0LF1C)". Champion is a reporting issuer in all Canadian provinces except Québec.

The Corporation is registered as an extra-provincial corporation to carry on business in the Province of Newfoundland and Labrador and the Province of Québec.

The Corporation has interests in numerous mineral property claims in North-Eastern Québec, Newfoundland and Labrador including the Fermont Property, Powderhorn Property and Gullbridge Property. The Consolidated Fire Lake North Project which comprises a portion of the Fermont Property is the only project which Champion considers to be material with respect to construction of a mine and process plant for the production of iron ore concentrate. Champion is not in commercial production on any of its mineral resource properties and accordingly has no revenues.

Recent Developments

Attikamagen Property

Champion entered into an agreement dated September 30, 2013, to sell its remaining minority interest in the Attikamagen Property to Century Attikamagen Inc., a wholly owned subsidiary of Century Iron Mines Corporation ("**Century**"). In exchange for the sale of its interest, Champion received 2,000,000 common shares in the capital of Century, 1,000,000 warrants exercisable for common shares in the capital of Century, as well as a royalty interest in the Attikamagen property equal to 1% until $2,500,000 of royalties have been paid and 2% thereafter. The sale closed following registration of transfers and royalty documents.

Lac Lamêlée

Fancamp Exploration Ltd. ("**Fancamp**") sold its interest in the Lac Lamêlée Property to Lac Lamêlée Iron Ore Ltd. ("**Lac Lamêlée Ltd.**") (formerly Gimus Resources Inc.). In connection with this sale, Champion agreed to waive its right of first refusal in exchange for 4,000,000 common shares of Fancamp and 2,000,000 common shares of Lac Lamêlée Ltd. Concurrently with this sale, Champion also subscribed for 2,000,000 units in the capital of Lac Lamêlée Ltd. for aggregate subscription proceeds of $200,000. Each unit was comprised of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share for $0.15 until December 20, 2015.

Technical Information for Champion

Information of a scientific or technical nature regarding the Consolidated Fire Lake North Property is included in this Circular based on the NI 43-101 technical report titled Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project, Fermont Area, Québec, Canada", dated February 22, 2013 (effective January 25, 2013), prepared by André Allaire, Eng., M.Eng., Ph.D. and Patrice Live, Eng., BBA Inc., Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo., P&E Mining Consultants Inc., and Martial Major, Eng., Rail Cantech Inc. (the "**Fire Lake North PFS**"). The Fire Lake North PFS was prepared by persons independent of Champion and Mamba within the meaning of NI 43-101 and "qualified persons" for the purposes of NI 43-101.

Description of Capital Structure

Champion is authorized to issue an unlimited number of Champion Common Shares, without par value. As at the date hereof, 137,895,609 Champion Common Shares were issued and outstanding. Each Champion Common Share entitles the holder thereof to one vote at all meetings of Shareholders. In addition, as of the date hereof, there were (i) 9,670,000 Champion Options outstanding, each Champion Option being exercisable for one Champion Share, all such Champion Options being exercisable for the aggregate principal amount of $8,708,825 and (ii) 22,000,000 Champion Warrants outstanding, each Champion Warrant being exercisable to purchase one Champion Common Share, all such Champion Warrants being exercisable for the aggregate principal amount of $24,750,000. There are no limitations contained in the constating documents of Champion on the ability of a person who is not a Canadian resident to hold Champion Common Shares or exercise the voting rights associated with Champion Common Shares.

Dividends

The holders of Champion Common Shares, subject to the prior rights, if any, of the holders of any other class of shares of Champion, are entitled to receive such dividends in any financial year as the board of directors of Champion may determine. The OBCA provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that the corporation is or would, after the payment of the dividend, be unable to pay its debts as they become due in the ordinary course of its business.

Shareholder Rights Plan

Champion has established the Champion Shareholder Rights Plan to ensure, to the extent possible, that all Champion Shareholders will be treated equally and fairly in connection with any take-over bid for Champion. The Champion Shareholder Rights Plan is designed to prevent the use of coercive and/or abusive takeover techniques and to encourage a potential acquiror to negotiate directly with the Champion Board for the benefit of

all Champion Shareholders. In addition, the Champion Shareholder Rights Plan is intended to provide increased assurance that a potential acquiror would pay an appropriate control premium in connection with any acquisition of Champion. Nevertheless, the Champion Shareholder Rights Plan could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change of control.

The Champion Shareholder Rights Plan is triggered when a person acquires beneficial ownership of 20% or more of the outstanding Champion Common Shares, other than under certain conditions. The purpose of the Champion Shareholder Rights Plan is to provide the Champion Board with time to review any unsolicited take-over bid that may be made and to take action, if appropriate, to enhance shareholder value. The Champion Shareholder Rights Plan attempts to protect shareholders by requiring all potential bidders to comply with the conditions specified in the Champion Shareholder Rights Plan, failing which such bidders are subject to the dilutive features of the Champion Shareholder Rights Plan. By creating the potential for substantial dilution of a bidder's position, the Champion Shareholder Rights Plan encourages an offeror to proceed by way of the permitted bid mechanism set forth in the Champion Shareholder Rights Plan or to approach the Champion Board with a view to a negotiation. Under the Arrangement, the Champion Shareholder Rights Plan will be deemed to have been terminated (and all rights thereunder shall expire) at the Effective Time, at which time the Champion Shareholder Rights Plan will no longer be necessary to protect the interests of Champion Shareholders.

Material Changes

Except as disclosed in this Circular, the directors and officers of Champion are not aware of any other information that indicates any material change in the affairs of Champion since September 30, 2013, the date of the last published unaudited interim financial statements of Champion.

Previous Distribution

During the 12-month period preceding the date of this Circular, Champion issued from treasury an aggregate of 17,994,144 Champion Common Shares as follows:

Date of Distribution	Description of Transaction	Aggregate Number of Champion Common Shares Issued	Price Per Champion Common Share	Aggregate Proceeds
January 7, 2014	Issuance to Sheldon Executive Services Inc. in repayment of a debt	500,000	$0.315	$157,500
August 1, 2013	Issuance to McCarthy Tétrault LLP in repayment of a debt	1,054,480	$0.25	$263,620
August 1, 2013	Issuance to Le Cabinet de Relations Publiques National Inc. in repayment of a debt	439,664	$0.25	$109,916
July 31, 2013	Private placement to Baotou Chen Hua Investments Limited	15,000,000	$0.20	$3,000,000
July 26, 2013	Issuance to Copper Hill Resources Inc.	1,000,000	$0.205	N/A(1)

Notes:
(1) Champion Common Shares were issued to Copper Hill Resources as consideration in exchange for Champion's acquisition of property with a deemed value of $204,452.

Unaudited Pro Forma Consolidated Financial Statements of Champion

The unaudited pro forma consolidated financial statements of the Consolidated Group that give effect to the Arrangement are set forth in Appendix I to this Circular.

Champion Documents Incorporated by Reference

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference may be obtained upon request without charge from the Vice President, Secretary-Treasurer of Champion at 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6, telephone 416-866-2200, and are also available electronically at www.sedar.com.

The following documents or parts thereof filed by Champion with various securities commissions or similar authorities in Canada, are specifically incorporated by reference herein and form an integral part of this Circular:

(a) the material change report of Champion dated December 13, 2013;

(b) the unaudited condensed interim financial statements of Champion and the notes thereto for the six months ended September 30, 2013, dated November 14, 2013;

(c) management's discussion and analysis of the financial condition and results operation of Champion for the six months ended September 30, 2013, dated November 14, 2013;

(d) the material change report of Champion dated October 17, 2013;

(e) the management information circular of Champion dated August 23, 2013 in connection with the annual and special meeting of shareholders of Champion held on September 24, 2013;

(f) the material change report of Champion dated August 11, 2013;

(g) the material change report of Champion dated July 26, 2013;

(h) the material change report of Champion dated July 12, 2013;

(i) the annual information form for Champion for the year ended March 31, 2013, dated July 2, 2013;

(j) the audited annual financial statements of Champion and the notes thereto for each of the years ended March 31, 2013 and 2012, together with the auditors' report thereon, dated July 2, 2013;

(k) management's discussion and analysis of the financial condition and results operation of Champion for the year ended March 31, 2013, dated July 2, 2013; and

(l) the material change report of Champion dated April 12, 2013.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this Circular, to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed to be an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, in its unmodified or superseded form, to constitute a part of this Circular.

MARKET PRICES AND TRADING VOLUMES OF CHAMPION COMMON SHARES AND MAMBA SHARES

Trading Price and Volume of Champion Common Shares

The outstanding Champion Common Shares are listed for trading on the TSX under the symbol “CHM”.

The following table sets forth, for the calendar periods indicated, the high and low prices at the close of market and composite volume of trading of the Champion Common Shares as reported on the TSX.

	TSX		
	Price Range (C$)		
	High	Low	Volume
2013			
February	0.59	0.34	11,590,112
March	0.43	0.32	3,544,333
April	0.34	0.19	5,525,114
May	0.29	0.22	14,385,433
June	0.28	0.20	1,798,212
July	0.23	0.16	2,229,139
August	0.26	0.20	1,920,234
September	0.26	0.21	2,285,741
October	0.30	0.22	2,585,763
November	0.25	0.19	2,966,581
December	0.38	0.20	10,358,999
2014			
January	0.39	0.28	5,568,561
February (up to February 7)	0.37	0.34	951,585

Trading Price and Volume of Mamba Shares

The outstanding Mamba Shares are listed for trading on the ASX under the symbol “MAB”.

The following table sets forth, for the calendar periods indicated, the high and low prices at the close of market and composite volume of trading of the Mamba Shares as reported on the ASX.

	ASX		
	Price Range (A$)		
	High	Low	Volume
2013			
February	0.55	0.40	1,489,100
March	0.55	0.48	1,104,900
April	0.98	0.52	4,708,300
May	0.70	0.41	1,734,600
June	0.42	0.27	1,078,300
July	0.40	0.31	834,300
August	0.57	0.40	1,579,100
September	0.57	0.47	982,700
October	0.56	0.46	709,100
November	0.60	0.47	961,300
December	0.69	0.53	1,750,000
2014			
January	0.62	0.55	1,105,400
February (up to February 7)	0.57	0.57	173,720

EFFECT OF THE ARRANGEMENT ON MARKETS AND LISTINGS

If the Arrangement is completed, the Champion Common Shares will be de-listed from the TSX and the Frankfurt stock exchange. Champion will apply to cease to be a reporting issuer (or the equivalent) in all jurisdictions in Canada in which it is a reporting issuer (or the equivalent).

As discussed above, Mamba has applied to list the Mamba Shares issuable by Mamba under the Arrangement (including upon the exchange of the Exchangeable Shares for Mamba Shares) on the TSX. It is a condition of closing that Mamba shall have received conditional listing approval from the TSX in respect of the listing of Mamba Shares (including the Mamba Shares distributable pursuant to the rights attached to the Exchangeable Shares, the Mamba Options and the Champion Warrants) on the TSX commencing on the Effective Date.

Mamba Shares will remain listed on the ASX. There will be no listing of the Exchangeable Shares on either the TSX or the ASX.

RIGHTS OF DISSENTING CHAMPION SHAREHOLDERS

The Interim Order expressly provides registered holders of Champion Common Shares with the right to dissent with respect to the Arrangement. As a result, any Dissenting Champion Shareholder is entitled to be paid the fair value (determined as of the Exchange Time) of all, but not less than all, of the shares of the same class beneficially held by it in accordance with Section 185 of the OBCA, if the shareholder dissents with respect to the Arrangement and the Arrangement becomes effective. **It is a condition to completion of the Arrangement in favour of Mamba and Canco that there shall not have been delivered and not withdrawn notices of dissent with respect to the Arrangement in respect of more than 5% of the Champion Common Shares.**

Section 185 of the OBCA provides that a shareholder may only make a claim under that section with respect to all of the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that a registered Champion Shareholder may only exercise the dissent rights under Section 185 of the OBCA (as modified by the Plan of Arrangement and the Interim Order) in respect of Champion Common Shares that are registered in that Champion Shareholder's name.

In many cases, Champion Common Shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either (a) in the name of an intermediary ("**Intermediary**") that the Non-Registered Holder deals with in respect of such shares, such as, among others, banks, trust companies, securities brokers, trustees and other similar entities, or (b) in the name of a depository, such as CDS, of which the Intermediary is a participant. Accordingly, a Non-Registered Holder will not be entitled to exercise his or her rights of dissent directly (unless the shares are re-registered in the Non-Registered Holder's name). A Non-Registered Holder who wishes to exercise rights of dissent should immediately contact the Intermediary with whom the Non-Registered Holder deals in respect of its Champion Common Shares and either (i) instruct the Intermediary to exercise the rights of dissent on the Non-Registered Holder's behalf (which, if the Champion Common Shares are registered in the name of CDS or any other clearing agency, may require that such Champion Common Shares first be re-registered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such Champion Common Shares in the name of the Non-Registered Holder, in which case the Non-Registered Holder would have to exercise the rights of dissent directly.

The execution or exercise of a proxy does not constitute a written objection for purposes of the right to dissent under the OBCA.

The following summary does not purport to provide comprehensive statements of the procedures to be followed by a Champion Shareholder seeking to exercise dissent rights with respect to the Arrangement Resolutions as provided in the Interim Order. Section 185 of the OBCA, which will be relevant to any dissent proceedings, is set forth in its entirety in Appendix G.

The Interim Order and the OBCA require adherence to the procedures established therein and failure to adhere to such procedures may result in the loss of all rights of dissent. Accordingly, each Champion Shareholder who might desire to exercise rights of dissent should carefully consider and comply with the provisions of Section 185 of the OBCA, as modified by the Interim Order, and consult its legal advisors.

Notwithstanding subsection 185(6) of the OBCA (pursuant to which a dissent notice may be provided at or prior to the Meeting), a Dissenting Champion Shareholder who seeks payment of the fair value of its Champion Common Shares is required to deliver a written objection to the Arrangement Resolution to Champion by 10:00 a.m. (Toronto time) on the business day preceding the Meeting (or, if the Meeting is postponed or adjourned, the business day preceding the date of the reconvened or postponed Meeting). Champion's address for such purpose is 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6 and written objections should be sent to the attention of Jorge Estepa, Vice President, Secretary and Treasurer. A vote against the Arrangement Resolution or a withholding of votes does not constitute a written objection. Within 10 days after the Arrangement Resolution is approved by the Champion Securityholders, Champion must so notify the Dissenting Champion Shareholder (unless such shareholder voted for the Arrangement Resolution or has withdrawn its objection) who is then required, within 20 days after receipt of such notice (or, if such Champion Shareholder does not receive such notice, within 20 days after learning of the approval of the Arrangement Resolution), to send to Champion a written notice containing its name and address, the number and class of shares in respect of which the Champion Shareholder dissents and a demand for payment of the fair value of such shares and, within 30 days after sending such written notice, to send to Champion or its transfer agent the appropriate share certificate or certificates.

A Dissenting Champion Shareholder who fails to send to Champion, within the appropriate time frame, a dissent notice, demand for payment and certificates representing the shares in respect of which the shareholder dissents forfeits the right to make a claim under Section 185 of the OBCA as modified by the Interim Order. The transfer agent of Champion will endorse on the share certificates received from a Dissenting Champion Shareholder a notice that the holder is a Dissenting Champion Shareholder and will forthwith return the certificates to the Dissenting Champion Shareholder.

On sending a demand for payment to Champion, a Dissenting Champion Shareholder ceases to have any rights as a Champion Shareholder other than the right to be paid the fair value of such holder's Champion Common Shares, notwithstanding anything to the contrary contained in Section 185 of the OBCA, which fair value shall be determined as of the Exchange Time, except where:

1 the Dissenting Champion Shareholder withdraws the demand for payment before Champion makes an offer to the Dissenting Champion Shareholder pursuant to the OBCA,

2 Champion fails to make an offer as hereinafter described and the Dissenting Champion Shareholder withdraws the demand for payment, or

3 the proposal contemplated in the Arrangement Resolution does not proceed, in which case the rights as a Champion Shareholder will be reinstated as of the date the Dissenting Champion Shareholder sent the demand for payment.

Champion Shareholders who duly exercise their dissent rights and who:

1 ultimately are determined to be entitled to be paid fair value for their Champion Common Shares, which fair value, notwithstanding anything to the contrary contained in Section 185 of the OBCA, shall be determined as of the Exchange Time, shall be deemed to have transferred those Champion Common Shares as of the Exchange Time at the fair value of the Champion Common Shares determined as of the Exchange Time, without any further act or formality and free and clear of all liens and claims, to Canco; or

2 ultimately are determined not to be entitled, for any reason, to be paid fair value for their Champion Common Shares, shall be deemed to have participated in the Arrangement on the same basis as a holder of Champion Common Shares who has not exercised dissent rights and shall be deemed to have elected to receive, and shall receive, the consideration provided in Section 2.3(d) of the Plan of Arrangement,

but, for greater certainty, in no case shall Champion, Canco, Mamba or the Depositary be required to recognize Dissenting Champion Shareholders as Champion Shareholders at and after the Exchange Time, and the names of Dissenting Champion Shareholders shall be deleted from the register of Champion Shareholders as of the Exchange Time.

If the Plan of Arrangement becomes effective, Champion will be required to send, not later than the seventh day after the later of (i) the Effective Date or (ii) the day the demand for payment is received, to each Dissenting Champion Shareholder whose demand for payment has been received, a written offer to pay for such Dissenting Champion Shareholder's shares such amount as the Champion Board considers fair value thereof accompanied by a statement showing how the fair value was determined.

Mamba must pay for the shares of a Dissenting Champion Shareholder within ten days after an offer made as described above has been accepted by a Dissenting Champion Shareholder, but any such offer lapses if Champion does not receive an acceptance thereof within 30 days after such offer has been made.

If such offer is not made or accepted, Champion may, within 50 days after the Effective Date or within such further period as a court may allow, apply to a court of competent jurisdiction to fix the fair value of such shares. There is no obligation of Champion to apply to the court. If Champion fails to make such an application, a Dissenting Champion Shareholder has the right to so apply within a further 20 days. A Dissenting Champion Shareholder is not required to give security for costs in such an application.

Upon an application to a court, all Dissenting Champion Shareholders whose Champion Common Shares have not been purchased by Champion will be joined as parties and be bound by the decision of the court, and Champion will be required to notify each Dissenting Champion Shareholder of the date, place and consequences of the application and of the right to appear and be heard in person or by counsel. Upon any such application to a court, the court may determine whether any person is a Dissenting Champion Shareholder who should be joined as a party, and the court will then fix a fair value for the shares of all Dissenting Champion Shareholders who have not accepted an offer to pay. The final order of a court will be rendered against Champion in favour of each Dissenting Champion Shareholder and for the amount of the Dissenting Champion Shareholder's shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each such Dissenting Champion Shareholder from the Effective Date until the date of payment.

Registered Champion Shareholders who are considering exercising dissent rights should be aware that there can be no assurance that the fair value of their Champion Common Shares as determined under the applicable provisions of the OBCA (as modified by the Plan of Arrangement and the Interim Order) will be more than or equal to the consideration offered under the Arrangement. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Champion Shareholder of consideration for such shareholder's Champion Common Shares.

Under the OBCA, the Court may make any order in respect of the Arrangement it thinks fit, including a Final Order that amends the dissent rights as provided for in the Plan of Arrangement and the Interim Order. In any case, it is not anticipated that additional Champion Securityholder approval would be sought for any such variation.

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Champion Shareholder who seeks payment of fair value of the Dissenting Champion Shareholder's Champion Common Shares. Section 185 of the OBCA (as modified by the Plan of Arrangement and the Interim Order) requires strict adherence to the procedures established therein and failure to do so may result in a loss of a Dissenting Champion Shareholder's dissent rights. Accordingly, each Dissenting Champion Shareholder who desires to exercise dissent rights should carefully consider and comply with the provisions of that section, the full text of which is set out in Appendix G to this Circular, as modified by the Plan of Arrangement and the Interim Order, or should consult with such Dissenting Champion Shareholder's legal advisor.

LEGAL MATTERS

Legal matters in relation to the Arrangement will be reviewed and passed upon by Norton Rose Fulbright Canada LLP on behalf of Champion and by Stikeman Elliott LLP and Ashurst LLP on behalf of Mamba. As at the date of this Circular, partners and associates of each of the aforementioned entities own beneficially, directly or indirectly, less than 1% of the outstanding securities of Champion, Mamba and their respective associates and affiliates.

OWNERSHIP OF SECURITIES OF CHAMPION AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of Champion consists of an unlimited number of Champion Common Shares. As of the date hereof, 137,895,609 Champion Common Shares were issued and outstanding. Each Champion Common Share entitles the holder thereof to one vote at all meetings of Shareholders. In addition, as of the date hereof, there were 9,670,000 Champion Options outstanding, each Champion Option being exercisable for one Champion Share, all such Champion Options being exercisable for the aggregate principal amount of $8,708,825. At the Meeting, each Champion Option entitles the holder thereof to one vote at the Meeting solely with respect to the special resolution included in the Arrangement Resolution that is to be voted on by the Champion Shareholders and Champion Optionholders voting together as a single class.

The Champion Board has fixed the close of business on January 28, 2014 as the record date for the purpose of determining the Champion Securityholders entitled to receive notice of the Meeting, but the failure of any Champion Securityholder who was a Champion Securityholder on the record date to receive notice of the Meeting does not deprive such Champion Securityholder of the right to vote at the Meeting.

Other than as set out below, to the knowledge of Champion and its directors and officers, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over Champion Common Shares representing more than 10% of the issued and outstanding Champion Common Shares as of the date hereof.

Name	Number of Champion Common Shares	Percentage of Outstanding Champion Common Shares (undiluted)
Fancamp Exploration Ltd.	15,025,000	10.9%
Baotou Chen Hua Investments Limited	15,000,000	10.9%

The names of the directors and officers of Champion, the positions held by them with Champion and the designation, percentage of class and number of outstanding securities of Champion beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them and, where known after reasonable enquiry, by their respective associates, are as follows:

		Securities of Champion Beneficially Owned, Directly or Indirectly[1]			
Name	**Position with Champion**	**Champion Common Shares**	**% Champion Common Shares Outstanding[2][3]**	**Champion Options**	**% Champion Options Outstanding**
Thomas Larsen	Chief Executive Officer, President and Director (Chairman)	2,456,488	1.78%	1,600,000	16.55%
Miles Nagamatsu	Chief Financial Officer	697,500	0.51%	475,000	4.91%
Jorge Estepa	Vice President, Secretary and Treasurer	590,000	0.43%	625,000	6.46%
Jeffrey Hussey	Senior Vice President, Corporate Development	275,755	0.20%	525,000	5.43%
Martin Bourgoin	Executive Vice President, Operations	Nil	0%	425,000	4.40%
Beat Frei	Senior Vice President, Project Finance	868,500[4]	0.63%	500,000	5.17%
Bruce E. Mitton	Vice President, Exploration	50,000	0%	350,000	3.62%
Jean-Luc Chouinard	Vice President, Project Development	Nil	0%	200,000	2.07%
Francis Sauvé	Director	1,300,000	0.94%	300,000	3.10%
Paul R. Ankcorn	Director	223,000	0.16%	300,000	3.10%
Alexander S. Horvath	Director, Executive Vice President Exploration & Development	285,000	0.21%	525,000	5.43%
Donald A. Sheldon	Director	742,500	0.54%	350,000	3.62%
Harry Burgess	Director	25,000	0.02%	300,000	3.10%
William Harding	Director	Nil	0%	300,000	3.10%
James Wang	Director	Nil	0%	300,000	3.10%

Notes:

(1) The information as to Champion Common Shares and Champion Options beneficially owned or controlled is not within the knowledge of Champion management and has been furnished by the respective individual.

(2) Based on 137,895,609 Champion Common Shares issued and outstanding as at the date hereof.

(3) Based on 9,670,000 Champion Options issued and outstanding as at the date hereof.

(4) These shares are held indirectly.

Other than as disclosed in the table above, to the knowledge of the directors and officers of Champion, after reasonable enquiry, no associate or affiliate of Champion, nor any insider of Champion (other than a director or officer of Champion as disclosed above), nor any associate or affiliate of an insider of Champion, nor any person or company acting jointly or in concert with Champion beneficially owns or exercises control or direction over any Champion Common Shares as of the date of this Circular.

GENERAL INFORMATION CONCERNING THE MEETING AND VOTING

Time, Date and Place

The Meeting will be held at the offices of Norton Rose Fulbright, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario on March 27, 2014 at 10:00 a.m. (Toronto time).

Solicitation of Proxies

This Circular is provided in connection with the solicitation by the management of Champion of proxies to be used at the Meeting. The solicitation of proxies will be primarily by mail but proxies may be solicited personally or by telephone by directors, officers or regular employees of Champion. The costs of solicitation will be borne by Champion.

Appointment of Proxyholder

The persons named in the enclosed form of proxy are directors or officers of Champion. A holder of Champion Securityholder has the right to appoint as his or her proxyholder a person (who need not be a Champion Securityholder) to attend and to act on his, her or its behalf at the Meeting other than the persons designated in the form of proxy accompanying this Circular. A Champion Securityholder may do so by inserting the name of such other person in the blank space provided in the applicable proxy or by completing another proper form of proxy and, in either case, by delivering the completed proxy to Champion's registrar and transfer agent, Equity Financial Trust Company. For postal delivery, the completed proxy should be mailed by using the envelope as provided. To deliver by facsimile, please send the proxy to the Proxy Department of Equity Financial Trust Company at (416) 595-9593. The completed proxy may also be delivered in person to Equity Financial Trust Company at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1. The completed proxy may also be submitted by internet at www.voteproxyonline.com by following the instructions on the form of proxy. Proxies delivered to Equity Financial Trust Company must be received on or before 10:00 a.m. (Toronto time) on March 26, 2014, being the business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed meeting, or they may be treated as invalid.

A Champion Securityholder should use the applicable enclosed form of proxy.

Revocation of Proxy

A Champion Securityholder executing the enclosed form of proxy has the right to revoke it under subsection 110(4) of the OBCA. A Champion Securityholder may revoke a proxy by depositing an instrument in writing executed by him, her, or it or by his, hers or its attorney authorized in writing, at the registered office of Champion at any time up to and including the last day (other than a Saturday, Sunday or any other holiday in Toronto, Ontario) preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, or in any other manner permitted by law.

Exercise of Proxy

The Champion Common Shares and/or Champion Options represented by the proxy will be voted for or against in accordance with the instructions of the Champion Securityholder on any vote that may be called for and, if the Champion Securityholder specifies a choice with respect to any matter to be acted upon at the Meeting, Champion Common Shares and/or Champion Options represented by properly executed proxies will be voted accordingly.

In the absence of any instructions to the contrary, the Champion Common Shares represented by proxies received by management will be voted FOR the approval of the Arrangement Resolution as described in this Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matter identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournments thereof. At the date of this Circular, management of Champion knows of no such amendments, variations or other matters to come before the Meeting other than the matter referred to in the Notice of Meeting. If any other matters do properly come before the Meeting, it is intended that the person appointed as proxy shall vote on such other business in such manner as that person then considers to be proper.

Explanation of Voting Rights for Beneficial Owners of Champion Common Shares

Only registered Champion Shareholders or the persons they designate as their proxies are authorized to attend and vote at the Meeting. However, in many cases, the Champion Common Shares that are beneficially owned by a non-registered Champion Shareholder are registered either:

(a) in the name of an intermediary with whom the non-registered Champion Shareholder deals with respect to his or her shares, such as a bank, trust corporation, stockbroker, or trustee or manager of a registered retirement savings plan, registered retirement savings fund, registered education savings plan or similar self-administered plan; or

(b) in the name of a clearing agency (such as CDS Clearing and Depository Services), of which the intermediary is a member.

In accordance with the requirements of NI 54-101, Champion sent copies of the Notice of Special Meeting, this Circular and the proxy form (collectively, the "documents related to the Meeting") directly to non-objecting beneficial owners. If you are a non-registered shareholder and Champion or Equity Financial Trust Company has sent these materials directly to you, your name, address and information about your shareholdings have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your Champion Common Shares on your behalf. By choosing to send these materials to you directly, Champion will be executing your proper voting instructions and direction regarding the Consideration Election.

Non-registered Champion Shareholders will:

(a) be provided with a proxy form that has already been signed, which only pertains to the number of Champion Common Shares beneficially held by the non-registered Champion Shareholder, who must fill in the blank sections therein. This proxy form is not required to be signed by the non-registered Champion Shareholder. In such a case, the non-registered Champion Shareholder who wishes to submit a proxy form should fill it out properly and file it with Equity Financial Trust Company at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1; or

(b) more typically, be provided with a voting instruction form that they are required to fill out and sign in accordance with the instructions contained therein (such a voting instruction form may, in some cases, be completed by telephone).

The purpose of these procedures is to enable non-registered Champion Shareholders to control the way in which the voting rights attached to the Champion Common Shares they beneficially own are exercised. If a nonregistered Champion Shareholder who receives either a proxy form, a proxy or a voting instruction form wishes to attend and vote in person at the Meeting, or wishes that another person attend and vote on his or her behalf, the nonregistered Champion Shareholder should strike out the names of the persons indicated in the proxy and replace them with his, her or its own name (or other corresponding instructions) on the form. In either case, **non-registered Champion Shareholders should carefully follow the directions given by their intermediaries, including as to when and where the proxy or proxy form should be delivered, as well as the directions issued by the companies which sent them the proxy or the proxy form.**

Non-registered Champion Shareholders who wish to exercise the voting rights attached to their Champion Common Shares in person at the Meeting are required to insert their own name in the space provided for such purpose in the form requesting voting instructions or the proxy form, as the case may be, to appoint themselves as proxies and should follow the directions which were provided by their brokers as to how to sign and return these documents. Non-registered Champion Shareholders who appoint themselves as proxies are required to report to an Equity Financial Trust Company representative at the Meeting.

Quorum

A quorum at meetings of Champion Shareholders consists of two persons present in person or represented by proxy and entitled to vote thereat holding at least 25% of the votes attached to all of the shares entitled to vote at the Meeting.

Notice-and-Access

Recent amendments to applicable securities legislation allow electronic delivery of meeting materials and/or delivery of meeting materials only to those who request them ("**Notice-and-Access**"). Champion will not be sending the meeting materials to registered shareholders or beneficial shareholders using Notice-and-Access for the Meeting.

AUDITOR OF CHAMPION

Champion's auditor is Collins Barrow Toronto LLP, and was first appointed as auditor for Champion on March 27, 2008.

ADDITIONAL INFORMATION

Additional information relating to Champion is filed with Canadian securities administrators. This information can be accessed through the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Financial information is provided in Champion's audited financial statements and related Management's Discussion and Analysis for the year ended March 2013, and such information is available on SEDAR at www.sedar.com and will be sent free of charge to any Champion Shareholder upon written request.

APPROVAL OF BOARD

The contents and the sending of this Circular have been approved by the Champion Board. A copy of this Circular has been sent to each director, each shareholder entitled to notice of the Meeting and the auditors of Champion.

DATED at Toronto, Ontario this 10th day of February, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

Thomas Larsen
Chief Executive Officer, President and Director (Chairman)

CONSENT OF CHAMPION'S AUDITORS

We refer to the Management Proxy Circular of Champion Iron Mines Limited (the "**Corporation**") dated February 10, 2014 relating to the notice of special meeting securityholders of the Corporation to be held on March 27, 2014 to approve the proposed arrangement for Mamba Minerals Limited to acquire all of the issued and outstanding common shares of the Corporation (the "**Circular**").

We consent to being named in and to the use in the above-mentioned Circular of our report dated July 2, 2013 to the Shareholders of the Corporation on the audited annual financial statements of the Corporation and the notes thereto for each of the years ended March 31, 2013 and 2013 which comprise the statements of financial position as at March 31, 2013 and 2012 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

We report that we have read the proxy circular and all information specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements.

(Signed) Collins Barrow Toronto LLP
Licensed Public Accountants
Toronto, Ontario

February 10, 2014

CONSENT OF MAMBA MINERALS LIMITED'S AUDITORS

4 February 2014

The Directors
Mamba Minerals Limited
91 Evans Street
Rozelle, NSW 2039

Dear Sirs

CONSENT OF MAMBA'S AUDITORS

We refer to the management proxy circular of Champion (the "**Corporation**") dated February, 2014 relating to the notice of special meeting of security holders of the Corporation to be held on or about March 25, 2014 to approve the proposed arrangement of Mamba Minerals Limited to acquire all of the issued and outstanding common shares of the Corporation (the "**Circular**").

We consent to the incorporation by reference in the above-mentioned Circular of our report to the shareholders of Mamba Minerals Limited ("**Mamba**") on the audited annual financial statements of Mamba and the notes thereto for each of the years ended 30 June, 2013 and 2012 which comprise the statements of financial position as at 30 June, 2013 and 30 June, 2012 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Yours faithfully

(Signed) Nick Hollens
Nick Hollens
Somes Cooke

4 February, 2014

CONSENT OF CANACCORD GENUITY CORP.

To: The Board of Directors of Champion Iron Mines Limited

We hereby consent to the reference of the opinion of this firm under "Questions and Answers About the Meeting and the Arrangement", "Summary of Circular–Fairness Opinion", "Summary of Circular–Reasons for the Recommendation of the Champion Board", "The Arrangement – Fairness Opinion" and "The Arrangement – Recommendation of the Champion Board", the inclusion of this firm's opinion dated December 5, 2014 as Appendix F to the Circular and in being named in the Circular dated February 10, 2014.

(Signed) Canaccord Genuity Corp.
Toronto, Ontario

February 10, 2014

APPENDIX A
Glossary of Defined Terms

The following terms used in this Circular, including without limitation the Notice of Special Meeting of Champion Securityholders, have the meanings set forth below:

"**1933 Act**" means the *United States Securities Act of 1933*, as amended.

"**Acquisition Proposal**" means, other than the transactions contemplated in the Arrangement Agreement, any proposal, inquiry or offer with respect to any transaction (by purchase, merger, amalgamation, arrangement, business combination, liquidation, dissolution, recapitalization, take-over bid or otherwise) made after the date of the Arrangement Agreement relating to: (i) any acquisition, sale, lease, long-term supply agreement or other arrangement having the same economic effect as a sale, direct or indirect, of: (a) the assets of a Principal Party and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of such Principal Party and its Subsidiaries taken as a whole; or (b) 20% or more of any voting or equity securities of a Principal Party or any of its Subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of such Principal Party and its Subsidiaries taken as a whole; (c) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of a Principal Party; or (d) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving a Principal Party or any of its Subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of such Principal Party and its Subsidiaries taken as a whole.

"**Agency**" means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory authority (including the TSX and ASX) or administrative agency or commission (including the Securities Commissions and the Australian Securities & Investments Commission) or any elected or appointed public official.

"**Ancillary Rights**" means the interest of a holder of Exchangeable Shares as a beneficiary of the trust created under the Voting and Exchange Trust Agreement.

"**Arrangement**" means the arrangement involving Mamba and Champion under the provisions of Section 182 of the OBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement or made at the direction of the Court, with the consent of the Principal Parties acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement between Champion and Mamba, dated December 5, 2013, as the same may be amended, modified or supplemented, a copy of which is attached as Appendix B to this Circular.

"**Arrangement Resolution**" means the special resolution approving the Arrangement in the form attached as Appendix C to this Circular.

"**Articles of Arrangement**" means the articles of arrangement of Champion to be filed with the OBCA Director in connection with the Arrangement.

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX**" means the Australian Securities Exchange or any successor exchange.

"**ASX Listing Rules**" means the Listing Rules of ASX and any other rules of ASX which are applicable while Mamba is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

"**Attikamagen Property**" means the 946 claims covering approximately 311 square kilometres in western Labrador and Québec.

"**business day**" means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario or Perth, Western Australia, under applicable Law.

"**Call Rights**" means collectively the rights of Mamba or Mamba Affiliate, as the case may be, to purchase Exchangeable Shares pursuant to the Redemption Call Right and the Liquidation Call Right and the right of Mamba or Mamba Affiliate to purchase Exchangeable Shares pursuant to the Change of Law Call Right (each as defined in the Plan of Arrangement) and the right of Mamba or Mamba Affiliate, as the case may be, to purchase Exchangeable Shares pursuant to the Retraction Call Right (as defined in the terms of the Exchangeable Shares).

"**Canaccord**" means Canaccord Genuity Corp.

"**Canadian Dollar Equivalent**" means, in respect of an amount expressed in a currency other than Canadian dollars (the "**Foreign Currency Amount**") at any date, the product obtained by multiplying:

(a) the Foreign Currency Amount; by

(b) the noon spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as reported by the Bank of Canada or, in the event such exchange rate is not available, such spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as may be mutually agreed upon by Mamba and Champion to be appropriate for such purpose.

"**Canco**" means 2401397 Ontario Inc., a corporation incorporated under the laws of the Province of Ontario and a direct wholly-owned subsidiary of Mamba, which will, among other things, issue the Exchangeable Shares pursuant to the Arrangement.

"**Canco Insolvency Event**" means (i) the institution by Canco of any proceeding to be adjudicated a bankrupt or insolvent or to be wound up, or the consent of Canco to the institution of bankruptcy, insolvency or winding-up proceedings against it, or (ii) the filing of a petition, answer or consent seeking dissolution or winding-up under any bankruptcy, insolvency or analogous laws, including the *Companies Creditors' Arrangement Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada), and the failure by Canco to contest in good faith any such proceedings commenced in respect of Canco within 30 days of becoming aware thereof, or the consent by Canco to the filing of any such petition or to the appointment of a receiver, or (iii) the making by Canco of a general assignment for the benefit of creditors, or the admission in writing by Canco of its inability to pay its debts generally as they become due, or (iv) Canco not being permitted, pursuant to solvency requirements of applicable law, to redeem any Retracted Shares.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Champion**" means Champion Iron Mines Limited, a corporation incorporated under the OBCA.

"**Champion Board**" means the board of directors of Champion.

"**Champion Common Shares**" means common shares in the capital of Champion.

"**Champion Disclosure Statement**" means the statement delivered by Champion to Mamba concurrently with the execution of the Arrangement Agreement.

"**Champion Optionholders**" means holders of Champion Options.

"**Champion Options**" means the outstanding and unexercised Champion share purchase options granted under the Champion Stock Option Plan.

"**Champion Securities**" means, collectively, the Champion Common Shares and Champion Options.

"**Champion Securityholder Approval**" means, collectively (i) the approval of the Arrangement by the affirmative vote of 66 2⁄3% of the votes cast at the Meeting by Champion Shareholders, (ii) the approval of the

Arrangement by the affirmative vote of 66 2/3% of the votes cast at the Meeting by Champion Shareholders and Champion Optionholders voting as a single class, and (iii) the approval of the Arrangement by the affirmative vote of the majority of the votes cast at the Meeting by Champion Shareholders in accordance with the minority approval requirements of MI 61-101.

"**Champion Shareholder Rights Plan**" means the shareholder rights plan of Champion created pursuant to the shareholder rights plan agreement between Champion and Equity Financial Trust Company, dated June 30, 2011, as amended, amended and restated or supplemented from time to time.

"**Champion Securityholders**" means, collectively, the Champion Shareholders and Champion Optionholders.

"**Champion Shareholders**" means the holders of Champion Common Shares.

"**Champion Stock Option Plan**" means the amended and restated stock option plan of Champion effective July 13, 2012, as it may be amended in accordance with the Arrangement Agreement.

"**Champion Supporting Securityholders**" means Thomas Larsen, Miles Nagamatsu, Jorge Estepa, Bruce E. Mitton, Jean-Luc Chouinard, Martin Bourgoin, Jeffrey Hussey, Francis Sauvé, Alexander S. Horvath, Donald A. Sheldon, Paul R. Ankcorn, Harry Burgess, Beat Frei, James Wang, William Harding, Douglas H. Bache and Baotou Chen Hua Investments Limited.

"**Champion Voting Support Agreements**" means the agreements entered into between Mamba and the Champion Supporting Securityholders with respect to the voting of Champion Common Shares or Champion Options, as applicable, in favour of the Arrangement Resolution.

"**Champion Warrants**" means all outstanding warrants to acquire Champion Common Shares of which 22,000,000 are issued and outstanding as at the date of this Circular.

"**Change of Law Call Right**" shall have the meaning set out in the Plan of Arrangement attached as Schedule B to the Arrangement Agreement attached to this Circular as Appendix B.

"**Change of Law**" shall have the meaning set out in the Plan of Arrangement attached as Schedule B to the Arrangement Agreement attached to this Circular as Appendix B.

"**Change of Recommendation**" shall have the meaning set out under the heading "The Arrangement Agreement – Alternative Transactions – Permitted Actions".

"**Circular**" means this management proxy Circular of Champion prepared and sent to the Champion Securityholders in connection with the Meeting, including the Appendices attached hereto and the documents incorporated by reference herein.

"**Commissioner**" means the Commissioner of Competition under the Competition Act.

"**Competition Act**" means the *Competition Act* (Canada), as amended.

"**Concurrent Financing**" means an equity financing to raise gross proceeds in an aggregate amount of at least A$10 million (or such greater amount as may be agreed to by Champion and Mamba) at a subscription price per share of no less than A$0.50 from institutional and other investors, which investors and their subscription amounts shall be acceptable to Champion and Mamba, each acting reasonably.

"**Consideration Election**" means the election to be made by Champion Shareholders in the letter of transmittal and election form as to the consideration to which they are entitled under the Arrangement in the form of (i) Mamba Shares, (ii) Exchangeable Shares or (iii) a combination of (i) and (ii) (provided that only Eligible Holders may elect to receive Exchangeable Shares).

"**Consolidated Fire Lake North Project**" means the group of claims formerly designated by Champion as the Fire Lake North, Oil Can, Bellechasse and Midway properties, which have been consolidated into one project.

"**Consolidated Group**" means, for accounting purposes, the group comprised of Champion and Mamba, of which Mamba is the parent company.

"**Constitution**" means the constitution of Mamba, to be approved by Mamba Shareholders at the General Meeting of Mamba to be held on or about March 20, 2014.

"**Corporations Act 2001**" means the Corporations Act 2001 (Cth) (Australia) as may be amended, modified or waived in relation to Mamba and/or re-enacted, amended or replaced from time to time.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**CRA**" means the Canada Revenue Agency.

"**Current Market Price**" means, in respect of a Mamba Share on any date, the quotient obtained by dividing (a) the aggregate of the Daily Value of Trades for each day during the period of 20 consecutive trading days ending three trading days before such date; by (b) the aggregate volume of Mamba Shares used to calculate such Daily Value of Trades.

"**Daily Value of Trades**" means, in respect of the Mamba Shares on any trading day, the product of (a) the volume weighted average price of Mamba Shares on the TSX or the ASX where the largest volume of trading has taken place on such day (or, if the Mamba Shares are not listed on the TSX or the ASX, the Canadian Dollar Equivalent of the volume weighted average price of Mamba Shares on such other stock exchange or automated quotation system on which the Mamba Shares are listed or quoted, as the case may be, as may be selected by the board of directors of Mamba for such purpose) on such date, as determined by Bloomberg L.P. or other reputable, third party information source selected by the board of directors of Mamba in good faith; and (b) the aggregate volume of Mamba Shares traded on such day on the TSX, ASX or such other stock exchange or automated quotation system where the largest volume of trading has taken place on such day and used to calculate such volume weighted average price; provided that any such selections by the board of directors of Mamba shall be conclusive and binding.

"**Depositary**" means Equity Financial Trust Company, or any successor depositary, in its capacity as depositary for the Champion Common Shares under the Arrangement.

"**Dissenting Champion Shareholder**" means a Champion Shareholder that has duly and validly exercised Dissent Rights and is ultimately entitled to be paid the fair value of its Champion Common Shares in accordance with the Plan of Arrangement.

"**Dividend Amount**" means an amount equal to all declared and unpaid dividends on an Exchangeable Share held by a holder on any dividend record date which occurred prior to the date of purchase, redemption or other acquisition of such share by Mamba or Mamba Affiliate, as the case may be, from such holder.

"**Effective Date**" means the date on or before the Outside Date on which the Arrangement becomes effective in accordance with the OBCA and the Final Order.

"**Effective Time**" means 12:01 a.m. on the Effective Date.

"**Elected Amount**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Exchange of Champion Common Shares for Consideration Including Exchangeable Shares and Ancillary Rights – Rollover Transaction Joint Tax Election".

"**Election Deadline**" means 10:00 a.m. (Toronto time) on March 26, 2014, being the business day immediately prior to the date of the Meeting or, if such Meeting is adjourned or postponed, such time on the business day immediately prior to the date of such adjourned or postponed Meeting.

"**Eligible Holder**" means a Champion Shareholder who is (i) a person who is a resident of Canada for purposes of the ITA or a partnership that is a "Canadian partnership" for purposes of the ITA", (ii) not exempt from tax under Part I of the ITA (or, in the case of a partnership, none of the partners of which is exempt from tax under Part I of the ITA) and (iii) not a "financial institution" as defined in Section 142.2 of the ITA.

"**Exchangeable Elected Shares**" means Champion Common Shares that the holder thereof has elected, in a duly completed letter of transmittal and election form deposited with the Depositary no later than the Election Deadline, to transfer to Canco under the Arrangement for consideration that includes Exchangeable Shares.

"**Exchangeable Share Consideration**" means, with respect to an exchange of each Exchangeable Elected Share, 0.7333333 Exchangeable Shares, together with the Ancillary Rights.

"**Exchangeable Shares**" means the exchangeable shares in the capital of Canco, the rights, privileges, restrictions and conditions attaching to which are more particularly described in Appendix I to the Plan of Arrangement.

"**Exchangeable Share Voting Event**" means any matter in respect of which holders of Exchangeable Shares are entitled to vote as shareholders of Canco and in respect of which the board of directors of Canco determines in good faith that after giving effect to such matter the economic equivalence of the Exchangeable Shares and the Mamba Shares is maintained for the holders of Exchangeable Shares (other than Mamba and its affiliates).

"**Exchange Ratio**" means 0.7333333, as may be adjusted pursuant to terms of the Plan of Arrangement.

"**Exchange Time**" means the time at which the steps described under "The Arrangement – Description of the Arrangement" are completed.

"**Exclusivity Agreement**" means the binding exclusivity and confidentiality agreement dated November 15, 2013 and effective November 18, 2013 between Champion and Mamba, as amended pursuant to an extension agreement between Champion and Mamba dated November 26, 2013 and effective November 27, 2013.

"**Exempt Exchangeable Share Voting Event**" means an Exchangeable Share Voting Event in order to approve or disapprove, as applicable, any change to, or in the rights of the holders of, the Exchangeable Shares, where the approval or disapproval, as applicable, of such change would be required to maintain the economic equivalence of the Exchangeable Shares and the Mamba Shares.

"**Fairness Opinion**" means the fairness opinion of Canaccord provided to the Special Committee of the Champion Board with respect to the Arrangement dated December 5, 2013, a copy of which is attached as Appendix F to this Circular.

"**Fermont Property**" means the 14 properties covering approximately 747 square kilometres located in the region known as the Fermont Iron Ore District of northeastern Québec, divided into clusters referred to by Champion as Cluster 1, Cluster 2 and Cluster 3, and which includes the Consolidated Fire Lake North Project.

"**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Time or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal.

"**Gullbridge Property**" means the 204 claims covering approximately 45 square kilometres in the region known as the Buchans-Robert's Arm Belt in central Newfoundland.

"**Interim Order**" means the interim order of the Court in respect of the Arrangement dated February 7, 2014, a copy of which is attached as Appendix E to this Circular providing for, among other things, the calling and holding of the Meeting, as may be amended.

"**Investment Canada Act**" means the *Investment Canada Act*, as amended.

"**ITA**" means the *Income Tax Act* (Canada), as amended.

"**Joint Tax Election**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations for Champion Shareholders – Resident in Canada – Exchange of Champion Common Shares for Consideration Including Exchangeable Shares and Ancillary Rights – Rollover Transaction Joint Tax Election".

"**Lac Lamêlée Property**" means the 29 claims covering approximately 15.24 square kilometres in North-Eastern Québec.

"**Laws**" means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Agency.

"**Liquidation Amount**" means an amount per share equal to the Current Market Price of a Mamba Share on the last business day prior to the Liquidation Date plus the Dividend Amount.

"**Liquidation Call Purchase Price**" means an amount per share equal to the Current Market Price of a Mamba Share on the last business day prior to the Liquidation Date plus the Dividend Amount.

"**Liquidation Call Right**" shall have the meaning set out in the Plan of Arrangement attached as Schedule B to the Arrangement Agreement attached to this Circular as Appendix B.

"**Liquidation Date**" means the effective date of the liquidation, dissolution or winding-up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs.

"**Mamba**" means Mamba Minerals Limited, a corporation existing under the laws of Australia.

"**Mamba Affiliate**" means a direct or wholly owned Subsidiary of Mamba to which Mamba may transfer the Liquidation Call Right, the Redemption Call Right, the Change of Law Call Right or the Retraction Call Right pursuant to the terms of the Plan of Arrangement and the Exchangeable Share Provisions, as applicable.

"**Mamba Control Transaction**" means any merger, amalgamation, arrangement, take-over bid or tender offer, material sale of shares or rights or interests therein or thereto or similar transactions involving Mamba, or any proposal to do so.

"**Mamba Disclosure Statement**" means the statement delivered by Mamba to Champion concurrently with the execution of the Arrangement Agreement.

"**Mamba Dividend Declaration Date**" means each date on which the board of directors of Mamba declares a dividend or other distribution on the Mamba Shares that would require a corresponding payment to be made in respect of the Exchangeable Shares.

"**Mamba Liquidation Event**" means (a) in the event of any determination by the board of directors of Mamba to institute voluntary liquidation, dissolution or winding-up proceedings with respect to Mamba or to effect any other distribution of assets of Mamba among its shareholders for the purpose of winding up its affairs, at least 60 days prior to the proposed effective date of such liquidation, dissolution, winding-up or other distribution; and (b) as soon as practicable following the earlier of (A) receipt by Mamba of notice of, and (B) Mamba otherwise becoming aware of any instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding-up of Mamba or to effect any other distribution of assets of Mamba among its shareholders for the purpose of winding up its affairs, in each case where Mamba has failed to contest in good faith any such proceeding commenced in respect of Mamba within 30 days of becoming aware thereof.

"**Mamba Meeting**" means the meeting of the shareholders of Mamba pursuant to the Corporations Act 2001 and the ASX Listing Rules.

"**Mamba Options**" means options to acquire Mamba Shares issued pursuant to Mamba's stock option plan, including the Replacement Options.

"**Mamba Share Consideration**" means, in respect of an exchange of a Champion Common Share (other than Exchangeable Elected Shares), 0.7333333 Mamba Shares.

"**Mamba Shareholder Approval**" means all Mamba approvals which are necessary under any applicable Law for the purpose, or in pursuance, of the Arrangement, including but not limited to: (i) approval to consolidate and convert the Performance Shares; (ii) approval to change the name of Mamba to "Champion Iron Limited"; (iii) approval to change the constitution of Mamba to create the Special Voting Share and include amendments in order for Mamba to meet certain listing requirements of the TSX; and (iv) approval to issue Mamba Shares in order that Mamba may complete the Concurrent Financing.

"**Mamba Shareholders**" means, collectively, the holders of the Mamba Shares.

"**Mamba Shares**" means the ordinary shares of Mamba.

"**Mamba Supporting Shareholders**" means Michael O'Keeffe, Niall Lenahan and Richard Wright.

"**Mamba Voting Support Agreements**" means the agreements entered into on or after the date hereof between Champion and certain Mamba Supporting Shareholders with respect to the voting of Mamba Shares in favour of the matters required to obtain Mamba Shareholder Approval.

"**Materially Adverse**" means, with respect to a person, a fact, circumstance, change, effect, occurrence, event or state of facts that, individually or in the aggregate, is or would reasonably be expected to (A) materially and adversely affect the financial condition, operations, results of operations, business, prospects, assets or capital of that person, or (B) prevent such person from performing its obligations under the Arrangement Agreement, the Arrangement or any other transaction contemplated thereby; provided that, except as hereinafter set forth in this definition, no fact, circumstance, change, effect, occurrence, event or state of facts relating to any of the following, individually or in the aggregate, shall be considered Materially Adverse, solely as contemplated in (A) above: (i) any change in the trading price or trading volume of Champion Common Shares or Mamba Shares, as the case may be; (ii) any change in conditions generally affecting the mining industry as a whole; (iii) any change in the market price of iron ore; (iv) any change in generally acceptable accounting principles; (v) any change in applicable Laws; (vi) any matters disclosed in the Arrangement Agreement, in the Champion Disclosure Statement or in the Mamba Disclosure Statement; (vii) any action or inaction taken by Champion or Mamba or any of its Subsidiaries, as the case may be, to which the other party has expressly consented in writing or as expressly permitted by the Arrangement Agreement; or (viii) a decline in the TSX or ASX level, as applicable, following the date of the Arrangement Agreement.

"**Meeting**" means the special meeting of the Champion Securityholders to be held on March 27, 2014 and any adjournment(s) or postponement(s) thereof to, among other things, consider and, if thought advisable, approve the Arrangement Resolution.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* of the Ontario Securities Commission and l'Autorité des marchés financiers (Québec).

"**Minority Approval**" means approval of the Arrangement Resolution by a simple majority of the votes cast at the Meeting in person or by proxy by all Champion Shareholders other than (i) any interested party to the Arrangement within the meaning of MI 61-101, (ii) any related party of an interested party within the meaning of MI 61-101 (subject to exceptions set out therein), and (iii) any person that is a joint actor with any of the foregoing for the purposes of MI 61-101.

"**Minority Shareholders**" means all Champion Shareholders, other than Thomas Larsen, Miles Nagamatsu, Jorge Estepa, Jeffrey Hussey, Beat Frei, Alexander S. Horvath, Douglas H. Bache and William Harding; (ii) any "related parties" of Thomas Larsen, Miles Nagamatsu, Jorge Estepa, Jeffrey Hussey, Beat Frei, Alexander S. Horvath, Douglas H. Bache and William Harding (as defined for the purposes of MI 61-101); and (iii) any person or company acting jointly or in concert with the foregoing.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Adminstrators.

"**NI 45-102**" means National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators.

"**NI 45-106**" means National Instrument 45-106 – *Prospectus and Registration Exemptions* of the Canadian Securities Administrators.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

"**NI 54-101**" means National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators.

"**Norton Rose Fulbright**" means Norton Rose Fulbright Canada LLP.

"**Notice of Application**" means the Notice of Application for the Final Order.

"**Notice of Meeting**" means the notice of meeting dated February 10, 2014 accompanying this Circular.

"**Notifiable Transactions**" means certain classes of transactions that exceed the thresholds set out in Sections 109 and 110 of the Competition Act and require that the Commissioner be notified.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**OBCA Director**" means the Director appointed pursuant to Section 278 of the OBCA.

"**Outside Date**" means June 5, 2014 or such later date to which each of Champion and Mamba may agree in writing.

"**Pareto**" means Pareto Securities Limited (formerly Ocean Equities Ltd.).

"**Performance Shares**" means the 6,400,000 A Class Performance Shares, the 6,400,000 B Class Performance Shares, the 6,400,000 C Class Performance Shares, the 6,400,000 D Class Performance Shares and the 6,400,000 E Class Performance Shares issued in the capital of Mamba having the terms and conditions set out in the "Explanatory Statement" which accompanied Mamba's notice of general meeting dated 10 August 2012.

"**person**" includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Agency, syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement in the form and content of Schedule B annexed to the Arrangement Agreement, and any amendments or variations thereto made in accordance with Section 7.2 of the Arrangement Agreement or Section 6 of the Plan of Arrangement or made at the direction of the Court.

"**Powderhorn Property**" means the 115 claims covering approximately 29 square kilometres in the region known as the Buchans-Robert's Arm Belt in central Newfoundland.

"**Principal Parties**" means Mamba and Champion.

"**Proposed Amendments**" means all proposed amendments to the ITA and the regulations thereunder that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular.

"**Record Date**" means January 28, 2014.

"**Redemption Call Right**" shall have the meaning set out in the Plan of Arrangement attached as Schedule B to the Arrangement Agreement attached to this Circular as Appendix B.

"**Redemption Date**" means the date, if any, established by the board of directors of Canco for the redemption by Canco of all but not less than all of the outstanding Exchangeable Shares, which date shall be no earlier in any event than January 1, 2015 and thereafter no later than the third anniversary of the date on which Exchangeable Shares first are issued, unless:

(a) there are fewer than 2,000,000 Exchangeable Shares outstanding (other than Exchangeable Shares held by Mamba and its affiliates, as such number of shares may be adjusted as deemed appropriate by the board of directors of Canco to give effect to any subdivision or consolidation of or stock dividend on the Exchangeable Shares, any issue or distribution of rights to acquire Exchangeable Shares or securities exchangeable for or convertible into Exchangeable Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Exchangeable Shares), in which case the board of directors of Canco may accelerate such redemption date to such date prior to the third anniversary of the date on which Exchangeable Shares first are issued as they may determine, upon at least 60 days' prior written notice to the holders of the Exchangeable Shares and the Trustee;

(b) a Mamba Control Transaction occurs, in which case, provided that the board of directors of Canco determines, in good faith and in its sole discretion, that it is not reasonably practicable to substantially replicate the terms and conditions of the Exchangeable Shares in connection with such Mamba Control Transaction and that the redemption of all but not less than all of the outstanding Exchangeable Shares is necessary to enable the completion of such Mamba Control Transaction in accordance with its terms, the board of directors of Canco may accelerate such redemption date to such date prior to the third anniversary of the date on which Exchangeable Shares first are issued as it may determine, upon such number of days' prior written notice to the holders of the Exchangeable Shares and the Trustee as the board of directors of Canco may determine to be reasonably practicable in such circumstances;

(c) an Exchangeable Share Voting Event that is not an Exempt Exchangeable Share Voting Event is proposed and (i) the holders of the Exchangeable Shares fail to take the necessary action, at a meeting or other vote of holders of Exchangeable Shares, to approve or disapprove, as applicable, the Exchangeable Share Voting Event or the holders of the Exchangeable Shares do take the necessary action but, in connection therewith, the holders of more than 2% of the outstanding Exchangeable Shares (other than those held by Mamba and its affiliates) exercise rights of dissent under the OBCA, and (ii) the board of directors of Canco determines in good faith that it is not reasonably practicable to accomplish the business purpose (which business purpose must be *bona fide* and not for the primary purpose of causing the occurrence of the Redemption Date) intended by the Exchangeable Share Voting Event in a commercially reasonable manner that does not result in an Exchangeable Share Voting Event, in which case the Redemption Date shall be the business day following the day on which the later of the events described in (i) and (ii) above occurs; or

(d) an Exempt Exchangeable Share Voting Event is proposed and holders of the Exchangeable Shares fail to take the necessary action at a meeting or other vote of holders of Exchangeable Shares to approve or disapprove, as applicable, the Exempt Exchangeable Share Voting Event in which case the Redemption Date shall be the business day following the day on which the holders of the Exchangeable Shares failed to take such action.

"**Redemption Price**" means an amount per share equal to the Current Market Price of a Mamba Share on the last business day prior to the Redemption Date plus the Dividend Amount.

"**Registered Plans**" means registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the ITA.

"**Regulatory Approvals**" means those sanctions, rulings, consents, orders, waivers, exemptions, permits and other approvals of an Agency (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a time lapses following the giving of notice

without an objection being made by an Agency) required by Champion, Mamba and Canco in respect of the Arrangement and the other transactions related to the acquisition of Champion by Mamba contemplated by the Arrangement Agreement.

"**Replacement Option**" means an option issued by Mamba to Champion Optionholders pursuant to the terms of the Plan of Arrangement.

"**Representatives**" of a person means, collectively, the directors, officers, employees, professional advisors, agents or other authorized representatives of such person.

"**Response Period**" has the meaning ascribed thereto under the heading "The Arrangement Agreement – Alternative Transactions – Implementation of Superior Proposal".

"**Retraction Call Right**" shall have the meaning set out in Appendix I to the Plan of Arrangement attached as Schedule B to the Arrangement Agreement attached to this Circular as Appendix B.

"**Retraction Date**" means the business day on which Canco will redeem the Retracted Shares.

"**Retraction Price**" means an amount per share equal to the Current Market Price of a Mamba Share on the last business day prior to the Retraction Date plus the Dividend Amount.

"**Retraction Request**" means a duly executed statement, prepared and delivered in accordance with the terms of the Plan of Arrangement, accompanying the presentation and surrender of the direct registration statement evidencing the issuance of the Exchangeable Shares or certificate(s) representing the Exchangeable Shares which the holder desires to have Canco redeem, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and the articles and by-laws of Canco and such additional documents, instruments and payments as the Transfer Agent and Canco may reasonably require to effect a retraction.

"**Retracted Shares**" means the Exchangeable Shares in respect of which the holder thereof has delivered a Retraction Request to have such Exchangeable Shares redeemed by Canco.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities Commissions**" means the securities regulatory authorities in each of the provinces of Canada.

"**Securities Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended.

"**Snelgrove Lake Project**" means the group of claims covering approximately 106 square kilometres located in Labrador, approximately 55 kilometres southeast of Schefferville Québec.

"**Special Committee**" means the special committee of independent directors of the Champion Board, struck by the Champion Board on November 13, 2013, consisting of Donald A. Sheldon (Chair), Harry Burgess and Francis Sauvé.

"**Special Voting Share**" means the special voting share in the capital of Mamba having substantially the rights, privileges, restrictions and conditions described in the Voting and Exchange Trust Agreement.

"**Subsidiaries**" "means, in respect of a person, each of the corporate entities, partnerships and other entities over which it exercises direction or control.

"**Superior Proposal**" means any *bona fide* written Acquisition Proposal made before or after the date hereof by a third party that was not solicited in contravention of the non-solicitation provisions of the Arrangement Agreement, that, in the good faith determination of the board of directors of Champion or Mamba, as the case may be, (following consultation with their financial advisors and outside legal advisors): (i) is reasonably capable of being completed (taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal), (ii) is not subject to due diligence and/or access to information condition, (iii) if in cash, or partly in cash, is fully financed or is capable of being fully financed taking into account the

creditworthiness of Champion or Mamba, as the case may be, or provided that applicable securities Laws are met, and (iv) the failure to recommend such Acquisition Proposal to Champion Shareholders or Mamba Shareholders, as the case may be, would constitute a breach of its fiduciary duties under applicable Laws.

"**Support Agreement**" means an agreement to be made among Mamba and Canco in connection with the Plan of Arrangement substantially in the form and substance of Schedule H to the Arrangement Agreement.

"**Termination Fee**" means $1,000,000.

"**TFSA**" means a tax-free savings account.

"**Transactions**" means the Arrangement and the other transactions related to the acquisition of Champion by Mamba contemplated by the Arrangement Agreement and the other agreements contemplated therein.

"**Transfer Agent**" means Equity Financial Trust Company or such other person as may from time to time be appointed by Canco as the registrar and transfer agent for the Exchangeable Shares.

"**Trustee**" means Equity Financial Trust Company or such other trustee as may from time to time be chosen by Mamba to act as trustee under the Voting and Exchange Trust Agreement, being a corporation organized and existing under the laws of Canada or any Province thereof and authorized to carry on the business of a trust company in all the provinces of Canada, and any successor trustee appointed under the Voting and Exchange Trust Agreement.

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

"**Voting and Exchange Trust Agreement**" means an agreement to be made among Mamba, Canco and the Trustee in connection with the Plan of Arrangement substantially in the form and substance of Schedule I to the Arrangement Agreement.

APPENDIX B
Arrangement Agreement

December 5, 2013

MAMBA MINERALS LIMITED

and

CHAMPION IRON MINES LIMITED

ARRANGEMENT AGREEMENT

NORTON ROSE FULBRIGHT

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THIS ARRANGEMENT AGREEMENT is dated this 5th day of December, 2013 and made between:

(1) **CHAMPION IRON MINES LIMITED**, a corporation incorporated under the laws of Ontario, ("**Target**"); and

(2) **MAMBA MINERALS LIMITED**, a corporation incorporated under the laws of Australia, ("**Acquireco**").

RECITALS:

(A) The authorized capital of Target consists of an unlimited number of common shares, of which 137,395,609 Target Shares were issued and outstanding as of the date of this Agreement, as fully paid and non-assessable.

(B) Acquireco intends to incorporate Canco and proposes to acquire, together with Canco, all of the Target Shares pursuant to the Arrangement as provided for in this Agreement for the consideration contemplated herein.

(C) Certain Acquireco Shareholders have expressed an intention to vote the Acquireco Shares held by them in favour of the Transactions.

(D) Certain Target Shareholders have agreed to vote their securities of Target in favour of the Transactions, subject to the terms of the Target Voting Support Agreements.

(E) The board of directors of Target, after receiving the Fairness Opinion and legal advice and after considering other factors, has unanimously determined that it is in the best interests of Target to enter into this Agreement, to support and implement the Transactions and for the board of directors of Target to recommend that Target Shareholders vote in favour of the Arrangement.

NOW THEREFORE in consideration of the mutual covenants set out in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Target and Acquireco agree that:

ARTICLE 1
THE TRANSACTION AND ITS ANNOUNCEMENT

1.1 Process Regarding Target.

Subject to the terms and conditions of this Agreement:

(a) subject to compliance by Acquireco with its agreements and covenants in Section 1.2, as soon as practicable after the execution of this Agreement, and in any event before February 28, 2014, Target shall, in a manner acceptable to Acquireco, acting reasonably, apply to the Court pursuant to Section 182 of the Act for the Interim Order;

(b) provided the Interim Order has been obtained, Target shall, in a manner acceptable to Acquireco, acting reasonably, and subject to Acquireco's agreements and covenants in Section 1.2, hold the Target Special Meeting as soon as reasonably practicable after the Interim Order has been obtained, and in any event before April 15, 2014, and, in connection with the Target Special Meeting, ensure that the Target Circular contains all information necessary to permit Target Securityholders to make an informed judgment about the Arrangement;

(c) Target Securityholder Approval shall be the required level of approval for the Arrangement;

(d) after having called the Target Special Meeting, Target shall not, without the prior consent of Acquireco, such consent not to be unreasonably withheld, delayed or conditioned, adjourn, postpone or cancel the Target Special Meeting, except as may be required by Law or the rules of the TSX or except as otherwise permitted in this Agreement;

(e) Target shall, subject to the prior review and written approval of Acquireco, acting reasonably, and subject to Acquireco's agreements and covenants in Section 1.2, prepare, file and distribute the Target Circular and such other documents (including documents required by the TSX and the Securities Commissions or applicable Law) as may be necessary or desirable to permit Target Securityholders to vote on the Arrangement;

(f) provided the Arrangement is approved at the Target Special Meeting as set out in the Interim Order and applicable Law, as soon as reasonably practicable thereafter at a time determined with Acquireco, acting reasonably, Target shall forthwith, in a manner acceptable to Acquireco, acting reasonably, take the necessary steps to submit the Arrangement to the Court and apply for the Final Order in such manner as the Court may direct;

(g) provided the Final Order is obtained and the conditions set out in Article 2 have been satisfied or waived, Target shall send to the Director, for endorsement and filing by the Director, articles of arrangement and such other documents as may be required under the OBCA to give effect to the Arrangement; and

(h) provided the Final Order is obtained and the conditions set out in Article 2 have been satisfied or waived, the Support Agreement and the Voting and Exchange Trust Agreement shall be executed.

1.2 Target Circular.

Target shall prepare the Target Circular (including supplements or amendments thereto) and cause the Target Circular (including supplements or amendments thereto) to be distributed in accordance with applicable Law. In preparing the Target Circular, Target shall provide Acquireco with a reasonable opportunity to review and comment on the Target Circular and, other than with respect to the Acquireco Information for which Acquireco shall be solely responsible, Target shall consider all such comments, provided that whether or not any comments are accepted or appropriate shall be determined by the board of directors of Target in their discretion. In a timely and expeditious manner so as to permit Target to comply with its obligations in Section 1.1(a) and Section 1.1(b), Acquireco shall as promptly as reasonably possible furnish to Target all Acquireco Information. Each of Target and Acquireco shall:

(a) ensure that all information provided by it or on its behalf that is contained in the Target Circular does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in the Target Circular that is necessary to make any statement that it contains not misleading in light of the circumstances in which it is made; and

(b) promptly notify the other if, at any time before the Effective Time, it becomes aware that the Target Circular, any document delivered to the Court in connection with the application for the Interim Order or Final Order or delivered to Target Securityholders in connection with the Target Special Meeting or any other document contemplated by Section 1.1 contains a misrepresentation or an untrue statement of material fact, omits to state a material fact required to be stated in those documents that is necessary to make any statement it contains not misleading in light of the circumstances in which such statement is made or that otherwise requires an amendment or a supplement to those documents.

All Acquireco Information shall comply in all material respects with all applicable Laws and shall contain full, true and plain disclosure of all material facts relating to the securities of Acquireco and Canco to be issued in connection with this Agreement, including under the Plan of Arrangement. Acquireco shall indemnify and hold harmless Target and each of the Indemnified Persons to the extent that the Acquireco Information contains or is alleged to contain any misrepresentation (as defined under applicable securities Laws) and/or does not contain full, true and plain disclosure of all material facts relating to the securities of Acquireco or Canco to be issued in connection with this Agreement, including under the Plan of Arrangement.

1.3 Process Regarding Acquireco.

Subject to the terms and conditions of this Agreement:

(a) as soon as practicable after the execution of this Agreement, and in any event before December 15, 2013, Acquireco shall incorporate Canco as a direct wholly owned subsidiary under the laws of the Province of Ontario;

(b) prior to the Effective Time, Acquireco shall enter into a call rights agreement with Canco which agreement shall describe and provide the details and terms required in connection with the transfer of Exchangeable Shares to Acquireco or an Acquireco Affiliate, if applicable, and the issuance of Acquireco Shares to the holders of Exchangeable Shares in consideration thereof, upon the exercise of the Liquidation Call Right, Redemption Call Right, Change of Law Call Right or Retraction Call Right, as applicable;

(c) (i) no later than five (5) business days prior to the Effective Date, Acquireco shall provide Target with a reasonable opportunity to review and comment on the subscription agreements to be used in connection with the Concurrent Financing (and reasonable consideration shall be given to any comments made by Target and Target's counsel) prior to circulation to investors, and (ii) no later than two (2) business days prior to the Effective Date, Acquireco shall deliver executed irrevocable subscription agreements to Target and Target's counsel from subscribers acceptable to Target and Acquireco, each acting reasonably, as well as evidence that subscription funds in an aggregate of a minimum of A$10 million have been deposited into trust in connection with the Concurrent Financing;

(d) Acquireco shall take all action necessary in accordance with all applicable Laws to duly call, give notice of, convene and hold the Acquireco Special Meeting as promptly as practicable, and in any event not later than February 28, 2014;

(e) Acquireco shall solicit proxies of Acquireco Shareholders in favour of the Transactions;

(f) after having called the Acquireco Special Meeting, Acquireco shall not, without the prior consent of Target, adjourn, postpone or cancel the Acquireco Special Meeting, except as may be required by Law or the rules of the ASX or except as otherwise permitted in this Agreement; and

(g) Acquireco shall, subject to prior review and written approval of Target prepare, file and distribute its notice of meeting and proxy circular and such other documents (including documents required by the ASX or applicable Laws) as may be necessary or desirable to permit Acquireco Shareholders to vote on the Transactions.

1.4 Acquireco Circular.

Acquireco shall prepare a notice of meeting and proxy circular, or such other equivalent documents required by applicable Laws and the rules of the ASX, (including supplements or amendments thereto) (the "**Acquireco Circular**") and cause the Acquireco Circular to be distributed in accordance with applicable Law. Acquireco shall provide Target with a reasonable

opportunity to review and comment on the Acquireco Circular. Acquireco shall consider all comments, provided that whether or not such comments are accepted or appropriate shall be determined by the board of directors of Acquireco in their discretion, acting reasonably. Target shall provide to Acquireco for inclusion in the Acquireco Circular, all information, if any, concerning Target that is required to be included in the Acquireco Circular under applicable Law, and such information shall not contain a misrepresentation and shall not be misleading or deceptive, including by omission. Target shall indemnify and hold Acquireco and each of its directors harmless to the extent that such information contains or is alleged to contain any misrepresentation (as defined under applicable securities Laws).

1.5 Voting Agreements.

Target shall, concurrent with the execution and delivery to Acquireco of this Agreement, deliver to Acquireco duly executed Target Voting Support Agreements, in a form acceptable to Acquireco, acting reasonably, from each of the directors and officers of Target (the "**Target Supporting Shareholders**"). Acquireco shall, concurrent with the execution and delivery to Target of this Agreement, deliver to Target duly executed Acquireco Voting Support Agreements, in a form acceptable to Target, acting reasonably, from each of the directors and officers of Acquireco ("**Acquireco Supporting Shareholders**").

1.6 Waiver Target Shareholder Rights Plan.

Target has taken and shall continue to take all actions necessary to render the rights issued pursuant to the Target Shareholder Rights Plan inapplicable to the Transactions and this Agreement.

1.7 Public Announcements.

Immediately after the execution of this Agreement, the Principal Parties shall mutually agree and issue a joint public announcement, announcing the entering into of this Agreement and the Transactions in a form reasonably acceptable to both Principal Parties.

ARTICLE 2
CONDITIONS TO THE ARRANGEMENT

2.1 Mutual Conditions.

The respective obligations of the parties to complete the Arrangement shall be subject to the fulfilment, or the waiver by each of them, on or before the Outside Date, of the conditions set forth in Schedule C, each of which may be waived, in whole or in part, by mutual consent of the parties. For greater certainty, the conditions set forth in Schedule C are inserted for the benefit of each of the parties to this Agreement and may only be waived, in whole or in part, by mutual consent of Target and Acquireco.

2.2 Conditions in Favour of Target.

The obligations of Target to complete the Arrangement shall be subject to the fulfilment, or the waiver by Target, on or before the Outside Date, of the conditions set forth in Schedule D, each of which is for the exclusive benefit of Target and may be waived by Target alone, at any time, in whole or in part, in its sole discretion.

2.3 Conditions in Favour of Acquireco.

The obligations of Acquireco to complete the Arrangement shall be subject to the fulfilment, or the waiver by Acquireco, on or before the Outside Date, of the conditions set out in Schedule E, each

of which is for the exclusive benefit of Acquireco and may be waived by Acquireco alone, at any time, in whole or in part, in its sole discretion.

2.4 Satisfaction, Waiver and Release of Conditions.

Upon the issuance of a certificate of arrangement in respect of the Arrangement by the Director in accordance with the Final Order and the OBCA, the conditions provided for in this Article 2 shall be deemed conclusively to have been satisfied, fulfilled, waived or released.

2.5 Use of reasonable endeavours.

Each party shall use its reasonable endeavours to satisfy, assist the other to satisfy, or procure satisfaction of (as applicable) each condition set forth in Schedule C, on or before the Outside Date. Each party shall promptly notify the other party when learning that any such condition is satisfied or that it cannot be satisfied. Each party shall promptly keep the other party reasonably informed of any developments relevant to the satisfaction, waiver or otherwise of any such condition.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Target.

Target represents and warrants to Acquireco as to those matters set forth in Schedule F (and acknowledges that Acquireco is relying on such representations and warranties in entering into this Agreement and completing the Transactions).

3.2 Representations and Warranties of Acquireco.

Acquireco represents and warrants to Target as to those matters set forth in Schedule G (and acknowledges that Target is relying on such representations and warranties in entering into this Agreement and completing the Transactions).

3.3 Survival of Representations, Warranties and Covenants.

The representations, warranties and covenants of Target and Acquireco contained in this Agreement or in any instrument delivered pursuant to this Agreement shall merge upon, and shall not survive, the Effective Date; provided that this Section 3.3 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

ARTICLE 4
IMPLEMENTATION

4.1 General.

The Transactions are intended, subject to the terms and conditions hereof and thereof, to result in, among other things, Acquireco directly and indirectly acquiring all Target Shares outstanding immediately prior to the Effective Time as provided below and, as set out in greater detail in the Plan of Arrangement, each issued and outstanding Target Share held by a Target Shareholder (other than Target Shares held by Acquireco or Dissenting Shareholders) shall be exchanged with Acquireco or Canco, as applicable, for Acquireco Share Consideration or Exchangeable Share Consideration, respectively, in accordance with the election or deemed election of such Target Shareholder pursuant to Section 2.3 of the Plan of Arrangement.

Subject to the provisions of the Plan of Arrangement, Acquireco shall procure Canco's execution of joint elections under subsection 85(1) or 85(2) of the ITA or any equivalent provincial legislation

with Target Shareholders who are Eligible Holders (as defined in the Plan of Arrangement) and who are entitled to receive Exchangeable Shares under the Arrangement, subject to and in accordance with the Plan of Arrangement.

Each of Target and Acquireco shall (and shall cause its Subsidiaries to) use all commercially reasonable efforts to satisfy each of the conditions precedent to be satisfied by it, as soon as practical and in any event before the Outside Date, and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable to permit the completion of the Transactions in accordance with the Arrangement, this Agreement, the agreements that it contemplates and applicable Law, and to cooperate with each other in connection therewith (provided, however, that, with respect to Canadian provincial or territorial qualifications, neither Acquireco nor Canco shall be required to register or qualify as a foreign corporation or to take any action that would subject it to service of process in any jurisdiction where it is not now so subject, except as to matters and transactions arising solely from the issuance of the Exchangeable Shares and the Acquireco Shares), including using all commercially reasonable efforts to:

(a) provide notice to, and obtain all waivers, consents, permits, licenses, authorizations, orders, approvals and releases necessary or desirable to complete the Transactions from, Agencies and other persons, including parties to agreements, understandings or other documents to which each of Target and Acquireco (and its respective Subsidiaries) is a party or by which it or its properties are bound or affected (including loan agreements, shareholder agreements, leases, pledges, guarantees and security), the failure of which to provide or obtain would prevent the completion of the Arrangement or which, individually or in the aggregate, would reasonably be expected to be Materially Adverse to either Target or Acquireco and their respective Subsidiaries, in each case taken as a whole;

(b) obtain the Interim Order and the Target Securityholder Approval at the Target Special Meeting at the earliest practicable date, as specified in the Interim Order and the Final Order. Target shall provide legal counsel to Acquireco with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Interim Order and Final Order, and shall give reasonable consideration to all such comments. Target shall also provide legal counsel to Acquireco on a timely basis with copies of any notice of appearance and evidence served on Target or its legal counsel in respect of the application for the Final Order or any appeal therefrom;

(c) obtain the Acquireco Shareholder Approval at the Acquireco Special Meeting at the earliest practicable date;

(d) effect or cause to be effected all registrations and filings and submissions of information necessary or desirable to complete the Transactions or requested of it by Agencies, the failure of which to obtain would reasonably be expected to prevent the completion of the Transactions or would reasonably be expected to be Materially Adverse to either Target or Acquireco and their respective Subsidiaries, in each case taken as a whole; and

(e) keep the other reasonably informed as to the status of the proceedings related to obtaining the Regulatory Approvals, including providing the other with copies of all related applications and notifications.

4.2 Target Options and Target Warrants.

(a) Subject to receipt of all appropriate regulatory approvals, all Target Options issued and outstanding on the Effective Date shall be exchanged for Acquireco Option Consideration in accordance with the terms and conditions of the Plan of Arrangement. For greater certainty, all Target Options will expire and terminate on the Effective Date.

(b) All Target Warrants issued and outstanding on the Effective Date shall remain in effect, provided that, upon exercise of the Target Warrants following the Effective Date, holders of the Target Warrants shall receive, under the adjustment provisions of the Target Warrants, Acquireco Shares.

4.3 Pre-Acquisition Reorganization.

Target shall use its commercially reasonable efforts to effect such reorganization of its business, operations, and assets or such other transactions as Acquireco may reasonably request in writing (each, a "**Pre-Acquisition Reorganization**") prior to the Effective Time, and the Plan of Arrangement, if required, shall be modified accordingly; provided, however, that Target need not effect a Pre-Acquisition Reorganization which in the opinion of Target: (i) would require Target to obtain the prior approval of the shareholders of Target in respect of such Pre-Acquisition Reorganization other than at the Target Special Meeting; (ii) is prejudicial to Target or Target Securityholders or inconsistent with the provisions of this Agreement (iii) affects or modifies in any respect the obligations of either Acquireco or Canco under this Agreement (iv) is not reasonably capable of being consummated following the date of the Final Order and prior to the Effective Time or (v) would impede or delay the consummation of the Arrangement. Acquireco shall provide written notice to Target of any proposed Pre-Acquisition Reorganization at least 10 business days prior to the Effective Date provided that the Pre-Acquisition Reorganization shall in no event be effective prior to the granting of the Final Order. The parties will use their commercially reasonable efforts to structure the Pre-Acquisition Reorganization in such a manner that it is made effective immediately prior to the Effective Time. In addition:

(a) Acquireco shall bear all costs of the Pre-Acquisition Reorganization, including any liability for Taxes of Target that may arise as a result of such Pre-Acquisition Reorganization. If the Arrangement is not completed, Acquireco will forthwith reimburse Target for all reasonable fees and expenses (including any professional fees and expenses) incurred by Target in considering and effecting any Pre-Acquisition Reorganization and shall indemnify Target for any costs, taxes, loss of opportunity or otherwise of Target in reversing or unwinding any Pre-Acquisition Reorganization that was effected prior to the termination of this Agreement in accordance with its terms;

(b) Acquireco shall indemnify and save harmless Target and its officers, directors, employees, agents, advisors and representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgments and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization or as a result of the reversal (where such reversal is determined by Target to be necessary, acting reasonably) of all or any of the Pre-Acquisition Reorganization steps in the event the Arrangement does not proceed (including actual out-of-pocket costs and expenses for filing fees and external counsel);

(c) unless the parties otherwise agree, any Pre-Acquisition Reorganization to be effected shall not become effective unless Acquireco shall have confirmed in writing the satisfaction or waiver of all conditions in its favour in Sections 2.1 and 2.3 and shall have confirmed in writing that it is prepared to promptly without condition (except for the Pre-Acquisition Reorganization) proceed to effect the Arrangement;

(d) any Pre-Acquisition Reorganization shall not require Target to contravene any applicable Laws, its organizational documents or any Contract;

(e) Target shall not be obligated to take any action that has a material likelihood of resulting in any adverse Tax, economic or other consequences to Target or any securityholder of Target; and

(f) such cooperation does not require the directors, officers or employees of Target to take any action in any capacity other than as a director, officer or employee of Target, as applicable.

Acquireco acknowledges and agrees that the planning for and implementation of any Pre-Acquisition Reorganization requested by Acquireco shall not be considered a breach of any covenant under this Agreement and shall not be considered in determining whether a representation or warranty of Target hereunder has been breached. Acquireco and Target shall work cooperatively and use commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization. For greater certainty, Target shall not be liable for any Taxes or other costs arising as a result of, or the failure of Acquireco to benefit from any anticipated tax efficiency as a result of, a Pre-Acquisition Reorganization.

4.4 Defence of Proceedings.

Each of Target and Acquireco shall diligently defend, or shall cause to be diligently defended, any lawsuits or other legal proceedings brought against it or any of its Subsidiaries or their respective directors, officers or shareholders challenging this Agreement or the completion of the Transactions. Neither Target nor Acquireco shall settle or compromise (or permit any of their respective Subsidiaries to compromise or settle) any such claim brought in connection with the Transactions, without the prior written consent of the other (provided that written consent of Acquireco shall only be necessary to the extent settlement of such claim would bind either Acquireco or Canco or in any material respect affect, restrain or interfere with the conduct of the business of Target, Acquireco or any of their Subsidiaries or the consummation of the Transactions or be Materially Adverse to Target).

4.5 Securities Law Compliance, Regulatory Approvals and Related Covenants.

Acquireco shall:

(a) obtain all orders, if any, required from the applicable Securities Commissions to permit the first resale of:

(i) any Acquireco Shares issued, transferred or delivered by or on behalf of Canco from time to time to holders of Exchangeable Shares in accordance with the provisions of the Exchangeable Shares set out in Schedule I to the Plan of Arrangement; and

(ii) any Acquireco Shares issued, transferred or delivered by or on behalf of Acquireco, or an Acquireco Affiliate if any, to holders of Exchangeable Shares from time to time in accordance with the terms and conditions set out in the Plan of Arrangement and Schedule I to the Plan of Arrangement;

in each case without qualification with or approval of or the filing of any prospectus, or the taking of any proceeding with, or the obtaining of any further order, ruling or consent from, any Securities Commission in any of the provinces or territories of Canada (other than, with respect to such first resales, any restrictions on transfer by reason of a holder being a "control person" of Acquireco or Canco (as defined in the provisions attaching to the Exchangeable Shares) for purposes of Canadian provincial or territorial securities Laws; and

(b) ensure that Canco is, at the Effective Time and for so long as there are Exchangeable Shares outstanding (other than those Exchangeable Shares held by Acquireco or any of its affiliates), a "taxable Canadian corporation" and not a "mutual fund corporation," each within the meaning of the ITA (as of the Effective Time and any modifications to such definitions which are consistent with the principles thereof).

Acquireco shall obtain all Regulatory Approvals necessary to ensure that the distribution of the Acquireco Shares and the Exchangeable Shares pursuant to the Arrangement (including those Acquireco Shares distributable pursuant to the rights attached to the Exchangeable Shares, Acquireco Options and Target Warrants) and the first trade thereof shall not be subject to resale restrictions under applicable Law.

4.6 Registrar and Transfer Agent.

Target shall permit the registrar and transfer agent for Target Shares to act as depositary in connection with the Arrangement and shall instruct that transfer agent to furnish to Acquireco (and such persons as Acquireco may reasonably designate), at such times as Acquireco may request, any information that Acquireco may reasonably request and to provide to Acquireco (and such persons as Acquireco may designate) such other assistance as it may reasonably request in connection with the implementation and completion of the Transactions.

4.7 Access to Information; Confidentiality.

(a) Subject to compliance with applicable Law, Target shall afford to Acquireco and to its Representatives reasonable access during normal business hours during the period prior to the Effective Time to all of the properties, books, contracts, commitments, personnel and records of Target and, during such period, Target shall furnish promptly to Acquireco (i) a copy of each report, schedule, registration statement and other document filed by Target during such period pursuant to the requirements of federal, provincial or state securities Laws and (ii) all other information concerning its business, properties and personnel as Acquireco may reasonably request, including any information with respect to Target Securityholder Approval at the Target Special Meeting and the status of the efforts to obtain such approval. Such information shall be held in confidence to the extent required by, and in accordance with, the provisions of this Agreement.

(b) Subject to compliance with applicable Law, Acquireco shall and shall cause its Subsidiaries to afford to Target and its Representatives reasonable access during normal business hours, during the period prior to the Effective Time to all of the properties, books, contracts, commitments, personnel and records of Acquireco and its Subsidiaries and, during such period, Acquireco shall, and shall cause each of its Subsidiaries to, furnish promptly to Target (i) a copy of each report, schedule, registration statement and other document filed by Acquireco or any of its Subsidiaries during such period pursuant to the requirements of federal, provincial or state securities Laws and (ii) all other information concerning its business, properties and personnel as Target may reasonably request, including any information with respect to Acquireco Shareholder Approval at the Acquireco Special Meeting and the status of the efforts to obtain such approval. Such information shall be held in confidence to the extent required by, and in accordance with, the provisions of this Agreement.

4.8 Duty to Inform.

Each of Target and Acquireco shall keep the other apprised of the status of matters relating to the completion of the Transactions and work cooperatively in connection with obtaining the requisite approvals and consents or governmental orders, including:

(a) promptly notifying the other of, and, if in writing, promptly furnish the other with copies of, any communications from or with any Agency with respect to the Transactions;

(b) permitting the other party to review in advance, and considering in good faith the view of one another in connection with, any proposed communication with any Agency in connection with proceedings under or relating to any applicable Law relating to the Transactions; and

(c) not agreeing to participate in any meeting or discussion with any Agency in connection with proceedings under or relating to any applicable Law relating to the Transactions unless it consults with the other party in advance.

4.9 Board Recommendation.

The board of directors of Target shall in the Target Circular, subject to Section 6.4, unanimously recommend that Target Shareholders approve the Arrangement. The board of directors of Acquireco shall in the Acquireco Circular, subject to Section 6.4., unanimously recommend that Acquireco Shareholders approve the Transactions.

4.10 Withholding Rights.

Target, Canco, Acquireco, Acquireco Affiliate (if any) and any person acting as depositary (the "**Depositary**") in connection with the Arrangement shall be entitled to deduct and withhold from any dividend, price, fee, cost, expense or other amount payable to any holder of Target Shares, Acquireco Shares or Exchangeable Shares or to Acquireco or Target such amounts as Target, Canco, Acquireco, Acquireco Affiliate (if any) or the Depositary is required to deduct or withhold with respect to such payment under the ITA or any other applicable Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the person in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing Agency. To the extent that the amount so required to be deducted or withheld from any payment to a holder of securities exceeds the cash portion of the consideration otherwise payable to the holder, Target, Canco, Acquireco, Acquireco Affiliate (if any) and the Depositary are hereby authorized to sell or otherwise dispose of such other portion of the consideration as is necessary to provide sufficient funds to Target, Canco, Acquireco, Acquireco Affiliate (if any) and the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement and Target, Canco, Acquireco, Acquireco Affiliate (if any) and the Depositary shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale.

4.11 U.S. Securities Law Matters.

The parties agree that the Arrangement will be carried out with the intention that all Acquireco Shares and Exchangeable Shares issued on completion of the Arrangement to Target Securityholders in the United States, will be issued by Acquireco or Canco, as applicable, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the *U.S. Securities Act* (the "**Section 3(a)(10) Exemption**") and applicable state securities laws in reliance upon similar exemptions under applicable state securities laws. In order to ensure the availability of the Section 3(a)(10) Exemption, the parties agree that the Arrangement will be carried out on the following basis:

(a) the Arrangement will be subject to the approval of the Court;

(b) the Court will be advised as to the intention of the parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;

(c) the Court will be required to satisfy itself as to the fairness of the Arrangement to the Target Securityholders subject to the Arrangement;

(d) the Final Order will expressly state that the Arrangement is approved by the Court as being fair to the Target Securityholders;

(e) each Target Securityholder entitled to receive Acquireco Shares or Exchangeable Shares, as applicable, in each case pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of

the Arrangement and providing them with sufficient information necessary for them to exercise that right; and

(f) the Interim Order approving the Target Special Meeting will specify that each Target Securityholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as such Target Securityholder enters an appearance within a reasonable time.

4.12 Acquireco Board and Management.

Target and Acquireco agree that on the Effective Date (i) the composition of the board of directors of Acquireco shall be amended such that the board will consist of eight (8) directors, of which five (5) will be nominees of Target and of which three (3) will be nominees of Acquireco, (ii) Thomas Larsen will be appointed as Chief Executive Officer of Acquireco, and (iii) Michael O'Keeffe will continue to serve as Chairman of Acquireco.

4.13 Concurrent Financing.

Acquireco will use its reasonable endeavours to complete an equity financing to raise gross proceeds in an aggregate amount of at least A$10 million (or such greater amount as may be agreed to by Target and Acquireco) at a subscription price per share of no less than A$0.50 from institutional and other investors, which investors and their subscription amounts shall be acceptable to Target and Acquireco, each acting reasonably (the "**Concurrent Financing**"). Acquireco will use its reasonable efforts to obtain executed irrevocable subscriptions with subscription funds fully paid into trust in connection with the Concurrent Financing by no later than two (2) business days prior to the Effective Date (it being acknowledged that such irrevocable subscriptions may be conditional on the effectiveness of the Arrangement), and to close the Concurrent Financing by no later than one (1) business day following the Effective Date. The gross proceeds will be used for the Fire Lake feasibility study and other working capital.

ARTICLE 5
CONDUCT OF BUSINESS

5.1 Conduct of Business by Target.

Prior to the Effective Time, unless Acquireco otherwise agrees in writing, or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Target Disclosure Statement or as required by applicable Law or by any Governmental Entity having jurisdiction, Target shall (i) conduct its business only in, not take any action except in, and maintain its facilities and assets in, the ordinary course of business consistent with past practice, (ii) maintain and preserve its business organization and its material rights and franchises, (iii) use commercially reasonable efforts to retain the services of its officers and key employees, (iv) use commercially reasonable efforts to maintain relationships with customers, suppliers, lessees, joint venture partners, licensees, lessors, licensors and other third parties, (v) maintain all of its operational assets in their current condition (normal wear and tear excepted) to the end that the goodwill and ongoing business of Target shall not be impaired in any material respect, and (vi) maintain all mining, exploration and similar rights in good standing in accordance with all applicable Laws. Without limiting the generality of the foregoing, Target shall (unless Acquireco otherwise consents in writing (any such consent not to be unreasonably withheld, delayed or conditioned), or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Target Disclosure Statement):

(a) not do or permit to occur any of the following (directly or indirectly), except as required to satisfy a condition set forth herein,

(i) issue, grant, sell, transfer, pledge, lease, dispose of, encumber or agree to issue, grant, sell, pledge, lease, dispose of or encumber,

(A) any Target Shares or other securities entitling the holder to rights in respect of the securities or assets of Target, other than pursuant to rights to acquire such securities existing at the date of this Agreement as disclosed in the Target Disclosure Statement or except as otherwise disclosed in the Target Disclosure Statement, or

(B) any property or assets of Target (including, without limitation, mining rights), except pursuant to agreements existing at the date of this Agreement as disclosed in the Target Disclosure Statement or in the ordinary course of business consistent with past practice,

(ii) amend or propose to amend the constitutional documents (including articles or other organizational documents or by-laws) of it,

(iii) redeem, purchase or offer to purchase any securities of its capital stock, or enter into any agreement, understanding or arrangement with respect to the voting, registration or repurchase of its capital stock,

(iv) adjust, split, combine or reclassify its capital stock or merge, consolidate or enter into a joint venture with any person,

(v) acquire or agree to acquire (by purchase, amalgamation, merger or otherwise) assets from any person that individually or in the aggregate exceed $500,000,

(vi) make, or commit to make, any capital expenditures that individually or in the aggregate exceed $250,000,

(vii) incur, create, assume, commit to incur, act or fail to act in any manner that would reasonably be expected to accelerate any obligations in respect of, guarantee or otherwise become liable or responsible for, indebtedness for borrowed money,

(viii) prepay any amount owing in respect of indebtedness for borrowed money,

(ix) settle or compromise any suit, claim, action, proceeding, hearing, notice of violation, demand letter or investigation,

(x) enter into, adopt or amend any Employee Benefit Plan or Employment Agreement, except as may be required by applicable Law or except as may be required to satisfy the mutual condition set out in (j) in Schedule “C” hereto,

(xi) modify, amend or terminate, or waive, release or assign any material rights or claims with respect to any confidentiality or standstill agreement to which Target is a party,

(xii) other than as a result of the Transactions, take any action that would give rise to a right to severance benefits pursuant to any employment, severance, termination, change in control or similar agreements or arrangements,

(xiii) adopt or amend, or increase or accelerate the timing, payment or vesting of benefits under or funding of, any bonus, profit-sharing compensation, stock option (other than Target Options), pension, retirement, deferred compensation, employment or other employee benefit plan, agreement, trust, fund or

arrangement for the benefit or welfare of any current or former employee, director or consultant,

(xiv) amend the Target Option Plan or otherwise amend the terms of any Target Options, except that, for avoidance of doubt, Target's board of directors shall be entitled to take such steps as are necessary to accelerate the vesting of otherwise unvested Target Options,

(xv) enter into any confidentiality agreements or arrangements other than in the ordinary course of business consistent with past practice, except as otherwise permitted in this Agreement,

(xvi) except as otherwise required by Law, make any material Tax election, settle or compromise any material Tax claim or assessment, file any Tax Return (other than any Tax Return due before the Effective Time and then only in a manner consistent with past practice), change any method of Tax accounting or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes,

(xvii) except as required by Law or IFRS or as determined in the good faith judgment of Target's board of directors, make any changes to existing accounting practices, or write up, write down or write off the book value of any assets in amount that, in aggregate, exceeds $50,000, except for depreciation and amortization in accordance with IFRS,

(xviii) enter into or modify any employment, severance, collective bargaining or similar agreements or arrangements with, or take any action with respect to or grant any salary increases, bonuses, benefits, severance or termination pay to, any current or former officers, directors or other employees or consultants except as may be required to satisfy the mutual condition set out in (j) in Schedule "C" hereto,

(xix) take any action or fail to take any action (as the case may be) that causes or may cause:

(A) any mining rights of Target to be forfeited;

(B) the imposition of new or additional terms on the mining rights of Target which are adverse from the perspective of Target; or

(C) the grant, or alteration of, a third party interest in any of the mining rights of Target, or

(xx) use its commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any other coverage under those policies to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing reasonably acceptable to Acquireco providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(b) not do or permit any action that would, or would reasonably be expected to, render any representation or warranty made by it in this Agreement to be untrue or inaccurate in a manner that would, or would reasonably be expected to, be Materially Adverse to Target;

(c) promptly notify Acquireco orally and in writing of any change in the ordinary course of the business, operations or properties of Target and of any material complaints,

investigations or hearings (or communications indicating that the same may be contemplated) that, individually is or in the aggregate are, or would reasonably be expected to be, Materially Adverse to Target;

(d) not implement any other change in the business, affairs, capitalization or dividend policy of Target that is, or in the aggregate are, or would reasonably be expected to be, Materially Adverse to Target; and

(e) not enter into or modify any contract, agreement, commitment or arrangement with respect to any of the matters set forth in this Section 5.1.

5.2 Conduct of Business by Acquireco.

Prior to the Effective Time, unless Target otherwise agrees in writing, or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Acquireco Disclosure Statement or as required by applicable Law or by any Governmental Entity having jurisdiction, Acquireco shall, and shall cause each of its Subsidiaries to, (i) conduct its business only in, not take any action except in, and maintain its facilities and assets in, the ordinary course of business consistent with past practice, (ii) maintain and preserve its business organization and its material rights and franchises, (iii) use commercially reasonable efforts to retain the services of its officers and key employees, (iv) use commercially reasonable efforts to maintain relationships with customers, suppliers, lessees, joint venture partners, licensees, lessors, licensors and other third parties, (v) maintain all of its operational assets in their current condition (normal wear and tear excepted) to the end that the goodwill and ongoing business of Acquireco and its Subsidiaries shall not be impaired in any material respect, and (vi) maintain all mining, exploration and similar rights in good standing in accordance with all applicable Laws. Without limiting the generality of the foregoing, Acquireco shall (unless Target otherwise consents in writing (any such consent not to be unreasonably withheld, delayed or conditioned), or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Acquireco Disclosure Statement):

(a) not do, permit any of its Subsidiaries to do or permit to occur any of the following (directly or indirectly), except as required to satisfy a condition set forth herein,

(i) issue, grant, sell, transfer, pledge, lease, dispose of, encumber or agree to issue, grant, sell, pledge, lease, dispose of or encumber,

(A) any Acquireco Shares or other securities entitling the holder to rights in respect of the securities or assets of Acquireco or its Subsidiaries, other than in connection with the Concurrent Financing or pursuant to rights to acquire such securities existing at the date of this Agreement as disclosed in the Acquireco Disclosure Statement, or

(B) any property or assets of Acquireco or any of its Subsidiaries (including, without limitation, mining rights), except in the ordinary course of business consistent with past practice,

(ii) amend or propose to amend the constitutional documents (including articles or other organizational documents or by-laws) of it or any of its Subsidiaries,

(iii) redeem, purchase or offer to purchase any securities of its capital stock, or enter into any agreement, understanding or arrangement with respect to the voting, registration or repurchase of its capital stock,

(iv) adjust, split, combine or reclassify its capital stock or merge, consolidate or enter into a joint venture with any person,

(v) acquire or agree to acquire (by purchase, amalgamation, merger or otherwise) assets from any person that individually or in the aggregate exceed $500,000,

(vi) make, or commit to make, any capital expenditures that individually or in the aggregate exceed $250,000,

(vii) incur, create, assume, commit to incur, act or fail to act in any manner that would reasonably be expected to accelerate any obligations in respect of, guarantee or otherwise become liable or responsible for, indebtedness for borrowed money, other than advances from Subsidiaries of Acquireco made in the ordinary course of business consistent with past practice,

(viii) prepay any amount owing in respect of indebtedness for borrowed money,

(ix) settle or compromise any suit, claim, action, proceeding, hearing, notice of violation, demand letter or investigation,

(x) enter into, adopt or amend any Employee Benefit Plan or Employment Agreement, except as may be required by applicable Law,

(xi) modify, amend or terminate, or waive, release or assign any material rights or claims with respect to any confidentiality or standstill agreement to which Acquireco is a party,

(xii) other than as a result of the Transactions, take any action that would give rise to a right to severance benefits pursuant to any employment, severance, termination, change in control or similar agreements or arrangements,

(xiii) adopt or amend, or increase or accelerate the timing, payment or vesting of benefits under or funding of, any bonus, profit-sharing compensation, stock option (other than Acquireco Options), pension, retirement, deferred compensation, employment or other employee benefit plan, agreement, trust, fund or arrangement for the benefit or welfare of any current or former employee, director or consultant,

(xiv) amend the Acquireco Option Plan or otherwise amend the terms of any Acquireco Options, except that, for avoidance of doubt, Acquireco's board of directors shall be entitled to take such steps as are necessary to accelerate the vesting of otherwise unvested Acquireco Options,

(xv) enter into any confidentiality agreements or arrangements other than in the ordinary course of business consistent with past practice, except as otherwise permitted in this Agreement,

(xvi) except as otherwise required by Law, make any material Tax election, settle or compromise any material Tax claim or assessment, file any Tax Return (other than any Tax Return due before the Effective Time and then only in a manner consistent with past practice), change any method of Tax accounting or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes,

(xvii) except as required by Law or AIFRS or as determined in the good faith judgment of Acquireco's board of directors, make any changes to existing accounting practices, or write up, write down or write off the book value of any assets in amount that, in aggregate, exceeds $50,000, except for depreciation and amortization in accordance with AIFRS,

(xviii) enter into or modify any employment, severance, collective bargaining or similar agreements or arrangements with, or take any action with respect to or grant any salary increases, bonuses, benefits, severance or termination pay to, any current or former officers, directors or other employees or consultants,

(xix) take any action or fail to take any action (as the case may be) that causes or may cause:

(A) any mining rights of Acquireco or any of its Subsidiaries to be forfeited;

(B) the imposition of new or additional terms on the mining rights of Acquireco or any of its Subsidiaries which are adverse from the perspective of Acquireco or any of its Subsidiaries; or

(C) the grant, or alteration of, a third party interest in any of the mining rights of Acquireco or any of its Subsidiaries, or

(xx) use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies of it and its Subsidiaries not to be cancelled or terminated or any other coverage under those policies to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing reasonably acceptable to Target providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(b) not do or permit any action that would, or would reasonably be expected to, render any representation or warranty made by it in this Agreement to be untrue or inaccurate in a manner that would, or would reasonably be expected to, be Materially Adverse to Acquireco and its Subsidiaries, taken as a whole;

(c) promptly notify Target orally and in writing of any change in the ordinary course of the business, operations or properties of Acquireco or its Subsidiaries and of any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) that, individually is or in the aggregate are, or would reasonably be expected to be, Materially Adverse to Acquireco and its Subsidiaries, taken as a whole;

(d) not implement any other change in the business, affairs, capitalization or dividend policy of Acquireco or its Subsidiaries that is, or in the aggregate are, or would reasonably be expected to be, Materially Adverse to Acquireco and its Subsidiaries, taken as a whole; and

(e) not enter into or modify any contract, agreement, commitment or arrangement with respect to any of the matters set forth in this Section 5.2.

ARTICLE 6
NON-SOLICITATION

6.1 Non-Solicitation; Adverse Acts.

Except in respect of any action or inaction that is expressly permitted by this Agreement, neither Principal Party shall (nor shall it permit any of its Subsidiaries to, where applicable), directly or indirectly, through any of its Representatives or any Representatives of its Subsidiaries or otherwise, directly or indirectly:

(a) solicit, initiate, knowingly encourage, or otherwise facilitate (including by way of furnishing non-public information or providing access to or copies of, any books, records or documents) any inquiries, offers, proposals or the making by any third party of any inquiries, offers or proposals that constitute or could reasonably lead to, an Acquisition Proposal;

(b) participate or engage in any discussions or negotiations regarding any Acquisition Proposal or inquiry, proposal or offer that could reasonably lead to an Acquisition Proposal;

(c) approve, accept, endorse or recommend any Acquisition Proposal;

(d) accept or enter into, or propose to accept or enter into, any agreement, arrangement or understanding related to any Acquisition Proposal; or

(e) make a Change of Recommendation.

Additionally, each Principal Party shall and shall cause its Subsidiaries, its Representatives and the Representatives of its Subsidiaries to:

(a) immediately cease and cause to be terminated any existing discussions or negotiations of other activities, directly or indirectly, with any person with respect to any Acquisition Proposal or that could reasonably lead to an Acquisition Proposal; and

(b) not, directly or indirectly, waive or vary any terms or conditions of any confidentiality or standstill agreement that it has entered into with any person considering any Acquisition Proposal and shall promptly request the return (or the deletion from retrieval systems and data bases or the destruction) of all information, in each case subject to the terms and conditions of each such agreement.

6.2 Notification of Acquisition Proposal.

Each Principal Party shall, as soon as practicable but in any event within 24 hours, notify the other Principal Party, at first orally and then promptly thereafter in writing, of any Acquisition Proposal received after the date hereof, or any inquiry or proposal that such Principal Party reasonably expects to lead to an Acquisition Proposal, or any amendments to that Acquisition Proposal, or any request for information relating to any Acquisition Proposal or any request for access to a Principal Party or any of its Subsidiaries or the properties, books, or records of a Principal Party or any of its Subsidiaries, by any person that such Principal Party reasonably believes could make, or has made, any Acquisition Proposal. Such notices shall include a description of the material terms and conditions of any proposal or offer and the identity of the person making such proposal or inquiry, together with a copy of any written Acquisition Proposal. The Principal Party providing notice in accordance with this Section 6.2 shall thereafter provide such other details of the proposal or inquiry, discussions or negotiations as the other Principal Party may reasonably request and shall attach copies of all letters, agreements and other documentation (whether executed or in draft) exchanged by or on behalf of the notifying Principal Party and the party proposing such Acquisition Proposal. The notifying Principal Party shall keep the other Principal Party reasonably informed by way of further notices of the status including any change to the material terms of any such Acquisition Proposal.

6.3 Access to Information.

If a Principal Party receives a request for information from a person that has made a *bona fide* written Acquisition Proposal that did not result from a breach of this Article 6, then, and only in such case, the board of directors of such Principal Party may, subject to (only if such person is not already party to a confidentiality agreement in favour of such Principal Party) the execution by such person of a confidentiality agreement, containing terms at least as favourable to such

Principal Party as those contained in Section 4 of the Exclusivity Agreement and a prohibition on such person's use of any information regarding such Principal Party or its Subsidiaries for any reason whatsoever other than as relates to such person's evaluation and consummation of the transaction that is the subject of the Acquisition Proposal, provide such person with access to confidential and/or non-public information regarding such Principal Party and its Subsidiaries; provided that such Principal Party sends a copy of any such confidentiality agreement to the other Principal Party promptly upon its execution and such Principal Party provides the other Principal Party (to the extent it has not already done so) with copies of the information provided to such person and promptly provides the other Principal Party with access to all information to which such person was provided access.

6.4 Permitted Actions.

Notwithstanding anything in this Agreement, nothing shall prevent a Principal Party, its Subsidiaries or its or their Representatives or the board of directors of the Principal Party from, at any time prior to the date that Target Securityholder Approval or Acquireco Shareholder Approval, as the case may be, is obtained:

(a) complying with the obligations of such board of directors under applicable securities Law to prepare and deliver a directors' circular in response to a takeover bid;

(b) provided the Principal Party has complied with Section 6.1, considering, engaging and participating in discussions or negotiations and entering into confidentiality agreements and providing information to, in each case notwithstanding Section 6.1 and in compliance with Section 6.3, regarding a *bona fide* written Acquisition Proposal that the board of directors of such Principal Party has determined by formal resolution, in good faith and after receiving confirmation in support of the board's determination from its financial advisors and outside legal counsel, that such Acquisition Proposal could reasonably be expected, if consummated, to result in a Superior Proposal;

(c) failing to recommend (in the case of Target, to the Target Securityholders and in the case of Acquireco, to the Acquireco Shareholders) the matters to be approved by securityholders of such Principal Party at the Target Special Meeting or Acquireco Special Meeting, as applicable, in connection with the Transactions or withdrawing, amending, modifying or qualifying such recommendation, in a manner adverse to the other Principal Party, or failing to reaffirm such recommendation, within five business days after having been requested in writing by the other Principal Party to do so, in a manner adverse to the other Principal Party (a "**Change of Recommendation**") if, in the good faith judgment of its board of directors, after consultation with legal counsel, the failure to take such action would be inconsistent with such board of directors' exercise of fiduciary duties or such action or disclosure is otherwise required by applicable Law; provided that, for greater certainty, in the event of Change of Recommendation and a termination by the other Principal Party of this Agreement in accordance with Sections 7.1(b)(vii) or 7.1(c)(vii), as the case may be, such Principal Party shall pay the Termination Fee as required by Section 8.2(a)(ii) or Section 8.1(a)(ii), as applicable; and

(d) participating in any proceeding in respect of a Principal Party's shareholder rights plan, including the Target Shareholder Rights Plan, in accordance and consistent with the Principal Party's obligations hereunder.

The board of directors of such Principal Party shall not, except in compliance with this Section 6.4 and Sections 6.5 and 6.6 enter into any other agreement, arrangement or understanding in respect of any such Acquisition Proposal.

6.5 Implementation of Superior Proposal.

Subject to the rights of the other Principal Party under Section 6.6, a Principal Party may terminate this Agreement in accordance with Section 7.1(b)(iii) or 7.1(c)(iii), as applicable, in order to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal only if:

(a) such Principal Party has complied with its obligations under this Article 6 with respect to the Superior Proposal, including by providing the other Principal Party with all documentation required to be delivered under Section 6.2 and Section 6.3 and a copy of the Superior Proposal (including any draft agreement to be entered into by such Principal Party which governs the Superior Proposal);

(b) the board of directors of the Principal Party wishing to enter into the definitive agreement, undertaking or arrangement in respect of the Superior Proposal, has made a written determination that the Acquisition Proposal constitutes a Superior Proposal, and of the intention of the board of directors to authorize such Principal Party to enter into such definitive agreement, undertaking or arrangement, together with a written notice regarding the value and financial terms that such board of directors has determined should be ascribed to any non-cash consideration offered under such Acquisition Proposal that such board of directors has determined constitutes a Superior Proposal;

(c) a period expiring at 5:00 p.m. (Toronto time) on the fifth business day (the "**Response Period**") after the later of (i) the date on which the other Principal Party received written notice from such Principal Party that it has resolved, subject only to compliance with this Section 6.4, to accept, or enter into a definitive agreement, undertaking or arrangement in respect of, a Superior Proposal, and (ii) the date the other Principal Party received a copy of the Superior Proposal as provided in Section 6.5(a), has elapsed;

(d) the board of directors of such Principal Party has considered any amendment to the terms of this Agreement proposed in writing by the other Principal Party (or on its behalf) before the end of the Response Period as contemplated in Section 6.6 and determined in good faith, having first received confirmation in support of the board's determination from its financial advisors and outside legal counsel, that the Superior Proposal remains a Superior Proposal (as assessed against this Agreement, together with the written amendments, if any, proposed by the other Principal Party before the end of the Response Period);

(e) in the case of Target, subject to Acquireco not being in breach of or having failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, where such breach or failure would render Acquireco and Canco incapable of consummating the Transactions, Target has paid (or caused to be paid) to Acquireco the Termination Fee in accordance with Section 8.1(a)(i); and

(f) in the case of Acquireco, subject to Target not being in breach of or having failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, where such breach or failure would render Target incapable of consummating the Transactions, Acquireco has paid (or caused to be paid) to Target the Termination Fee in accordance with Section 8.2(a)(i).

In the event that a Principal Party receives a Superior Proposal within 10 days prior to the date, in the case of Target of the Target Special Meeting or in the case of Acquireco of the Acquireco Special Meeting, such Principal Party shall be entitled to adjourn or postpone the Target Special Meeting or the Acquireco Special Meeting, as the case may be, to a date that is not more than seven business days (or such greater period as may be required to comply with applicable Law) after the end of the Response Period and if the Response Period would not terminate before the Target Special Meeting or the Acquireco Special Meeting, as applicable, at the request of the

Principal Party entitled to such Response Period, the other Principal Party shall adjourn the Target Special Meeting or Acquireco Special Meeting, as the case may be, to a date that is no less than two and no more than five business days (or such greater period as may be required to comply with applicable Law) after the Response Period.

6.6 Response to Superior Proposal.

During the Response Period, the other Principal Party (the "**Matching Party**") shall have the right, but not the obligation, to offer in writing to amend the terms of this Agreement and the Arrangement. The board of directors of the Principal Party that intends to enter into an agreement, undertaking or arrangement with respect to the Superior Proposal (the "**Receiving Party**") shall review any such written offer by the Matching Party to amend this Agreement in good faith, in consultation with its financial advisors and outside legal counsel, to determine whether the Acquisition Proposal to which the Matching Party is responding would continue to be a Superior Proposal when assessed against this Agreement, as would be amended in accordance with the written amendments, if any, proposed by the Matching Party before the end of the Response Period. If the board of directors of the Receiving Party does not so determine by formal resolution, the Receiving Party shall enter into an amended agreement with the Matching Party reflecting the Matching Party's proposed written amendments. If the board of directors of the Receiving Party does so determine then, the Receiving Party may terminate this Agreement in accordance with Section 7.1(b)(iii) or 7.1(c)(iii), as applicable, in order to enter into a definitive agreement, undertaking or arrangement in respect of such Superior Proposal; provided that in no event shall the board of directors of the Receiving Party take any action prior to the end of the Response Period that may obligate the Receiving Party or any other person to seek to interfere with the completion of the Transactions, or impose any "break-up," "hello" or other fees or options or rights to acquire assets or securities, or any other obligations that would survive completion of the Transactions, on the Receiving Party or any of its Subsidiaries, property or assets and provided further that the Receiving Party has paid such amounts as may be payable to the Matching Party upon termination in accordance Section 8.1 or Section 8.2, as applicable.

6.7 General.

Each successive amendment to any material term of an Acquisition Proposal shall constitute a new Acquisition Proposal for the purpose of Section 6.5 and Section 6.6 and the relevant Principal Party shall be offered a new Response Period in respect of each such Acquisition Proposal.

ARTICLE 7
TERMINATION AND AMENDMENT OF AGREEMENT

7.1 Termination.

The rights and obligations of the parties pursuant to this Agreement may be terminated at any time before the Effective Time:

(a) by mutual agreement in writing executed by Target and Acquireco (for itself and on behalf of Canco) (for greater certainty, without further action on the part of Target Securityholders if termination occurs after the holding of the Target Special Meeting);

(b) by Target,

(i) after the Outside Date if the Effective Time has not occurred, if the conditions provided in Section 2.1 and 2.2 have not been satisfied, or waived by Target, on or before the Outside Date, provided however that the right to terminate in this Section 7.1(b)(i) shall not be available to Target if its failure to fulfill any of its obligations under this Agreement or if its breach of any of its representations and

warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date; or

(ii) if there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Target, Canco or Acquireco from consummating the Arrangement and such applicable Law (if applicable) or enjoinment shall have become final and non-appealable; or

(iii) at any time if the board of directors of Target authorizes Target to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal in the circumstances contemplated by Section 6.4(b) and Section 6.5 or 6.6 (provided that concurrently with such termination, Target pays the Termination Fee payable pursuant to Section 8.1(a)(i)); or

(iv) at any time following the Target Special Meeting, if Target Securityholder Approval is not obtained at the Target Special Meeting; or

(v) at any time following the Acquireco Special Meeting, if Acquireco Shareholder Approval is not obtained at the Acquireco Special Meeting; or

(vi) at any time if Acquireco shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure is, or would reasonably be expected to be, Materially Adverse to Acquireco and its Subsidiaries as a whole; or

(vii) if at any time, the board of directors of Acquireco,

(A) prior to obtaining Acquireco Shareholder Approval, makes a Change of Recommendation that is not permitted under Article 6; or

(B) approves, recommends, endorses, accepts or authorizes Acquireco to enter into any agreement, undertaking or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement as contemplated in Article 6) not contemplated by 6.4(b) or Section 6.5(d); or

(viii) at any time if Acquireco (or any of its Representatives or those of its Subsidiaries) breaches or fails to perform any of the covenants or agreement set for in Article 6; and

(c) by Acquireco,

(i) after the Outside Date, if the Effective Time has not occurred, if the conditions provided in Section 2.1 and 2.3 have not been satisfied or waived by Acquireco on or before the Outside Date, provided however that the right to terminate in this Section 7.1(c)(i) shall not be available to Acquireco if its failure to fulfill any of its obligations under this Agreement or if its breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date; or

(ii) if there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins Target, Acquireco or Canco from consummating the Arrangement and such applicable Law (if applicable) or enjoinment shall have become final and non-appealable; or

(iii) at any time if the board of directors of Acquireco authorizes Acquireco to enter into a definitive agreement, undertaking or arrangement in respect of a Superior

Proposal in the circumstances contemplated by Section 6.4(b) and Section 6.4 or 6.6 (provided the concurrently with such termination, the Acquireco pays the Termination Fee payable pursuant to Section 8.2(a)(i)); or

(iv) at any time following the Target Special Meeting, if Target Securityholder Approval is not obtained at the Target Special Meeting; or

(v) at any time following the Acquireco Special Meeting, if Acquireco Shareholder Approval is not obtained at the Acquireco Special Meeting; or

(vi) at any time if Target shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure is, or would reasonably be expected to be, Materially Adverse to Target; or

(vii) at any time if the board of directors of Target,

(A) prior to obtaining Target Securityholder Approval, makes a Change of Recommendation that is not permitted under Article 6; or

(B) approves, recommends, endorses, accepts or authorizes Target to enter into any agreement, undertaking or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement as contemplated in Article 6) not contemplated by Section 6.4(b) or Section 6.5(d); or

(viii) at any time if Target (or any of its Representatives or those of its Subsidiaries) breaches or fails to perform any of the covenants or agreements set forth in Article 6.

Neither Target nor Acquireco may seek to rely upon the failure to satisfy any conditions precedent in Section 2.1, 2.2 or 2.3 or exercise any termination right arising therefrom or any termination right provided in Sections 7.1(b)(vi), 7.1(b)(viii), 7.1(c)(vi) or 7.1(c)(viii) unless forthwith and in any event prior to the filing of the articles of arrangement for acceptance by the Director, Target or Acquireco, as the case may be, has delivered a written notice to the other specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which Target or Acquireco, as the case may be, is asserting as the basis for the non-fulfilment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered, provided that Target or Acquireco, as the case may be, is proceeding diligently to cure all such matters, if and for so long as all such matters are susceptible of being cured (for greater certainty, except by way of disclosure in the case of representations and warranties) ("**Curable Matters**"), the other may not terminate this Agreement as a result thereof until the earlier of (i) the date that any Curable Matter is no longer susceptible of being cured, (ii) the date that Target or Acquireco, as the case may be, is no longer proceeding diligently to cure all Curable Matters, and (iii) the later of (A) the Outside Date and (B) the expiration of a period of 15 days from the date of such notice (the "**Termination Period**"). If such notice has been delivered prior to the date of the Target Special Meeting, such meeting shall, unless the parties agree otherwise, be postponed or adjourned until the earlier of (i) the date that is two business days after the date that Target or Acquireco, as the case maybe, notifies the other that all Curable Matters have been cured, and (ii) the expiry of the Termination Period unless this Agreement is terminated on such date. If such notice has been delivered prior to the making of the application for the Final Order or the filing of the articles of arrangement for acceptance by the Director, such application and such filing shall be postponed until the earlier of (x) the date that is two business days after the date that Target or Acquireco, as the case maybe, notifies the other that all Curable Matters have been cured, and (y) the expiry of the Termination Period unless this Agreement is terminated on such date. For greater certainty, if all Curable Matters are cured within the Termination Period without being Materially Adverse to the curing

party and its Subsidiaries, taken as a whole, this Agreement may not be terminated as a result of the Curable Matter having been cured.

In the event of the termination of this Agreement as provided in Section 7.1, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of Acquireco or Target hereunder except as set forth in the last paragraph of Section 1.2, this Article 7, Article 8, Section 9.4, Article 10 and Article 11, which provisions shall survive the termination of this Agreement; provided further that, subject to Section 8.2, the termination of this Agreement in accordance with Section 7.1 shall not relieve any party from any liability for any material breach by it of this Agreement that occurred prior to termination.

7.2 Amendment.

This Agreement, including the Plan of Arrangement, may be amended by written agreement of the parties at any time before and after the Target Special Meeting, but not later than the Effective Date and any such amendment may, subject to applicable Law or the Interim Order, without limitation:

(a) change the time for performance of any of the obligations or acts of the parties;

(b) waive any inaccuracies in or modify any representation contained in this Agreement or any document to be delivered pursuant to this Agreement;

(c) waive compliance with or modify any of the covenants contained in this Agreement or waive or modify performance of any of the obligations of the parties; and/or

(d) waive compliance with or modify any condition precedent contained in this Agreement.

7.3 Approval of Amendments.

Target and Acquireco will use all commercially reasonable efforts to obtain the approvals of the Court, Acquireco Shareholders and Target Securityholders in respect of any amendments to this Agreement, including the Plan of Arrangement, to the extent required by applicable Law.

ARTICLE 8
TERMINATION PAYMENTS

8.1 Payment to Acquireco.

(a) If:

(i) Target exercises its right of termination pursuant to Section 7.1(b)(iii); or

(ii) Acquireco exercises its right of termination pursuant to Section 7.1(c)(vii),

Target shall immediately pay (or cause to be paid) the Termination Fee to Acquireco in immediately available funds to an account designated by Acquireco.

(b) If Acquireco exercises its right of termination pursuant to Section 7.1(c)(viii), Target shall immediately pay (or cause to be paid) to Acquireco in immediately available funds to an account designated by Acquireco all properly documented fees, costs and expenses incurred by Acquireco in connection with the transactions contemplated by this Agreement and the Arrangement, up to a maximum of $1,000,000.

(c) If, prior to the time of the Target Special Meeting, a *bona fide* written Acquisition Proposal in relation to Target has been publicly announced and has not been withdrawn and at any

time within the six months after the date of such termination, Target approves, recommends, accepts, enters into any agreement, undertaking or arrangement in respect of, or consummates such Acquisition Proposal or any variation thereof is completed by Target, Target shall immediately pay to Acquireco on closing of such Acquisition Proposal the Termination Fee in immediately available funds to an account designated by Acquireco.

8.2 Payment to Target.

(a) If:

(i) Acquireco exercises its rights of termination pursuant to Section 7.1(c)(iii), or

(ii) Target exercises its right of termination pursuant to Section 7.1(b)(vii),

Acquireco shall immediately pay (or cause to be paid) the Termination Fee to Target in immediately available funds to an account designated by Acquireco.

(b) If Target exercises its right of termination pursuant to Section 7.1(b)(viii), Acquireco shall immediately pay (or cause to be paid) to Target in immediately available funds to an account designated by Target all properly documented fees, costs and expenses incurred by Target in connection with the transactions contemplated by this Agreement and the Arrangement, up to a maximum of $1,000,000.

(c) If prior to the time of the Acquireco Special Meeting, a *bona fide* written Acquisition Proposal in relation to Acquireco or its Subsidiaries has been publicly announced and has not been withdrawn and at any time within the six months after the date of such termination, Acquireco approves, recommends, accepts, enters into any agreement, undertaking or arrangement in respect of, or consummates such Acquisition Proposal or any variation thereof is completed, Acquireco shall immediately pay to Target on closing of such Acquisition Proposal the Termination Fee in immediately available funds to an account designated by Target.

8.3 Damages.

The parties acknowledge and agree that the payment of the Termination Fee or other amounts set forth in Section 8.1 and Section 8.2 are payments of liquidated damages which are a genuine pre-estimate of the damages which the parties would suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and are not a penalty. The parties further acknowledge and agree, however, that, notwithstanding any other provision in this Agreement to the contrary, in connection with any termination where a Termination Fee or other amount is not otherwise paid or payable pursuant to Section 8.1 or Section 8.2, the parties shall be entitled to any additional remedies set forth in this Agreement, including injunctive relief and specific performance, and all additional and other remedies available at law or in equity to which the parties, as applicable, may be entitled. Each of the parties irrevocably waives any right it may have to raise a defence that any amounts that are required to be paid pursuant to Section 8.1 or Section 8.2 are excessive or punitive. Each of the parties agrees that the payment of the Termination Fee and other amounts set forth in Section 8.1 and Section 8.2 are the sole and exclusive remedies of the parties in respect of the events giving rise to the payment of such amounts. Nothing in this Section 8.3 shall relieve any party in any way from liability for damages incurred or suffered by the other parties hereto as a result of an intentional or wilful breach of this Agreement by the first named party.

ARTICLE 9
ACQUIRECO COVENANTS

9.1 Indemnities.

From and after the Effective Time, and subject to the immediately following paragraph, Acquireco shall, and shall cause Target to, indemnify and hold harmless and provide advancement of expenses to, and Acquireco shall not do anything to prevent Target from indemnifying and holding harmless and providing advancement of expenses to, all present and past directors and officers of Target (the "**Indemnified Persons**") to the maximum extent permitted by Law and in accordance with the terms of any such arrangements between Target and its present and past directors and officers existing on the date hereof, against any and all liabilities and obligations, costs or expenses (including reasonable legal fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative arising out of or related to such Indemnified Person's service as a director or officer of Target or services performed by such persons at the request of Target at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time (to the extent the Indemnified Person acted honestly and in good faith and in the best interests of Target and in the case of criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Person had reasonable grounds for believing that the conduct was lawful), including the approval of this Agreement, the Arrangement or the other transactions contemplated by this Agreement or arising out of or related to this Agreement and the Transactions contemplated hereby.

Without the consent of the Indemnified Person, neither Acquireco nor Target shall settle, compromise or consent to the entry of any judgment in any claim, action, suit, proceeding or investigation or threatened claim, action, suit, proceeding or investigation for which indemnification is required to be provided under this Article 9 (i) unless such settlement, compromise or consent includes an unconditional release of the applicable Indemnified Person (which release shall be in form and substance satisfactory to such Indemnified Person, acting reasonably) from all liability arising out of such action, suit, proceeding, investigation or claim or such Indemnified Person otherwise consents or (ii) that includes an admission of fault of such Indemnified Person.

Subject only to the limitations set forth in this Article 9, all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time and rights to advancement of expenses relating thereto now existing in favour of any Indemnified Person as provided in the articles of incorporation or by-laws of Target or any indemnification contract or policy between such Indemnified Person and Target shall survive the Effective Time and shall not be amended, repealed or otherwise modified in any manner that would adversely affect any right thereunder of any such Indemnified Person.

9.2 Directors and Officers Insurance and Other Indemnification Matters.

Acquireco hereby acknowledges and consents to Target securing, prior to the Effective Time directors' and officers' liability insurance coverage from a reputable and financially sound insurance carrier, and containing terms and conditions that are no less advantageous to the directors and officers of Target than those contained in Target's policy in effect on the date hereof, for the current and former directors and officers of Target on a six year "trailing" (or "run-off") basis with respect to any claim related to any period of time at or prior to the Effective Time; provided, however, that Acquireco does not consent to, and Target shall not maintain or obtain policies providing such coverage if the annual cost is greater than 250% of the most recent annual premium paid by Target prior to the date hereof (the "**Cap**"). Acquireco shall cause Target to maintain such coverage following the Effective Time, but provided, further, that if equivalent coverage cannot be obtained, or can be obtained only by paying an annual premium in excess of the Cap, Acquireco shall only be required to cause Target to obtain as much coverage as can be obtained by paying an annual premium equal to the Cap.

9.3 Employment Agreements.

Acquireco covenants and agrees, at and after the Effective Time, that it will cause Target and any of its successors to honour and comply with the terms of all existing employment agreements and consulting and personal service contracts for officers and consultants of Target, including termination, severance, change of control, retention clauses, plans or policies and pension plans and similar agreements of Target as disclosed in the Target Disclosure Statement. Nothing in this Section 9.3 shall limit Target from terminating any of such officers, consultants or employees, subject to applicable Law and the terms of any applicable contract.

9.4 Third Party Beneficiaries.

This agreement is not intended to, and shall not, confer upon any other person any rights or remedies hereunder, except as set forth in or contemplated by the terms and provisions of Section 9.1, 9.2, 9.3, this Section 9.4 and the last paragraph of Section 1.2 (which provisions shall for greater certainty survive the Effective Time and continue in full force and effect in accordance with their terms after the Effective Time).

9.5 Guarantee.

Acquireco unconditionally and irrevocably guarantees, covenants and agrees to be jointly and severally liable with Canco for the due and punctual performance of each and every obligation of Canco arising in respect of the Transactions.

9.6 Election Not To Be a Public Corporation or a Reporting Issuer.

As soon as possible after the Effective Date, Acquireco will ensure that Target complies with prescribed conditions and will elect in the prescribed manner to cease to be (a) a "public corporation" within the meaning of the ITA, and (b) a "reporting issuer" within the meaning of Canadian securities Law.

ARTICLE 10
PUBLIC DISCLOSURE

10.1 General.

Target and Acquireco shall consult with each other as to the general nature of any news releases or public statements with respect to this Agreement or the Transactions, and shall use their respective commercially reasonable efforts not to issue any news releases or public statements inconsistent with the results of such consultations. Subject to applicable Law, each party shall use its commercially reasonable efforts to enable the other party to review and comment on all such news releases and public statements prior to the release thereof.

10.2 Corporate Names.

Acquireco shall not change its name or the names of any of its Subsidiaries to a name that includes the word "Champion" prior to the Effective Time.

ARTICLE 11
GENERAL

11.1 Definitions.

For the purposes of this Agreement, those terms defined in Schedule A and Schedule B shall have the meanings attributed to them in those Schedules.

11.2 Assignment.

Except as expressly permitted by the terms hereof, neither this Agreement including (for greater certainty) the Plan of Arrangement, nor any of the rights, interests or obligations hereunder or thereunder shall be assigned by either of the parties without the prior written consent of the other party. Acquireco may, in the course of a reorganization, assign all or any part of its rights or obligations under this Agreement, except for the obligation to issue Acquireco Shares, to one or more of its direct or indirect wholly-owned Subsidiaries or any combination thereof provided that if such assignment takes place, Acquireco shall continue to be fully liable as primary obligor and not merely as surety and, on a joint and several basis with any such entity, to Target for any default in performance by the assignee of any of Acquireco's obligations hereunder or Canco's obligations arising in respect of the Transactions and Acquireco agrees to provide to Target a guarantee in form and substance satisfactory to Target in respect thereof.

11.3 Binding Effect.

This Agreement, including (for greater certainty) the Plan of Arrangement, shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. No third party shall have any rights under this Agreement except as expressly set forth in Section 9.4.

11.4 Representatives.

Each of Target and Acquireco shall ensure that its and its Subsidiaries' Representatives (other than persons who are insiders only as a result of their shareholdings) are aware of the provisions of this Agreement, and each of Target and Acquireco shall be responsible for any breach of those provisions by any of those persons, respectively.

11.5 Responsibility for Expenses.

Except as provided in Section 8.1 and Section 8.2, each party to this Agreement shall pay its own expenses incurred in connection with this Agreement and the completion of the Transactions that it contemplates, whether or not the Arrangement and the Transactions are completed.

11.6 Time.

Time shall be of the essence of this Agreement in each and every matter or thing herein provided.

11.7 Notices.

(a) Each party shall give prompt notice to the other of:

(i) the occurrence or failure to occur of any event that causes, or would reasonably be expected to cause, any representation or warranty on its part contained in this Agreement to be untrue or inaccurate or that is or would reasonably be expected to be, Materially Adverse to either of the Principal Parties; and

(ii) any material breach of its obligations under this Agreement, provided that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement.

(b) Each of Target and Acquireco shall give prompt notice to the other of any previously undisclosed fact of which it becomes aware after the date of this Agreement that is, or would reasonably be expected to be Materially Adverse to either of the Principal Parties or, in the case of Acquireco, is or would reasonably be expected to be Materially Adverse

to the ability of Acquireco to perform its obligations under this Agreement or Canco to perform its obligations arising in respect of the Transactions.

(c) Any notice or other communications required or permitted to be given under this Agreement shall be sufficiently given if delivered in person, by overnight courier, or if sent by facsimile transmission (provided such transmission is recorded as being transmitted successfully):

(i) in the case of Target, to the following address:

Target
Attn: Mr. Thomas Larsen
20 Adelaide Street East, Suite 301
Toronto, Ontario M5C 2T6

Tel: (416) 416-866-2200
Fax: (416) 416-361-1333

with a copy to (which shall not constitute notice):

Norton Rose Fulbright Canada LLP
Attn: Mr. Robert Mason
Royal Bank Plaza, South Tower
Suite 3800
Toronto, Ontario M5J 2Z4

Tel: (416) 216-2967
Fax: (416) 216-3930

(ii) in the case of Acquireco, to the following address:

Acquireco

Attn: Mr. Michael O'Keeffe
91 Evans Street
Rozelle NSW 2039

Tel: +61 2 9810 7816
Fax: + 61 2 8065 5017

with a copy to (which shall not constitute notice):

Ashurst Australia

Attn: Mr. Gary Lawler
Level 36, Grosvenor Place, 225 George Street
Sydney NSW 2000
GPO Box 9938, Sydney NSW 2001

Tel: +61 2 9258 6000
Fax: +61 2 9258 6999

or at such other address as the party to which such notice or other communication is to be given has last notified the party giving the same in the manner provided in this section, and if so given, the same shall be deemed to have been received on the date of such delivery or sending.

11.8 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 herein. Each party hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or related hereto.

11.9 Injunctive Relief.

Except as otherwise provided herein (including Article 8), any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby or by Law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy. The parties hereto hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties hereto acknowledge and hereby agree that in the event of any breach or threatened breach by Target, on the one hand, or Acquireco, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, Target, on the one hand, and Acquireco, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereto hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other party under this Agreement.

The parties hereto further agree that, except as provided herein (including Article 8) (x) by seeking the remedies provided for in this Section 11.9, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 11.9 are not available or otherwise are not granted, and (y) nothing set forth in this Section 11.9 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 11.9 prior or as a condition to exercising any termination right under Section 7.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 7.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

11.10 Currency.

Except as expressly indicated otherwise, all sums of money referred to in this Agreement are expressed and shall be payable in Canadian dollars.

11.11 Knowledge.

Where the phrase "to the knowledge of Target" is used, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the actual knowledge of Thomas Larsen, Chief Executive Officer, after reasonable inquiry within Target (which, for greater certainty, shall not require any new third party audits or studies or require any enquiries of third parties).

Where the phrase "to the knowledge of Acquireco" is used, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such

representation and warranty or other statement is being made based upon the actual knowledge of Michael O'Keeffe, Chairman, after reasonable inquiry within Acquireco (which, for greater certainty, shall not require any new third party audits or studies or require any enquiries of third parties).

11.12 Entire Agreement.

This Agreement, including the Plan of Arrangement, constitutes the entire agreement of the parties with respect to the Transactions, as of the date of this Agreement, and shall supersede all agreements, understandings, negotiations and discussions whether oral or written, between the parties with respect to the Transactions on or prior to the date of this Agreement, and supersedes all prior agreements related hereto, including the Exclusivity Agreement (but excluding only clause 4 thereof).

11.13 Further Assurances.

Each party shall, from time to time, and at all times hereafter, at the request of the other party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof and of the Plan of Arrangement.

The parties shall act in a commercially reasonable manner in exercising their rights and performing their duties under this Agreement.

11.14 Waivers and Modifications.

Target and Acquireco may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to it under this Agreement or in any document to be delivered pursuant to this Agreement and may waive or consent to the modification of any or the obligations contained in this Agreement for its benefit or waive or consent to the modification of any of the obligations of the other party. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

11.15 Privacy Issues.

(a) For the purposes of this Section 11.15, the following definitions shall apply:

(i) "**applicable law**" means, in relation to any person, transaction or event, all applicable Law by which such person is bound or having application to the transaction or event in question, including applicable privacy laws;

(ii) "**applicable privacy laws**" means any and all applicable Law relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial law;

(iii) "**authorized authority**" means, in relation to any person, transaction or event, any: (A) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign; (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government; (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; and (D) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or

other securities exchange, in each case having jurisdiction over such person, transaction or event; and

(iv) "**Personal Information**" means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual disclosed or transferred to Acquireco by Target in accordance with this Agreement and/or as a condition of the Arrangement.

(b) The parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use or disclosure of Personal Information disclosed to either party pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").

(c) Prior to the completion of the Arrangement, neither party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement. After the completion of the transactions contemplated herein, a party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless: (i) either party shall have first notified such individual of such additional purpose, and where required by applicable law, obtained the consent of such individual to such additional purpose; or (ii) such use or disclosure is permitted or authorized by applicable law, without notice to, or consent from, such individual. Target shall notify Acquireco of the purposes for which the Disclosed Personal Information was initially collected prior to the Effective Date.

(d) Each party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.

(e) Each party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with applicable law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.

(f) Subject to the following provisions, each party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the parties' obligations hereunder. Prior to the completion of the Arrangement, each party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective party who have a *bona fide* need to access such information in order to complete the Arrangement.

(g) Where authorized by applicable law, each party shall promptly notify the other party to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the party is made aware in connection with the Disclosed Personal Information. To the extent permitted by applicable Law, the parties shall fully co-operate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in

responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.

(h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either party, the other party shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting party or, at the requesting party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in its possession.

1.1 Liability.

No director or officer of Acquireco or Canco shall have any personal liability whatsoever to Target or any third party beneficiary under this Agreement or any other document delivered in connection with the Transactions contemplated hereby on behalf of Acquireco or Canco.

No director or officer of Target shall have any personal liability whatsoever to Acquireco or Canco under this Agreement or any other document delivered in connection with the Transactions contemplated hereby on behalf of Target.

1.2 Schedules.

The following are the Schedules to this Agreement, which form an integral part hereof:

Schedule A – Definitions
Schedule B – Plan of Arrangement, including Provisions Attaching to the Exchangeable Shares
Schedule C – Mutual Conditions
Schedule D – Conditions in Favour of Target
Schedule E – Conditions in Favour of Acquireco
Schedule F – Representations and Warranties of Target
Schedule G – Representations and Warranties of Acquireco
Schedule H – Support Agreement
Schedule I – Voting and Exchange Trust Agreement

1.3 Counterparts.

This Agreement may be signed in any number of counterparts (by facsimile or otherwise), each of which shall be deemed to be original and all of which, when taken together, shall be deemed to constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce more than one counterpart.

1.4 Date For Any Action.

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a business day, such action shall be required to be taken on the next succeeding day which is a business day.

1.5 Interpretation.

When a reference is made in this Agreement to a Section or Sections, Exhibit or Schedule, such reference shall be to a Section or Sections of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning, construction or interpretation of this Agreement.

1.6 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner Materially Adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the Transactions are fulfilled to the maximum extent possible.

* * * * *

[Signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date first written above.

CHAMPION IRON MINES LIMITED

Per: *"Jorge Estepa"*
Name: Jorge Estepa
Title: Vice President and Secretary-Treasurer

MAMBA MINERALS LIMITED

Per: *"Michael O'Keeffe*
Name: Michael O'Keeffe
Title: Chairman

Per: *"Niall Lenahan"*
Name: Niall Lenahan
Title: Director and Company Secretary

SCHEDULE A

DEFINITIONS

"**Acquireco**" means Mamba Minerals Limited ABN 34 119 770 142, a corporation incorporated under the laws of Australia.

"**Acquireco Affiliate**" means a direct or indirect wholly owned Subsidiary of Acquireco to which Acquireco has transferred and assigned the Liquidation Call Right pursuant to Section 5.1(a) of the Plan of Arrangement, the Redemption Call Right pursuant to Section 5.2(a) of the Plan of Arrangement, the Change of Law Call Right pursuant to Section 5.3(a) of the Plan of Arrangement or the Retraction Call Right pursuant to Section 6(1) of the Exchangeable Share Provisions, as applicable.

"**Acquireco Circular**" has the meaning set out in Section 1.4 of this Agreement.

"**Acquireco Disclosure Statement**" means the statement delivered by Acquireco to Target concurrently with the execution of this Agreement (in materially and substantially the form reviewed by Target prior to execution of this Agreement).

"**Acquireco Information**" means all information (including all financial information, historical, *pro forma* or otherwise) as may be reasonably requested by Target or as required by the Interim Order or applicable Laws to be disclosed in the Target Circular and any amendment or supplement thereto with respect to Acquireco, Canco and their respective businesses and properties and any securities to be issued by Acquireco or Canco in connection with the Arrangement, including all information required for the Target Circular to provide full, true and plain disclosure of all material facts relating to the securities of Acquireco and Canco to be issued in connection with this Agreement, including under the Plan of Arrangement.

"**Acquireco Options**" means options to acquire Acquireco Shares issued pursuant to Acquireco's stock option plan.

"**Acquireco Option Consideration**" has the meaning ascribed to the term "Acquireco Option Consideration" in the Plan of Arrangement.

"**Acquireco Optionholders**" means the holders at the relevant time of Acquireco Options.

"**Acquireco Property**" has the meaning set out in Section (r) of Schedule G of this Agreement.

"**Acquireco Public Disclosure Documents**" has the meaning set out in Section (f) of Schedule G of this Agreement.

"**Acquireco Securityholders**" means, collectively, the Acquireco Shareholders and the Acquireco Optionholders.

"**Acquireco Share Consideration**" has the meaning ascribed to the term "Acquireco Share Consideration" in the Plan of Arrangement.

"**Acquireco Shareholders**" means the holders of Acquireco Shares.

"**Acquireco Shares**" means the fully paid ordinary shares of Acquireco.

"**Acquireco Special Meeting**" means a meeting of the shareholders of Acquireco, including any postponement or adjournment thereof, to be called and held in accordance with the *Corporations Act* 2001 and the Listing Rules of the ASX to obtain Acquireco Shareholder Approval.

"**Acquireco Shareholder Approval**" means all Acquireco shareholder approvals which are necessary under any applicable Law in Australia for the purpose, or in pursuance, of the Transactions.

"**Acquireco Supporting Shareholders**" has the meaning set out in Section 1.5 of this Agreement.

"**Acquireco Voting Support Agreements**" means the agreements entered into on or after the date hereof between Target and certain Acquireco Securityholders with respect to the voting of Acquireco Shares or Acquireco Options, as applicable, in favour of the Transactions.

"**Acquisition Proposal**" means, other than the transactions contemplated in this Agreement, any proposal, inquiry or offer with respect to any transaction (by purchase, merger, amalgamation, arrangement, business combination, liquidation, dissolution, recapitalization, take-over bid or otherwise) made after the date hereof relating to: (i) any acquisition, sale, lease, long-term supply agreement or other arrangement having the same economic effect as a sale, direct or indirect, of: (a) the assets of a Principal Party and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of such Principal Party and its Subsidiaries taken as a whole; or (b) 20% or more of any voting or equity securities of a Principal Party or any of its Subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of such Principal Party and its Subsidiaries, taken as a whole; (c) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of a Principal Party; or (d) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving a Principal Party or any of its Subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of such Principal Party and its Subsidiaries, taken as a whole.

"**Act**" or the "**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**affiliate**" has the meaning corresponding to "**affiliated companies**" in the *Securities Act* (Ontario), as amended and includes subsidiaries that are wholly owned either directly or indirectly.

"**Agency**" means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory authority (including the TSX and the ASX) or administrative agency or commission (including the Securities Commissions and the Australian Securities & Investments Commission) or any elected or appointed public official.

"**Agreement**" means this arrangement agreement together with the schedules attached, as amended, amended and restated or supplemented from time to time;

"**AIFRS**" means Australian International Financial Reporting Standards.

"**Arrangement**" means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with this Agreement (including the Plan of Arrangement) or made at the direction of the Court with the consent of the parties, acting reasonably.

"**ASX**" means the Australian Securities Exchange or any successor exchange.

"**Authorized Capital**" has the meaning set out in Section (c) of Schedule F of this Agreement.

"**business day**" means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario, or Perth, Western Australia, under applicable Law.

"**Business Personnel**" has the meaning set out in Section (n) of Schedule F of this Agreement.

"**Canco**" means a corporation to be incorporated by Acquireco under the laws of the Province of Ontario as a direct wholly owned subsidiary that issues the Exchangeable Shares pursuant to the Arrangement.

"**Cap**" has the meaning set out in Section 9.2 of this Agreement.

"**Change of Law Call Right**" has the meaning provided in the Plan of Arrangement.

"**Change of Recommendation**" has the meaning set out in Section 6.4(c) of this Agreement.

"**Concurrent Financing**" has the meaning set out in Section 4.13 of this Agreement.

"**Contract**" has the meaning set out in Section (d) of Schedule F of this Agreement.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**CRA**" means the Canada Revenue Agency.

"**Depositary**" has the meaning set forth in Section 4.10 of this Agreement.

"**Director**" means the Director appointed pursuant to Section 278 of the OBCA.

"**Dissenting Shareholders**" means holders of Target Shares that have exercised Dissent Rights and are ultimately entitled to be paid the fair value of their Target Shares as determined in accordance with the Plan of Arrangement.

"**Dissent Rights**" has the meaning set out in Section 3.1 of the Plan of Arrangement.

"**Effective Date**" means the date on or before the Outside Date on which the Arrangement becomes effective in accordance with the OBCA and the Final Order.

"**Effective Time**" means 12:01 a.m. on the Effective Date.

"**Employee Benefit Plan**" means any employee benefit plan, program, policy, practices or other arrangement providing benefits to any current or former employee, officer, consultant or director of Target or any beneficiary or dependant thereof that is sponsored or maintained by Target or to which Target contributes or is obligated to contribute or with respect to which Target may have liabilities, whether or not written, and any bonus, incentive, deferred compensation, vacation, stock purchase, stock option, severance, employment, change of control or fringe benefit plan, program or agreement.

"**Employment Agreement**" means a contract, offer, letter or agreement of Target with or addressed to any individual, or a personal services corporation for such individual, who is rendering or has rendered services thereto as an employee or consultant pursuant to which Target has any actual or contingent liability or obligation to provide compensation and/or benefits in consideration for past, present or future services.

"**Environmental Laws**" means all applicable Laws, including applicable common law, relating to the protection of the environment and employee and public health and safety.

"**Exchangeable Share Consideration**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Exchangeable Share Provisions**" means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares, which rights, privileges, restrictions and conditions shall be in substantially the form set out in Appendix I attached to the Plan of Arrangement.

"**Exchangeable Shares**" means the exchangeable shares to be created and issued in the capital of Canco as more particularly described in Appendix I to the Plan of Arrangement.

"**Exchange Time**" has the meaning set out in Section 1.1 of Schedule B of this Agreement.

"**Exclusivity Agreement**" means the exclusivity agreement dated November 15, 2013 and effective November 18, 2013 between Target and Acquireco, as amended pursuant to an extension agreement between Target and Acquireco dated November 26, 2013 and effective November 27, 2013.

"**Fairness Opinion**" means the opinion of the Financial Advisor to the board of directors of Target to the effect that, as of the date of the opinion, the consideration to be received by Target Shareholders pursuant to the Arrangement is fair to Target Shareholders (other than Acquireco and its affiliates) from a financial point of view.

"**Filed Acquireco Public Disclosure Documents**" has the meaning set out in Section (f) of Schedule G of this Agreement.

"**Filed Target Public Disclosure Documents**" has the meaning set out in Section (g) of Schedule F of this Agreement.

"**Final Order**" means the final order of the Court approving the Arrangement pursuant to Section 182 of the OBCA, as such order may be amended by the Court at any time before the Effective Time, or if appealed, unless that appeal is withdrawn or denied, as affirmed or as amended on appeal.

"**Financial Advisor**" means Canaccord Genuity Corp.

"**Fire Lake**" means that mineral exploration project being undertaken by Target in the Labrador Trough in the Province of Quebec, Canada and described by Target as the "Consolidated Fire Lake North Project".

"**Governmental Entity**" means any applicable (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or entity, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

"**Hazardous Substance**" means any chemical, material or substance in any form, whether solid, liquid, gaseous, semisolid or any combination thereof, whether waste material, raw material, finished product, intermediate product, by-product or any other material or article, that is listed or regulated under any Environmental Laws as a hazardous substance, toxic substance, waste or contaminant or is otherwise listed or regulated under any Environmental Laws because it poses a hazard to human health or the environment, including petroleum products, asbestos, PCBs, urea formaldehyde foam insulation and lead-containing paints or coatings.

"**IFRS**" has the meaning ascribed thereto in National Instrument 14-101 *Definitions*.

"**including**" means "including without limitation" and "**includes**" means "includes without limitation."

"**Indemnified Persons**" has the meaning set out in Section 9.1 of this Agreement.

"**Interim Order**" means an interim order of the Court, as may be amended, providing for, among other things, the calling and holding of the Target Special Meeting.

"**ITA**" means the *Income Tax Act* (Canada), as amended.

"**Law**" means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Agency.

"**Liquidation Call Right**" has the meaning set out in the Plan of Arrangement.

"**Material Employment Agreement**" means an Employment Agreement pursuant to which Target has or could have an obligation to provide compensation and/or benefits (including, without limitation, severance pay or benefits) in an amount or having a value in excess of $100,000 per year.

"**Materially Adverse**" means, with respect to a person, a fact, circumstance, change, effect, occurrence, event or state of facts that, individually or in the aggregate, is or would reasonably be expected to (A) materially and adversely affect the financial condition, operations, results of operations, business, prospects, assets or capital of that person, or (B) prevent such person from performing its obligations under this Agreement, the Transactions or any other agreement contemplated hereby or thereby; provided that, except as hereinafter set forth in this definition, no fact, circumstance, change, effect, occurrence, event or state of facts relating to any of the following, individually or in the aggregate, shall be considered Materially Adverse, solely as contemplated in (A) above: (i) any change in the trading price or trading volume of Target Shares or Acquireco Shares, as the case may be; (ii) any change in conditions generally affecting the mining industry as a whole; (iii) any change in the market price of iron ore; (iv) any change in generally acceptable accounting principles; (v) any change in applicable Laws; (vi) any matters disclosed in this Agreement, in the Target Disclosure Statement or in the Acquireco Disclosure Statement; (vii) any action or inaction taken by Target or Acquireco or any of its Subsidiaries, as the case may be, to which the other party has expressly consented in writing or as expressly permitted by this Agreement; or (viii) a decline in the TSX or ASX level, as applicable, following the date hereof.

"**MI 61-101**" means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

"**Outside Date**" means June 5, 2014 or such later date to which each of Target and Acquireco may agree in writing.

"**Performance Shares**" means the 6,400,000 A Class Performance Shares, the 6,400,000 B Class Performance Shares, the 6,400,000 C Class Performance Shares, the 6,400,000 D Class Performance Shares and the 6,400,000 E Class Performance Shares issued in the capital of Acquireco having the terms and conditions set out in the Explanatory Statement which accompanied Acquireco's notice of general meeting dated 10 August 2012.

"**person**" includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Agency, syndicate or other entity, whether or not having legal status.

"**Plan**" means any Employee Benefit Plan.

"**Plan of Arrangement**" means the plan of arrangement in the form and content of Schedule B annexed to the Arrangement Agreement, and any amendments or variations thereto made in accordance with Section 7.2 of the Arrangement Agreement or Section 6 of the Plan of Arrangement or made at the direction of the Court with the consent of the parties, acting reasonably.

"**Pre-Acquisition Reorganization**" has the meaning set out in Section 4.3 of this Agreement.

"**Principal Parties**" means Target and Acquireco, and "**Principal Party**" means either one of them.

"**Redemption Call Right**" has the meaning provided in the Plan of Arrangement.

"**Regulatory Approvals**" means those sanctions, rulings, consents, orders, waivers, exemptions, permits and other approvals of an Agency (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a time lapses following the giving of notice without an objection being made by an Agency) required by Target, Acquireco and Canco in respect of the Transactions.

"**Retraction Call Right**" has the meaning provided in the Plan of Arrangement.

"**Retraction Request**" has the meaning provided in the Plan of Arrangement.

"**Release**" shall mean any release, spill, leak, discharge, abandonment, disposal, pumping, pouring, emitting, emptying, injecting, leaching, dumping, depositing, dispersing, passive migration, allowing to escape or migrate into or through the environment (including ambient air, surface water, ground water, land surface and subsurface strata or within any building, structure, facility or fixture) of any Hazardous Substance, including the abandonment or discarding of Hazardous Substances in barrels, drums, tanks or other containers, regardless of when discovered.

"**Remedial Action**" shall mean any investigation, feasibility study, monitoring, testing, sampling, removal (including removal of underground storage tanks), restoration, clean up, remediation, closure, site restoration, remedial response or remedial work.

"**Representatives**" of a person means, collectively, the directors, officers, employees, professional advisors, agents or other authorized representatives of such person.

"**Response Period**" has the meaning set out in Section 6.5(c) of this Agreement.

"**Securities Commissions**" means the securities regulatory authorities in each of the provinces of Canada.

"**Subsidiaries**" means, in respect of a person, each of the corporate entities, partnerships and other entities over which it exercises direction or control.

"**Superior Proposal**" means any *bona fide* written Acquisition Proposal made after the date hereof by a third party that did not result from a contravention of Article 6 of this Agreement, that, in the good faith determination of the board of directors of Target or Acquireco, as the case may be, (following consultation with their financial advisors, (including, in the case of Target, the Financial Advisor) and outside legal advisors): (i) is reasonably capable of being completed (taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal), (ii) is not subject to due diligence and/or access to information condition, (iii) if in cash or partly in cash, is fully financed or is capable of being fully financed taking into account the creditworthiness of Target or Acquireco, as the case may be, and (iv) would, if consummated in accordance with its terms, be more favourable to the shareholders of Target or Acquireco, as the case may be, provided that applicable securities Laws are met, and the failure to recommend such Acquisition Proposal to Target Shareholders or Acquireco Shareholders, as the case may be, would constitute a breach of its fiduciary duties under applicable Laws.

"**Support Agreement**" means the support agreement substantially in the form attached to this Agreement as Schedule H.

"**Target**" means Champion Iron Mines Limited, a corporation incorporated under the laws of Ontario.

"**Target Circular**" means the notice of special meeting and accompanying management information circular of Target, including all appendices thereto, to be sent to Target Securityholders in connection with the Target Special Meeting.

"**Target Disclosure Statement**" means the statement delivered by Target to Acquireco concurrently with the execution of this Agreement (in materially and substantially the form reviewed by Acquireco prior to execution of this Agreement).

"**Target Optionholders**" means the holders at the relevant time of Target Options.

"**Target Option Plan**" means the amended and restated stock option plan of Target effective August 10, 2012, as may be amended in accordance with this Agreement.

"**Target Options**" means all options to purchase Target Shares issued pursuant to the Target Option Plan.

"**Target Plans**" has the meaning set out in Section (o) of Schedule F of this Agreement.

"**Target Property**" has the meaning set out in Section (v) of Schedule F of this Agreement.

"**Target Public Disclosure Documents**" has the meaning set out in Section (e) of Schedule F of this Agreement.

"**Target Shareholder Rights Plan**" means the shareholder rights plan of Target created pursuant to the shareholder rights plan agreement between Target and Equity Financial Trust Company, dated June 30, 2011, as amended, amended and restated or supplemented from time to time.

"**Target Securityholders**" means, collectively, the Target Shareholders and the Target Optionholders.

"**Target Securityholder Approval**" means, collectively (i) the approval of the Arrangement by the affirmative vote of 66 2⁄3% of the votes cast at the Target Special Meeting by Target Shareholders, (ii) the approval of the Arrangement by the affirmative vote of 66 2⁄3% of the votes cast at the Target Special Meeting by Target Shareholders and Target Optionholders voting as a single class, and (iii) the approval of the Arrangement by the affirmative vote of the majority of the votes cast at the Target Special Meeting by Target Shareholders in accordance with the minority approval requirements of MI 61-101.

"**Target Shareholders**" means the holders at the relevant time of Target Shares.

"**Target Shares**" means the common shares in the capital of Target.

"**Target Special Meeting**" means the special meeting of Target Securityholders, including any postponement or adjournment thereof, to be called and held in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement.

"**Target Supporting Shareholders**" has the meaning set out in Section 1.5 of this Agreement.

"**Target Voting Support Agreements**" means the agreements entered into on or after the date hereof between Acquireco and certain Target Securityholders with respect to the voting of Target Shares or Target Options, as applicable, in favour of the Transactions.

"**Target Warrants**" means all outstanding warrants to acquire Target Shares of which 22,000,000 are issued and outstanding as at the date of this Agreement.

"**Tax**" and "**Taxes**" has the meaning set out in Section (k) of Schedule F of this Agreement.

"**Tax Return**" has the meaning set out in Section (k) of Schedule F of this Agreement .

"**Termination Fee**" means $1,000,000.

"**Transactions**" means the Arrangement and the other transactions related to the acquisition of Target by Acquireco contemplated by this Agreement and the other agreements contemplated hereby.

"**TSX**" means the Toronto Stock Exchange or any successor exchange.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**U.S. Securities Laws**" means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder.

"**Voting and Exchange Trust Agreement**" means the voting and exchange trust agreement substantially in the form attached to this Agreement as Schedule I.

SCHEDULE B

PLAN OF ARRANGEMENT, INCLUDING PROVISIONS ATTACHING TO THE EXCHANGEABLE SHARES

1 INTERPRETATION

1.1 Definitions.

In this Plan of Arrangement:

"**affiliate**" has the meaning corresponding to "affiliated companies" in the *Securities Act* (Ontario), as amended.

"**Agency**" means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory authority (including the TSX and the ASX) or administrative agency or commission (including the Securities Commissions and the Australian Securities & Investments Commission) or any elected or appointed public official.

"**Ancillary Rights**" means the interest of a holder of Exchangeable Shares as a beneficiary of the trust created under the Voting and Exchange Trust Agreement.

"**Arrangement**" means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with this Plan of Arrangement or made at the direction of the Court with the consent of the parties, acting reasonably.

"**ASX**" means the Australian Securities Exchange, or any successor exchange

"**Arrangement Agreement**" means the arrangement agreement made as of December 5, 2013 between Champion and Mamba to which this Schedule B is attached and forms a part, as amended, supplemented and/or restated in accordance with its terms.

"**business day**" means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario or Perth, Western Australia, under applicable Law.

"**Canadian Dollar Equivalent**" means in respect of an amount expressed in a currency other than Canadian dollars (the "**Foreign Currency Amount**") at any date the product obtained by multiplying:

(a) the Foreign Currency Amount; by

(b) the noon spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as may be mutually agreed upon by Mamba and Champion to be appropriate for such purpose, which determination shall be conclusive and binding.

"**Canadian Resident**" means (i) a person who is a resident of Canada for the purposes of the ITA or (ii) a partnership that is a "Canadian partnership" for purposes of the ITA.

"**Canco**" means Champion Exchnage Limited, a corporation incorporated under the laws of Ontario that issues the Exchangeable Shares pursuant to the Arrangement.

"**Champion**" means Champion Iron Mines Limited, a corporation incorporated under the laws of the Province of Ontario.

"**Champion Circular**" means the notice of special meeting and accompanying management information circular of Champion, including all appendices thereto, to be sent to Champion Shareholders, Champion Warrantholders and Champion Optionholders in connection with the Champion Special Meeting.

"**Champion Options**" means the options to purchase Champion Shares issued pursuant to the Champion Option Plan or any predecessor option plan of the Champion

"**Champion Option Plan**" means the stock option plan of the Champion as adopted on August 30, 2006 and amended on September 28, 2007, September 30, 2008, August 28, 2009, September 3, 2010, June 30, 2011 and July 13, 2012, as may be amended.

"**Champion Optionholders**" means the holders at the relevant time of Champion Options.

"**Champion Securityholders**" means, collectively the Champion Shareholders and the Champion Optionholders.

"**Champion Shareholder Rights Plan**" means the shareholder rights plan of Champion created pursuant to the shareholder rights plan agreement between Champion and Equity Financial Trust Company, dated June 30, 2011.

"**Champion Shareholders**" means the holders at the relevant time of Champion Shares.

"**Champion Shares**" means common shares in the capital of Champion.

"**Champion Special Meeting**" means the special meeting of Champion Securityholders, including any postponement or adjournment thereof, to be called and held in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement.

"**Champion Optionholders**" means the holders at the relevant time of the Champion Options.

"**Champion Warrantholders**" means the holders at the relevant time of Champion Warrants.

"**Champion Warrants**" means (i) 15,000,000 common share purchase warrants represented by warrant certificate No. W2013-001, dated July 31, 2013, exercisable for 15,000,000 Champion Shares for an exercise price of $0.25 per Champion Share; and (ii) 7,000,000 non-transferrable common share purchase warrants represented by warrant certificate No. W2012-001, dated May 17, 2012, exercisable for 7,000,000 Champion Shares for an exercise price of $3.00 per Champion Share.

"**Change of Law**" means any amendment to the ITA and other applicable provincial income tax laws that permits holders of Exchangeable Shares who are resident in Canada, for the purposes of the ITA, to exchange their Exchangeable Shares for Mamba Shares on the basis set out in Section 5.3 of this Plan of Arrangement and will not require such holders to recognize any gain or loss or any dividend or deemed dividend in respect of such exchange for the purposes of the ITA or applicable provincial income tax laws.

"**Change of Law Call Date**" has the meaning provided in Section 5.3(d) of this Plan of Arrangement.

"**Change of Law Call Purchase Price**" has the meaning provided in Section 5.3(a) of this Plan of Arrangement.

"**Change of Law Call Right**" has the meaning provided in Section 5.3(a) of this Plan of Arrangement.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**CRA**" means the Canada Revenue Agency.

"**Current Market Price**" has the meaning provided in the Exchangeable Share Provisions.

"**Depositary**" means the person acting as depositary under the Arrangement.

"**Dissenting Shareholders**" means holders of Champion Shares that have duly and validly exercised Dissent Rights and are ultimately entitled to be paid the fair value of their Champion Shares as determined in accordance with Section 3.1 of this Plan of Arrangement.

"**Dissent Rights**" has the meaning provided in Section 3.1 of this Plan of Arrangement.

"**Dividend Amount**" means an amount equal to all declared and unpaid dividends on an Exchangeable Share held by a holder on any dividend record date which occurred prior to the date of purchase, redemption or other acquisition of such share by Mamba from such holder.

"**Effective Date**" means the date on or before the Outside Date on which the Arrangement becomes effective in accordance with the OBCA and the Final Order.

"**Effective Time**" means 12:01 a.m. on the Effective Date.

"**Election Deadline**" means 10:00 a.m. (Toronto time) on the business day immediately prior to the date of the Champion Special Meeting or, if such meeting is adjourned, such time on the business day immediately prior to the date of such adjourned meeting.

"**Eligible Holder**" means a Champion Shareholder who is (i) a Canadian Resident, (ii) not exempt from tax under Part I of the ITA (or, in the case of a partnership, none of the partners of which is exempt from tax under Part I of the ITA) and (iii) not a "financial institution" as defined in Section 142.2 of the ITA.

"**Exchange Ratio**" means 0.7333333, as may be adjusted pursuant to Section 2.6 of this Plan of Arrangement.

"**Exchange Time**" means the time that the steps in Section 2.2 of this Plan of Arrangement occur.

"**Exchangeable Elected Shares**" means Champion Shares (other than Champion Shares held by Mamba or an affiliate) that the Eligible Holder thereof shall have elected in accordance with Section 2.3(b) of this Plan of Arrangement in a duly completed Letter of Transmittal and Election Form deposited with the Depositary no later than the Election Deadline to transfer to Canco under the Arrangement for the Exchangeable Share Consideration.

"**Exchangeable Share Consideration**" means the consideration in the form of eleven (11) Exchangeable Shares, together with Ancillary Rights, for every fifteen (15) Champion Shares elected, or deemed to be elected pursuant to Section 2.3 of this Plan of Arrangement by an Eligible Holder pursuant to Section 2.3 of this Plan of Arrangement.

"**Exchangeable Share Provisions**" means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares, which rights, privileges, restrictions and conditions shall be in substantially the form set out in Appendix I hereto.

"**Exchangeable Shares**" means the exchangeable shares in the capital of Canco as more particularly described in Appendix I hereto.

"**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended by the Court, at any time before the Effective Time, or if appealed, unless that appeal is withdrawn or denied, as affirmed or as amended on appeal.

"**holder**" means a Champion Shareholder, Champion Warrantholder or a Champion Optionholder, as the context requires.

"**including**" means "including without limitation" and "**includes**" means "includes without limitation".

"**Interim Order**" means an interim order of the Court, as may be amended by the Court, providing for, among other things, the calling and holding of the Champion Special Meeting.

"**ITA**" means the *Income Tax Act* (Canada), as amended.

"**Law**" means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, published policies, notices, directions and judgments or other requirements of any Agency, in each case having the force of law.

"**Letter of Transmittal and Election Form**" means the letter of transmittal and election form for use by holders of Champion Shares, in the form accompanying the Champion Circular.

"**Liquidation Amount**" has the meaning provided in the Exchangeable Share Provisions.

"**Liquidation Call Right**" has the meaning provided in Section 5.1(a) of this Plan of Arrangement.

"**Liquidation Call Purchase Price**" has the meaning provided in Section 5.1(a) of this Plan of Arrangement.

"**Liquidation Date**" has the meaning provided in the Exchangeable Share Provisions.

"**Mamba**" means Mamba Minerals Limited ABN 34 119 770 142, a corporation incorporated under the laws of Australia.

"**Mamba Affiliate**" means a direct or indirect wholly owned Subsidiary of Mamba to which Mamba has transferred and assigned the Liquidation Call Right pursuant to Section 5.1(a) of this Plan of Arrangement, the Redemption Call Right pursuant to Section 5.2(a) of this Plan of Arrangement, the Change of Law Call Right pursuant to Section 5.3(a) of this Plan of Arrangement or the Retraction Call Right pursuant to Section 6(1) the Exchangeable Share Provisions, as applicable.

"**Mamba Option Consideration**" has the meaning provided in Section 2.2(c) of this Plan of Arrangement.

"**Mamba Share Consideration**" means the consideration in the form of eleven (11) Mamba Shares for every fifteen (15) Champion Shares elected, or deemed to be elected by a Champion Shareholder (other than a Dissenting Shareholder), pursuant to Section 2.3 of this Plan of Arrangement.

"**Mamba Shareholders**" means the holders at the relevant time of Mamba Shares.

"**Mamba Shares**" means the ordinary fully paid shares in the capital of Mamba.

"**Mamba Special Voting Share**" means the special voting share in the capital of Mamba having substantially the rights, privileges, restrictions and conditions described in the Voting and Exchange Trust Agreement.

"**OBCA**" means the *Business Corporation Act* (Ontario), as amended.

"**Outside Date**" means June 5, 2014 or such later date to which each of Champion and Mamba may agree in writing.

"**person**" includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Agency, syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means this plan of arrangement as amended, varied or supplemented in accordance with the terms hereof, the terms of the Arrangement Agreement or made at the direction of the Court, with the consent of the parties to the Arrangement Agreement, acting reasonably.

"**Redemption Call Purchase Price**" has the meaning provided in Section 5.2(a) of this Plan of Arrangement.

"**Redemption Call Right**" has the meaning provided in Section 5.2(a) of this Plan of Arrangement.

"**Redemption Date**" has the meaning provided in the Exchangeable Share Provisions.

"**Regulation S**" means Regulation S promulgated under the U.S. Securities Act.

"**Replacement Option**" has the meaning provided in Section 2.2(c) of this Plan of Arrangement.

"**Retraction Call Right**" has the meaning provided in the Exchangeable Share Provisions.

"**Securities Commission**" means the securities regulatory authorities in each of the provinces of Canada.

"**Support Agreement**" means an agreement to be made among Mamba and Canco in connection with this Plan of Arrangement substantially in the form and substance of Schedule H to the Arrangement Agreement.

"**Tax Election Package**" means two copies of CRA form T-2057, or, if the Champion Shareholder is a partnership, two copies of CRA form T-2058 and, where delivered by the applicable Champion Shareholder to Champion, two copies of any applicable equivalent provincial or territorial election form, which forms have been duly and properly completed and executed by the Mamba Shareholder in accordance with the rules contained in the ITA or the relevant provincial legislation, as applicable.

"**Transfer Agent**" means the person as may from time to time be appointed by Canco as the registrar and transfer agent for the Exchangeable Shares.

"**Trustee**" has the meaning provided in the Exchangeable Share Provisions.

"**TSX**" means the Toronto Stock Exchange or any successor exchange.

"**United States**" means the United States as that term is defined in Regulation S.

"**U.S. Person**" means a U.S. Person as that term is defined in Regulation S.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**Voting and Exchange Trust Agreement**" means an agreement to be made among Mamba, Canco and the Trustee in connection with this Plan of Arrangement substantially in the form of Schedule I to the Arrangement Agreement.

1.2 Headings and References.

The division of this Plan of Arrangement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specified, references to Sections are to Sections of this Plan of Arrangement.

1.3 Currency.

Except as expressly indicated otherwise, all sums of money referred to in this Plan of Arrangement are expressed and shall be payable in Canadian dollars.

1.4 Time.

Time shall be of the essence in each and every matter or thing herein provided. Unless otherwise indicated, all times expressed herein are local time at Toronto, Ontario.

2 THE ARRANGEMENT

2.1 Binding Effect.

Subject to the terms of the Arrangement Agreement, the Arrangement will become effective at the Effective Time and be binding at and after the Effective Time on Champion, Mamba, Canco and all holders and beneficial holders of Champion Shares and Champion Options and Champion Warrants.

2.2 The Arrangement.

Commencing at the Effective Time on the Effective Date, subject to the terms and conditions of the Arrangement Agreement, the following steps shall occur as part of the Arrangement and shall be deemed to occur in the following sequence without any further act or formality.

(a) The Champion Rights Plan shall be deemed to have been terminated (and all rights thereunder shall expire and be of no further force or effect).

(b) Each Champion Warrant outstanding immediately prior to the Effective Time, whether or not vested, will be adjusted either, in accordance with its terms, or otherwise in accordance with this Plan of Arrangement, such that the holder shall be entitled to acquire, on the same terms and conditions as were applicable to such Champion Warrant immediately prior to the Effective Time, the number of Mamba Shares equal to the product of (i) the number of Champion Shares subject to such Champion Warrant immediately prior to the Effective Time and (ii) the Exchange Ratio. The exercise price per Mamba Share subject to such Champion Warrant shall be the amount (rounded up to

the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Champion Share subject to such Champion Warrant immediately prior to the Effective Time and (ii) the Exchange Ratio. Except as set out above, the Champion Warrant shall be governed by the terms of the certificates evidencing the Champion Warrants prior to the Effective Time. Where a holder concurrently exercises a number of Champion Warrants, the aggregate number of Mamba Shares to which such holder is entitled shall be rounded down to the nearest whole number and the aggregate exercise price payable shall be rounded to the nearest cent. The Champion Warrants will not be exercisable in the United States or by or on behalf of a U.S. Person unless an exemption from registration under the U.S. Securities Act and applicable state securities laws is available.

(c) Each Champion Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for an option issued by Mamba (a "**Replacement Option**") to acquire (on the same terms and conditions as were applicable to such Champion Option immediately prior to the Effective Time under the Champion Option Plan and the agreement evidencing the grant), the number of Mamba Shares equal to the product of (i) the number of Champion Shares subject to such Champion Option immediately prior to the Effective Time and (ii) the Exchange Ratio (the "**Mamba Option Consideration**"). The exercise price per Mamba Share subject to any such Replacement Option shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Champion Share subject to such Champion Option immediately prior to the Effective Time and (ii) the Exchange Ratio. Except as set out above, all other terms of each Replacement Option shall be the same as the terms of the Champion Option for which it was exchanged, and shall be governed by the terms of the Champion Option Plan and any certificate or agreement previously evidencing the Champion Option shall thereafter evidence and be deemed to evidence such Replacement Option, and such Replacement Options shall be designed to meet the requirements under subsection 7(1.4) of the ITA. Where a holder concurrently exercises a number of Replacement Options, the aggregate number of Mamba Shares to which such holder is entitled shall be rounded down to the nearest whole number and the aggregate exercise price shall be rounded to the nearest cent. On and after the Effective Time, no further Champion Options will be granted under the Champion Option Plan. The obligations of the Champion under the Champion Option Plan in respect of the Champion Options will be assumed by Mamba. The Replacement Options will not be exercisable in the United States or by or on behalf of a U.S. Person unless an exemption from registration under the U.S. Securities Act and applicable state securities laws is available.

(d) Five minutes after the Effective Time, each issued and outstanding Champion Share (other than Exchangeable Elected Shares and other than Champion Shares held by Mamba or an affiliate thereof or Dissenting Shareholders) held by a Champion Shareholder shall be exchanged with Mamba for the Mamba Share Consideration in accordance with Section 2.3 of this Plan of Arrangement.

(e) Five minutes after the Effective Time, each Exchangeable Elected Share shall be exchanged with Canco for Exchangeable Share Consideration in accordance with the election of such Champion Shareholder pursuant to Section 2.3 of this Plan of Arrangement.

(f) Five minutes after the Effective Time, Mamba and Canco shall execute the Support Agreement and Mamba, Canco and the Transfer Agent shall execute the Voting and Exchange Trust Agreement and Mamba shall issue to and deposit with the Transfer Agent the Mamba Special Voting Share in consideration of the payment to Mamba by Champion on behalf of the Champion Shareholders of one dollar ($1.00), to be thereafter held of record by the Transfer Agent as trustee for and on behalf of, and for the use and benefit of, the holders of the Exchangeable Shares in accordance with the Voting and

Exchange Trust Agreement. All rights of holders of Exchangeable Shares under the Voting and Exchange Trust Agreement shall be received by them as part of the property receivable by them under Section 2.2(d) of this Plan of Arrangement in exchange for the Exchangeable Elected Shares for which they were exchanged.

(g) On the Effective Date, (i) the composition of the board of directors of Mamba shall be amended such that the board will consist of eight (8) directors, of which five (5) directors will be nominees of Champion and of which three (3) will be nominees of Mamba, (ii) Thomas Larsen will be appointed as Chief Executive Officer of Mamba and (iii) Michael O'Keefe will continue to serve as Chairman of Mamba.

2.3 Consideration Elections.

With respect to the exchange of securities effected pursuant to Sections 2.2(d) and 2.2(e) of this Plan of Arrangement:

(a) Champion Shareholders other than Eligible Holders shall receive, in respect of each Champion Share exchanged, the Mamba Share Consideration;

(b) Champion Shareholders who are Eligible Holders may elect to (i) receive in respect of any or all of their Champion Shares, the Exchangeable Share Consideration; and (ii) receive in respect of the balance of their Champion Shares, if any, the Mamba Share Consideration;

(c) an election by a Champion Shareholder under Section 2.3(b) of this Plan of Arrangement shall be made by depositing with the Depositary, prior to the Election Deadline, a duly completed Letter of Transmittal and Election Form indicating such Champion Shareholder's election, together with any certificates representing such holder's Champion Shares; and

(d) any Champion Shareholder who does not deposit with the Depositary a duly completed Letter of Transmittal and Election Form prior to the Election Deadline, or otherwise fails to comply with the requirements of Section 2.3(c) of this Plan of Arrangement and the Letter of Transmittal and Election Form in respect of any such Champion Shareholder's Champion Shares, shall be deemed to have elected to receive the Mamba Share Consideration in respect of each such Champion Share.

2.4 Income Tax Elections.

Champion Shareholders who are Eligible Holders who are entitled to receive Exchangeable Share Consideration under the Arrangement shall be entitled to make an income tax election pursuant to subsection 85(1) of the ITA or, if the person is a partnership, subsection 85(2) of the ITA (and in each case, where applicable, the analogous provisions of provincial income tax Law) with respect to the transfer of their Champion Shares to Canco by providing the Tax Election Package to Canco within 90 days following the Effective Date, duly completed with the details of the number of Champion Shares transferred and the applicable agreed amounts (which cannot be less than the fair market value of the Ancillary Rights at the Exchange Time). Thereafter, subject to the Tax Election Package being correct and complete and complying with the provisions of the ITA (or applicable provincial income or corporate tax Law), the relevant forms will be signed by Canco and returned to such persons within 90 days after the receipt thereof by Canco for filing with the CRA (or the applicable provincial taxing Agency) by such persons. Canco will not be responsible for the proper or accurate completion of the Tax Election Package or to check or verify the content of any election form and, except for Canco's obligation to return duly completed Tax Election Packages which are received by Canco within 90 days of the Effective Date, within 90 days after the receipt thereof by Canco, Canco will not be responsible for any taxes, interest or penalties or any other costs or damages resulting from the failure of a Champion Shareholder to properly

and accurately complete or file the necessary election forms in the prescribed form and manner and within the time prescribed by the ITA (or any applicable provincial legislation). In its sole discretion, Canco may choose to sign and return Tax Election Packages received more than 90 days following the Effective Date, but Canco will have no obligation to do so.

2.5 Share Registers.

Every Champion Shareholder from whom a Champion Share is acquired pursuant to the Arrangement shall be removed from the register of holders of Champion Shares at the time of that acquisition pursuant to the Arrangement and shall cease to have any rights in respect of such Champion Shares, and Mamba or Canco, as applicable, shall become the holder of such Champion Shares and shall be added to that register at that time and shall be entitled as of that time to all of the rights and privileges attached to the Champion Shares. Every Champion Shareholder who acquires Exchangeable Shares or Mamba Shares pursuant to the Arrangement shall be added to the register of holders of Exchangeable Shares or Mamba Shares, respectively, and shall be entitled as of the time of the exchange to all of the rights and privileges attached to the Exchangeable Shares or Mamba Shares, as the case may be.

2.6 Adjustments to Consideration.

The consideration to be paid pursuant to Section 2.2(d) and Section 2.2(e) of this Plan of Arrangement shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into Mamba Shares or Champion Shares, other than stock dividends paid in lieu of ordinary course dividends), reorganization, recapitalization or other like change with respect to Mamba Shares or Champion Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time.

3 DISSENT RIGHTS

3.1 Dissent Rights.

Holders of Champion Shares may exercise rights of dissent with respect to those Champion Shares pursuant to, and (except as expressly indicated to the contrary in this Section 3.1 of this Plan of Arrangement), in the manner set forth in, Section 185 of the OBCA and this Section 3.1 of this Plan of Arrangement (the "**Dissent Rights**") in connection with the Arrangement; provided that, notwithstanding Section 185(6) of the OBCA, the written objection to the resolution approving the Arrangement referred to in Section 185(6) of the OBCA must be received by Champion by 10:00 a.m. (Toronto time) on March 26, 2014, being the business day preceding the Champion Special Meeting (or, if the Champion Special Meeting is postponed or adjourned, the business day preceding the date of the postponed or adjourned Champion Special Meeting); and provided further that, notwithstanding the provisions of Section 185 of the OBCA, Champion Shareholders who duly exercise Dissent Rights and who:

(a) ultimately are determined to be entitled to be paid fair value for their Champion Shares shall be entitled to a payment in cash equal to such fair value, which fair value, notwithstanding anything to the contrary contained in Section 185 of the OBCA, shall be determined as of the Exchange Time and shall be deemed to have transferred those Champion Shares in respect of which Dissent Rights have been duly and validly exercised as of the Exchange Time at the fair value of the Champion Shares determined as of the Exchange Time, without any further act or formality and free and clear of all liens and claims, to Mamba; or

(b) ultimately are determined not to be entitled, for any reason, to be paid fair value for their Champion Shares, shall be deemed to have participated in the Arrangement on the same basis as a holder of Champion Shares who has not exercised Dissent Rights and shall receive the consideration provided in Section 2.3(d) of this Plan of Arrangement, but in no case shall Champion, Mamba, Canco, the Depositary or any other person be required to

recognize any such holder as a holder of Champion Shares on or after the Exchange Time and the names of each such holder shall be deleted from the register of holders of Champion Shares at the Exchange Time.

4 SHARE DEPOSIT

4.1 Share Deposit.

Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Exchange Time represented Champion Shares that were exchanged under the Arrangement, together with a duly completed Letter of Transmittal and Election Form and such other documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive, and promptly after the Exchange Time the Depositary shall deliver to such person the direct registration statement evidencing the issuance of the Mamba Shares and/or the Exchangeable Shares or certificate(s) representing the Mamba Shares and/or the Exchangeable Shares registered in the name of such person representing that number of Mamba Shares and/or Exchangeable Shares which such person is entitled to receive less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement, and any certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of such Champion Shares which was not registered in the transfer records of Champion, the direct registration statement evidencing the issuance of the Mamba Shares and/or the Exchangeable Shares or certificate(s) representing the Mamba Shares and/or the Exchangeable Shares may be registered in the name of and issued to the transferee if the certificate representing such Champion Shares is presented to the Depositary, accompanied by a duly completed Letter of Transmittal and Election Form and all documents required to evidence and effect such transfer. Without limiting the provisions of Sections 2.6 and 4.5 of this Plan of Arrangement, until surrendered as contemplated by this Section 4.1 of this Plan of Arrangement, each certificate which immediately prior to the Exchange Time represented one or more outstanding Champion Shares that, under the Arrangement, were exchanged pursuant to Section 2.2(d) and 2.2(e) of this Plan of Arrangement, shall be deemed at all times after the Exchange Time to represent only the right to receive upon such surrender (i) the consideration to which the holder thereof is entitled under the Arrangement, or as to a certificate held by a Dissenting Shareholder (other than a shareholder who exercised Dissent Rights who is deemed to have participated in the Arrangement pursuant to Section 3.1(b) of this Plan of Arrangement), to receive the fair value of the Champion Shares represented by such certificate, and (ii) any dividends or distributions with a record date after the Exchange Time theretofore paid or payable with respect to any Exchangeable Shares or Mamba Shares issued in exchange therefor as contemplated by Section 4.2 of this Plan of Arrangement, in each case less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement.

4.2 Distributions with Respect to Unsurrendered Certificates.

No dividends or other distributions paid, declared or made with respect to Exchangeable Shares or Mamba Shares, in each case with a record date after the Exchange Time, shall be paid to the holder of any unsurrendered certificate which immediately prior to the Exchange Time represented outstanding Champion Shares unless and until such person shall have complied with the provisions of Section 4.1 of this Plan of Arrangement. Subject to applicable Law, and to the provisions of Section 4.5 of this Plan of Arrangement, at the time such person shall have complied with the provisions of Section 4.1 of this Plan of Arrangement (or, in the case of clause (ii) below, at the appropriate payment date), there shall be paid to such person, without interest (i) the amount of dividends or other distributions with a record date after the Exchange Time theretofore paid with respect to the Exchangeable Share or the Mamba Share, as the case may be, to which such person is entitled pursuant hereto, and (ii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Exchange Time but prior to the date of compliance by such person with the provisions of Section 4.1 of this Plan of Arrangement and a payment date subsequent to the date of such compliance and payable with respect to such Exchangeable Shares or Mamba Shares, as the case may be.

4.3 No Fractional Shares.

No fractional Exchangeable Shares or fractional Mamba Shares shall be issued upon compliance with the provisions of Section 4.1 of this Plan of Arrangement and no dividend, stock split or other change in the capital structure of Canco or Mamba shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of Canco or Mamba. All such fractional Exchangeable Shares or fractional Mamba Shares shall be rounded up to the nearest whole number of Exchangeable Shares or Mamba Shares, as the case may be.

4.4 Lost Certificates.

In the event any certificate which immediately prior to the Exchange Time represented one or more outstanding Champion Shares that were exchanged pursuant to Section 2.2(d) or Section 2.2(e), as applicable, of this Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, any Exchangeable Shares or Mamba Shares (and any dividends or distributions with respect thereto) deliverable in accordance with Section 2.2(d) or Section 2.2(e), as applicable, of this Plan of Arrangement and such holder's Letter of Transmittal and Election Form. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the person to whom Exchangeable Shares or Mamba Shares are to be paid or issued shall, as a condition precedent to the payment or issuance thereof, give a bond satisfactory to Champion, Canco, Mamba and their respective transfer agents in such amount as Champion, Canco, Mamba or their respective transfer agents may direct or otherwise indemnify Champion, Canco, Mamba and their respective transfer agents in a manner satisfactory to Champion, Canco, Mamba and their respective transfer agents against any claim that may be made against Champion, Canco, Mamba or their respective transfer agents with respect to the certificate alleged to have been lost, stolen or destroyed.

4.5 Extinction of Rights.

Any certificate which immediately prior to the Exchange Time represented outstanding Champion Shares that were exchanged pursuant to Section 2.2(d) or Section 2.2(e), as applicable, of this Plan of Arrangement that is not deposited with all other instruments required by Section 4.1 of this Plan of Arrangement on or prior to the date of the notice referred to in Section 7(2) of the Exchangeable Share Provisions shall cease to represent a claim or interest of any kind or nature as a securityholder of Canco or Mamba. On such date, the Exchangeable Shares and/or Mamba Shares to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to Canco.

4.6 Withholding Rights.

Champion, Canco, Mamba, a Mamba Affiliate if any, and the Depositary shall be entitled to deduct and withhold from any dividend, price or consideration otherwise payable to any holder of Champion Options, Champion Warrants, Champion Shares, Mamba Shares or Exchangeable Shares such amounts as Champion, Canco, Mamba, a Mamba Affiliate, if any, or the Depositary is required to deduct or withhold with respect to such payment under the ITA or any other applicable Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the securities in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing Agency. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Champion, Canco, Mamba, a Mamba Affiliate, if any, and the Depositary are hereby authorized to sell or otherwise dispose of such other portion of the consideration as is necessary to provide sufficient funds to Champion, Canco, Mamba, a Mamba Affiliate, if any, and the Depositary, as the case may be, to enable them to comply with such deduction or withholding requirement and Champion, Canco, Mamba, a Mamba Affiliate, if any, and the Depositary shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

5 RIGHTS OF MAMBA TO ACQUIRE EXCHANGEABLE SHARES

5.1 Mamba Liquidation Call Right.

(a) Mamba shall have the overriding right (the "**Liquidation Call Right**"), in the event of and notwithstanding the proposed liquidation, dissolution or winding-up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, pursuant to Section 5 of the Exchangeable Share Provisions, to purchase from all but not less than all of the holders of Exchangeable Shares (other than any holder of Exchangeable Shares which is Mamba or an affiliate of Mamba) on the Liquidation Date all but not less than all of the Exchangeable Shares held by each such holder on payment by Mamba of an amount per share (the "**Liquidation Call Purchase Price**") equal to the Current Market Price of Mamba Shares on the last business day prior to the Liquidation Date plus the Dividend Amount, which amount per share shall be satisfied in full by Mamba delivering to such holder one Mamba Share plus cash or a cheque in an amount equal to any Dividend Amount.

(b) Mamba may transfer and assign the Liquidation Call Right to a Mamba Affiliate. Where Mamba so transfers and assigns the Liquidation Call Right, for the purposes of this Section 5.1 of this Plan of Arrangement, references to Mamba (excluding, for greater certainty, references to an Mamba Share) shall mean such Mamba Affiliate, as applicable.

(c) In the event of the exercise of the Liquidation Call Right by Mamba, each holder shall be obligated to sell to Mamba all the Exchangeable Shares held by such holder on the Liquidation Date on payment to such holder by Mamba of the Liquidation Call Purchase Price for each such share, and Canco shall have no obligation to pay any Liquidation Amount or Dividend Amount to the holders of such shares so purchased by Mamba.

(d) To exercise the Liquidation Call Right, Mamba must notify Canco and the Transfer Agent, as agent for the holders of Exchangeable Shares, of Mamba's intention to exercise such right at least 45 days before the Liquidation Date in the case of a voluntary liquidation, dissolution or winding-up of Canco or any other voluntary distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, and at least five business days before the Liquidation Date in the case of an involuntary liquidation, dissolution or winding-up of Canco or any other involuntary distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs. The Transfer Agent will notify the holders of Exchangeable Shares as to whether or not Mamba has exercised the Liquidation Call Right forthwith after the expiry of the period during which the same may be exercised by Mamba. If Mamba exercises the Liquidation Call Right, then on the Liquidation Date, Mamba will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Liquidation Call Purchase Price.

(e) For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Liquidation Call Right, Mamba shall deposit or cause to be deposited with the Transfer Agent, on or before the Liquidation Date, the aggregate number of Mamba Shares which Mamba shall deliver pursuant to Section 5.1(a) of this Plan of Arrangement and a cheque or cheques of Mamba payable at par at any branch of the bankers of Mamba representing the aggregate Dividend Amount, if any, in payment of the total Liquidation Call Purchase Price, in each case less any amounts deducted or withheld pursuant to Section 4.6 of this Plan of Arrangement. Provided that Mamba has complied with the immediately preceding sentence, on and after the Liquidation Date the holders of the Exchangeable Shares shall cease to be holders of the Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including

any rights under the Voting and Exchange Trust Agreement), other than the right to receive their proportionate part of the aggregate Liquidation Call Purchase Price without interest, unless payment of the aggregate Liquidation Call Purchase Price for the Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the following provisions of this Section 5.1(e) of this Plan of Arrangement, in which case the rights of the holders shall remain unaffected until the aggregate Liquidation Call Purchase Price has been paid in the manner herein provided. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and articles of Canco and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Mamba shall transfer to such holder, the Mamba Shares to which such holder is entitled and as soon as reasonably practicable thereafter the Transfer Agent shall deliver to such holder the direct registration statement evidencing the issuance of the Exchangeable Shares or certificate(s) representing the Exchangeable Shares to which the holder is entitled and a cheque or cheques of Mamba payable at par at any branch of the bankers of Mamba representing the Dividend Amount, if any, and when received by the Transfer Agent, all dividends and other distributions with respect to such Mamba Shares with a record date after the Liquidation Date and before the date of the transfer of such Mamba Shares to such holder, less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement. If Mamba does not exercise the Liquidation Call Right in the manner described above, on the Liquidation Date, the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the Liquidation Amount otherwise payable by Canco in connection with the liquidation, dissolution or winding-up of Canco or any distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs pursuant to Section 5 of the Exchangeable Share Provisions.

5.2 Mamba Redemption Call Right.

In addition to Mamba's rights contained in the Exchangeable Share Provisions, including the Retraction Call Right, Mamba shall have the following rights in respect of the Exchangeable Shares:

(a) Mamba shall have the overriding right (the "**Redemption Call Right**"), notwithstanding the proposed redemption of the Exchangeable Shares by Canco pursuant to Section 7 of the Exchangeable Share Provisions, to purchase from all but not less than all of the holders of Exchangeable Shares (other than Mamba or an affiliate of Mamba) on the Redemption Date all but not less than all of the Exchangeable Shares held by each such holder on payment by Mamba to each holder of an amount per Exchangeable Share (the "**Redemption Call Purchase Price**") equal to the Current Market Price of an Mamba Share on the last business day prior to the Redemption Date plus the Dividend Amount, which amount per Exchangeable Share shall be satisfied in full by Mamba delivering or causing to be delivered to such holder one Mamba Share plus cash or a cheque in an amount equal to any Dividend Amount.

(b) Mamba may transfer and assign the Redemption Call Right to a Mamba Affiliate. Where Mamba so transfers and assigns the Redemption Call Right, for the purposes of this Section 5.2 of this Plan of Arrangement, references to Mamba (excluding, for greater certainty, references to an Mamba Share) shall mean such Mamba Affiliate, as applicable.

(c) In the event of the exercise of the Redemption Call Right by Mamba, each holder shall be obligated to sell to Mamba all the Exchangeable Shares held by such holder on the Redemption Date on payment to such holder by Mamba of the Redemption Call

Purchase Price for each such share, and Canco shall have no obligation to redeem, or to pay any Dividend Amount in respect of, such shares so purchased by Mamba.

(d) To exercise the Redemption Call Right, Mamba must notify the Transfer Agent, as agent for the holders of Exchangeable Shares, and Canco of Mamba's intention to exercise such right at least 60 days before the Redemption Date, except in the case of a redemption occurring as a result of an Mamba Control Transaction (as defined in the Exchangeable Share Provisions), an Exchangeable Share Voting Event (as defined in the Exchangeable Share Provisions) or an Exempt Exchangeable Share Voting Event (as defined in the Exchangeable Share Provisions), in which case Mamba shall so notify the Transfer Agent and Canco on or before the Redemption Date. The Transfer Agent will notify the holders of the Exchangeable Shares as to whether or not Mamba has exercised the Redemption Call Right forthwith after the expiry of the period during which the same may be exercised by Mamba. If Mamba exercises the Redemption Call Right, on the Redemption Date Mamba will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Redemption Call Purchase Price.

(e) For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Redemption Call Right, Mamba shall deposit or cause to be deposited with the Transfer Agent, on or before the Redemption Date, the aggregate number of Mamba Shares which Mamba shall deliver pursuant to Section 5.2(a) of this Plan of Arrangement and a cheque or cheques of Mamba payable at par at any branch of the bankers of Mamba representing the aggregate Dividend Amount, if any, in payment of the aggregate Redemption Call Purchase Price, in each case less any amounts deducted or withheld pursuant to Section 4.6 of this Plan of Arrangement. Provided that Mamba has complied with the immediately preceding sentence, on and after the Redemption Date the holders of the Exchangeable Shares shall cease to be holders of the Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive their proportionate part of the aggregate Redemption Call Purchase Price without interest, unless payment of the aggregate Redemption Call Purchase Price for the Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the following provisions of this Section 5.1(e) of this Plan of Arrangement, in which case the rights of the holders shall remain unaffected until the aggregate Redemption Call Purchase Price has been paid in the manner herein provided. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and articles of Canco and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Mamba shall transfer to such holder, the Mamba Shares to which such holder is entitled and as soon as reasonably practicable thereafter the Transfer Agent shall deliver to such holder of the Mamba Shares to which the holder is entitled and a cheque or cheques of Mamba payable at par at any branch of the bankers of Mamba representing the Dividend Amount, if any, and when received by the Transfer Agent, all dividends and other distributions with respect to such Mamba Shares with a record date after the Redemption Date and before the date of the transfer of such Mamba Shares to such holder, less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement. If Mamba does not exercise the Redemption Call Right in the manner described above, on the Redemption Date the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by Canco in connection with the redemption of the Exchangeable Shares pursuant to Article 7 of the Exchangeable Share Provisions.

5.3 Change of Law Call Right.

(a) Mamba shall have the overriding right (the "**Change of Law Call Right**"), in the event of a Change of Law, to purchase from all but not less than all of the holders of Exchangeable Shares (other than any holder of Exchangeable Shares which is Mamba or an affiliate of Mamba) all but not less than all of the Exchangeable Shares held by each such holder upon payment by Mamba of an amount per share (the "**Change of Law Call Purchase Price**") equal to the Current Market Price of Mamba Shares on the last business day prior to the Change of Law Call Date plus the Dividend Amount, which amount per share shall be satisfied in full by Mamba delivering to such holder one Mamba Share plus cash or a cheque in an amount equal to any Dividend Amount.

(b) Mamba may transfer and assign the Change of Law Call Right to an Mamba Affiilate. Where Mamba so transfers and assigns the Change of Law Call Right, for the purposes of this Section 5.3 of this Plan of Arrangement, references to Mamba (excluding, for greater certainty, references to an Mamba Share) shall mean such Mamba Affiliate, as applicable.

(c) In the event of the exercise of the Change of Law Call Right by Mamba, each holder of Exchangeable Shares shall be obligated to sell all the Exchangeable Shares held by such holder to Mamba on the Change of Law Call Date upon payment by Mamba to such holder of the Change of Law Call Purchase Price for each such Exchangeable Share.

(d) To exercise the Change of Law Call Right, Mamba must notify the Transfer Agent of its intention to exercise such right at least 45 days before the date on which Mamba intends to acquire the Exchangeable Shares (the "**Change of Law Call Date**"). If Mamba exercises the Change of Law Call Right, then, on the Change of Law Call Date, Mamba will purchase and the holders of Exchangeable Shares will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Change of Law Call Purchase Price.

(e) For the purposes of completing the purchase of the Exchangeable Shares pursuant to the exercise of the Change of Law Call Right, Mamba shall deposit or cause to be deposited with the Transfer Agent, on or before the Change of Law Call Date, the aggregate number of Mamba Shares which Mamba shall deliver or cause to be delivered pursuant to Section 5.3(a) of this Plan of Arrangement and a cheque or cheques of Mamba payable at par at any branch of the bankers of Mamba representing the aggregate Dividend Amount, if any, in payment of the aggregate Change of Law Call Purchase Price, in each case less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement. Provided that Mamba has complied with the immediately preceding sentence, on and after the Change of Law Call Date the holders of the Exchangeable Shares shall cease to be holders of the Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive their proportionate part of the total Change of Law Purchase Price payable by Mamba, without interest, upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the Change of Law Call Date be considered and deemed for all purposes to be the holder of Mamba Shares to which such holder is entitled. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and articles of Canco and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Mamba shall transfer to such holder, the Mamba Shares to which such holder is entitled and as soon as reasonably practicable thereafter the Transfer Agent shall deliver

to such holder the direct registration statement evidencing the issuance of the Exchangeable Shares or certificate(s) representing the Exchangeable Shares to which the holder is entitled and a cheque or cheques of Mamba payable at par at any branch of the bankers of Mamba, representing the Dividend Amount, if any, and when received by the Transfer Agent, all dividends and other distributions with respect to such Mamba Shares with a record date after the Redemption Date and before the date of the transfer of such Mamba Shares to such holder, less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement.

6 AMENDMENT

6.1 Plan of Arrangement Amendment.

(a) Champion may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time (with the prior written consent of Mamba), provided that any such amendment, modification and/or supplement must be contained in a written document that is filed with the Court and, if made after the Special Meeting, approved by the Court and communicated to Champion Shareholders, Champion Warrantholders and Champion Optionholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Champion (with the prior written consent of Mamba) at any time before or at the Special Meeting with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Special Meeting in the manner required under the Interim Order, shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Special Meeting shall be effective only if (i) it is consented to in writing by Champion and Mamba, (ii) it is filed with the Court, and, (iii) if required by the Court, it is consented to by Champion Securityholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Mamba, provided that it concerns a matter which, in the reasonable opinion of Mamba, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Champion Securityholders.

7 FURTHER ASSURANCES

Each of Champion and Mamba shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them to document or evidence any of the transactions or events set out in this Plan of Arrangement.

8 NOTICE

(a) Any notice to be given by Mamba to Champion Shareholders, Champion Warrantholders or Champion Optionholders pursuant to the Arrangement will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to registered Champion Shareholders, Champion Warrantholders or Champion Optionholders, as the case may be, at their addresses as shown on the applicable register of such holders maintained by Champion and will be deemed to have been received on the first day which is a business day following the date of mailing.

(b) The provisions of this Plan of Arrangement, the Arrangement Agreement and the Letter of Transmittal and Election Form apply notwithstanding any accidental omission to give notice to any one or more Champion Shareholders, Champion Warrantholders or Champion Optionholders and notwithstanding any interruption of mail services in Canada or elsewhere following mailing. In the event of any interruption of mail service following mailing, Mamba intends to make reasonable efforts to disseminate any notice by other means, such as publication. Except as otherwise required or permitted by law if post offices in Canada are not open for the deposit of mail, any notice which Mamba or the Depositary may give or cause to be given under the Arrangement will be deemed to have been properly given and to have been received by Champion Shareholders, Champion Warrantholders and Champion Optionholders if (i) it is given to the TSX for dissemination or (ii) it is published once in the national edition of The Globe and Mail and in the daily newspapers of general circulation in each of the French and English languages in the City of Montreal, provided that if the national edition of The Globe and Mail is not being generally circulated, publication thereof will be made in The National Post or any other daily newspaper of general circulation published in the City of Toronto.

Notwithstanding the provisions of the Arrangement Agreement, this Plan of Arrangement and the Letter of Transmittal and Election Form, certificates, if any, for Mamba Shares and Exchangeable Shares issuable pursuant to the Arrangement need not be mailed if Mamba determines that delivery thereof by mail may be delayed. Persons entitled to cheques and certificates which are not mailed for the foregoing reason may take delivery thereof at the office of the Transfer Agent in respect of which the cheque and certificates being issued were deposited, upon application to the Transfer Agent, until such time as Mamba has determined that delivery by mail will no longer be delayed. Mamba will provide notice of any such determination not to mail made hereunder as soon as reasonably practicable after the making of such determination and in accordance with this Article 8 of this Plan of Arrangement. Notwithstanding the provisions of the Arrangement Agreement, this Plan of Arrangement and the Letter of Transmittal and Election Form, the deposit of cheques and certificates with the Transfer Agent in such circumstances will constitute delivery to the persons entitled thereto and the Mamba Shares will be deemed to have been paid for immediately upon such deposit.

APPENDIX I

PROVISIONS ATTACHING TO THE EXCHANGEABLE SHARES

The Exchangeable Shares shall have the following rights, privileges, restrictions and conditions:

1. Interpretation

(1) For the purposes of these share provisions:

"**affiliate**" has the meaning corresponding to "**affiliated companies**" in the *Securities Act* (Ontario), as amended.

"**Agency**" means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory authority (including the TSX and the ASX) or administrative agency or commission (including the Securities Commissions and the Australian Securities & Investments Commission) or any elected or appointed public official.

"**Agent**" means any chartered bank or trust company in Canada selected by the Corporation for the purposes of holding some or all of the Liquidation Amount or Redemption Price in accordance with Section 5 or Section 7 hereof, respectively.

"**Arrangement**" means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the Plan of Arrangement or made at the direction of the Court with the consent of the parties, acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement made as of December 5, 2013 between Champion and Mamba to which the Plan of Arrangement is attached.

"**Articles**" means the articles of incorporation of the Corporation dated December 24, 2013 and amended by articles of amendment dated ●, 2014, as the same may be amended form time to time.

"**ASX**" means the Australian Stock Exchange.

"**Board of Directors**" means the board of directors of the Corporation.

"**business day**" means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario or Perth, Western Australia, under applicable law.

"**Canadian Dollar Equivalent**" means in respect of an amount expressed in a currency other than Canadian dollars (the "**Foreign Currency Amount**") at any date the product obtained by multiplying:

(a) the Foreign Currency Amount; by

(b) the noon spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as may be mutually agreed upon by Mamba and Champion to be appropriate for such purpose, which determination shall be conclusive and binding.

"**Champion**" means Champion Iron Mines Limited, a corporation incorporated under the laws of Ontario.

"**Change of Law Call Right**" has the meaning ascribed thereto in Section 5.3(a) of the Plan of Arrangement.

"**Common Shares**" means the common shares in the capital of the Corporation.

"**Corporation**" means 2401397 Ontario Inc., a corporation incorporated under the laws of Ontario pursuant to Articles of Incorporation in respect of which these share provisions form a part to create the Exchangeable Shares issuable pursuant to the Arrangement.

"**Current Market Price**" means, in respect of an Mamba Share on any date, the quotient obtained by dividing (a) the aggregate of the Daily Value of Trades for each day during the period of 20 consecutive trading days ending three trading days before such date; by (b) the aggregate volume of Mamba Shares used to calculate such Daily Value of Trades.

"**Daily Value of Trades**" means, in respect of the Mamba Shares on any trading day, the product of (a) the volume weighted average price of Mamba Shares on the TSX or the ASX where the largest volume of trading has taken place on such day (or, if the Mamba Shares are not listed on the TSX or the ASX, the Canadian Dollar Equivalent of the volume weighted average price of Mamba Shares on such other stock exchange or automated quotation system on which the Mamba Shares are listed or quoted, as the case may be, as may be selected by the board of directors of Mamba for such purpose) on such date, as determined by Bloomberg L.P. or other reputable, third party information source selected by the board of directors of Mamba in good faith; and (b) the aggregate volume of Mamba Shares traded on such day on the TSX, ASX or such other stock exchange or automated quotation system where the largest volume of trading has taken place on such day and used to calculate such volume weighted average price; provided that any such selections by the board of directors of Mamba shall be conclusive and binding.

"**Dividend Amount**" means an amount equal to all declared and unpaid dividends on an Exchangeable Share held by a holder on any dividend record date which occurred prior to the date of purchase, redemption or other acquisition of such share by Mamba from such holder pursuant to Section 5(1), Section 6(1) or Section 7(1) of these share provisions.

"**Effective Date**" has the meaning provided in the Plan of Arrangement.

"**Exchangeable Shares**" means the non-voting, exchangeable shares in the capital of the Corporation, having the rights, privileges, restrictions and conditions set forth herein.

"**Exchangeable Share Voting Event**" means any matter in respect of which holders of Exchangeable Shares are entitled to vote as shareholders of the Corporation and in respect of which the Board of Directors determines in good faith that after giving effect to such matter the economic equivalence of the Exchangeable Shares and the Mamba Shares is maintained for the holders of Exchangeable Shares (other than Mamba and its affiliates).

"**Exempt Exchangeable Share Voting Event**" means an Exchangeable Share Voting Event in order to approve or disapprove, as applicable, any change to, or in the rights of the holders of, the Exchangeable Shares, where the approval or disapproval, as applicable, of such change would be required to maintain the economic equivalence of the Exchangeable Shares and the Mamba Shares.

"**holder**" means, when used with reference to the Exchangeable Shares, a holder of Exchangeable Shares shown from time to time in the register maintained by or on behalf of the Corporation in respect of the Exchangeable Shares.

"**including**" means "including without limitation" and "**includes**" means "includes without limitation".

"**ITA**" means the *Income Tax Act* (Canada).

"**Law**" means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, published policies, notices, directions and judgments or other requirements of any Agency, in each case having the force of law.

"**Liquidation Amount**" has the meaning ascribed thereto in Section 5(1) of these share provisions.

"**Liquidation Call Right**" has the meaning ascribed thereto in Section 5.1(a) of the Plan of Arrangement.

"**Liquidation Date**" has the meaning ascribed thereto in Section 5(1) of these share provisions.

"**Mamba**" means Mamba Minerals Limited ABN 34 119 770 142, a corporation incorporated under the laws of Australia.

"**Mamba Affiliate**" means a direct or indirect wholly owned Subsidiary of Mamba to which Mamba has transferred and assigned the Liquidation Call Right, the Redemption Call Right or the Change of Law Call Right pursuant to Sections 5.1(b), 5.2(b) and 5.3(b) of the Plan of Arrangement, respectively, or the Retraction Call Right pursuant to Section 6(2) of the these share provisions, as applicable.

"**Mamba Call Notice**" has the meaning ascribed thereto in Section 6(4) of these share provisions.

"**Mamba Control Transaction**" means any merger, amalgamation, arrangement, take-over bid or tender offer, material sale of shares or rights or interests therein or thereto or similar transactions involving Mamba, or any proposal to do so.

"**Mamba Dividend Declaration Date**" means the date on which the board of directors of Mamba declares any dividend or other distribution on the Mamba Shares that would require a corresponding payment to be made in respect of the Exchangeable Shares.

"**Mamba Shares**" means the fully paid ordinary shares of Mamba.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**Other Corporation**" has the meaning ascribed thereto in Section 11(3)(c) of these share provisions

"**Other Shares**" has the meaning ascribed thereto in Section 11(3)(c) of these share provisions.

"**person**" includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Agency, syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement substantially in the form and content of Schedule B annexed to the Arrangement Agreement, and any amendments or variations thereto made in accordance with Article 7 of the Arrangement Agreement or Article 6 of the Plan of Arrangement or made at the direction of the Court.

"**Purchase Price**" has the meaning ascribed thereto in Section 6(4) of these share provisions.

"**Redemption Call Purchase Price**" has the meaning ascribed thereto in Section 5.2(a) of the Plan of Arrangement.

"**Redemption Call Right**" has the meaning ascribed thereto in Section 5.2(a) of the Plan of Arrangement.

"**Redemption Date**" means the date, if any, established by the Board of Directors for the redemption by the Corporation of all but not less than all of the outstanding Exchangeable Shares pursuant to Section 7 of these share provisions, which date shall be no earlier in any event than January 1, 2015 and thereafter no later than the third anniversary of the date on which Exchangeable Shares first are issued, unless:

(a) there are fewer than 2,000,000, Exchangeable Shares outstanding (other than Exchangeable Shares held by Mamba and its affiliates, as such number of shares may be adjusted as deemed appropriate by the Board of Directors to give effect to any subdivision or consolidation of or stock dividend on the Exchangeable Shares, any issue or distribution of rights to acquire Exchangeable Shares or securities exchangeable for or convertible into Exchangeable Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Exchangeable Shares), in which case the Board of Directors may accelerate such redemption date to such date prior to the third anniversary of the date on which Exchangeable Shares first are issued as they may determine, upon at least 60 days' prior written notice to the holders of the Exchangeable Shares and the Trustee;

(b) an Mamba Control Transaction occurs, in which case, provided that the Board of Directors determines, in good faith and in its sole discretion, that it is not reasonably practicable to substantially replicate the terms and conditions of the Exchangeable Shares in connection with such Mamba Control Transaction and that the redemption of all but not less than all of the outstanding Exchangeable Shares is necessary to enable the completion of such Mamba Control Transaction in accordance with its terms, the Board of Directors may accelerate such redemption date to such date prior to the third anniversary of the date on which Exchangeable Shares first are issued as it may determine, upon such number of days' prior written notice to the holders of the Exchangeable Shares and the Trustee as the Board of Directors may determine to be reasonably practicable in such circumstances;

(c) an Exchangeable Share Voting Event that is not an Exempt Exchangeable Share Voting Event is proposed and (i) the holders of the Exchangeable Shares fail to take the necessary action, at a meeting or other vote of holders of Exchangeable Shares, to approve or disapprove, as applicable, the Exchangeable Share Voting Event or the holders of the Exchangeable Shares do take the necessary action but, in connection therewith, the holders of more than 2% of the outstanding Exchangeable Shares (other than those held by Mamba and its affiliates) exercise rights of dissent under the OBCA, and (ii) the Board of Directors determines in good faith that it is not reasonably practicable to accomplish the business purpose (which business purpose must be *bona fide* and not for the primary purpose of causing the occurrence of the Redemption Date) intended by the Exchangeable Share Voting Event in a commercially reasonable manner that does not result in an Exchangeable Share Voting Event, in which case the

Redemption Date shall be the business day following the day on which the later of the events described in (i) and (ii) above occurs; or

(d) an Exempt Exchangeable Share Voting Event is proposed and holders of the Exchangeable Shares fail to take the necessary action at a meeting or other vote of holders of Exchangeable Shares to approve or disapprove, as applicable, the Exempt Exchangeable Share Voting Event in which case the Redemption Date shall be the business day following the day on which the holders of the Exchangeable Shares failed to take such action.

provided, however, that the accidental failure or omission to give any notice of redemption under clauses (a), (b), (c) or (d) above to any of the holders of Exchangeable Shares shall not affect the validity of any such redemption.

"**Redemption Price**" has the meaning ascribed thereto in Section 7(1) of these share provisions.

"**Regulation S**" means Regulation S promulgated under the U.S. Securities Act.

"**Retracted Shares**" has the meaning ascribed thereto in Section 6(1)(a) of these share provisions.

"**Retraction Call Right**" has the meaning ascribed thereto in Section 6(1)(c) of these share provisions.

"**Retraction Date**" has the meaning ascribed thereto in Section 6(1)(b) of these share provisions.

"**Retraction Price**" has the meaning ascribed thereto in Section 6(1) of these share provisions.

"**Retraction Request**" has the meaning ascribed thereto in Section 6(1) of these share provisions.

"**Securities Act**" means the *Securities Act* (Ontario) and the rules, regulations and policies made thereunder, as amended.

"**Securities Commissions**" means the securities regulatory authorities in each of the provinces of Canada.

"**Support Agreement**" means the agreement made between Mamba and the Corporation substantially in the form and content of Schedule H to the Arrangement Agreement.

"**Transfer Agent**" means Equity Financial Trust Company or such other person as may from time to time be appointed by the Corporation as the registrar and transfer agent for the Exchangeable Shares.

"**Trustee**" means the trustee chosen by Mamba to act as trustee under the Voting and Exchange Trust Agreement, being a corporation organized and existing under the laws of Canada or any Province thereof and authorized to carry on the business of a trust company in all the provinces of Canada, and any successor trustee appointed under the Voting and Exchange Trust Agreement.

"**TSX**" means the Toronto Stock Exchange or any successor exchange.

"**United States**" means the United States as that term is defined in Regulation S.

"**U.S. Person**" means a U.S. Person as that term is defined in Regulation S.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**Voting and Exchange Trust Agreement**" means an agreement to be made among Mamba, the Corporation and the Trustee in connection with the Plan of Arrangement substantially in the form of Schedule I to the Arrangement Agreement.

2. Ranking of Exchangeable Shares

The Exchangeable Shares shall be entitled to a preference over the Common Shares and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

3. Dividends

(1) A holder of an Exchangeable Share shall be entitled to receive and the Board of Directors shall, subject to applicable law, on each Mamba Dividend Declaration Date, declare a dividend on each Exchangeable Share:

(a) in the case of a cash dividend declared on the Mamba Shares, in an amount in cash for each Exchangeable Share equal to the cash dividend declared on each Mamba Share on the Mamba Dividend Declaration Date;

(b) in the case of a stock dividend declared on the Mamba Shares to be paid in Mamba Shares, by the issue or transfer by the Corporation of such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of Mamba Shares to be paid on each Mamba Share unless in lieu of such stock dividend the Corporation elects to effect a corresponding and contemporaneous and economically equivalent (as determined by the Board of Directors in accordance with Section 3(5) hereof) subdivision of the outstanding Exchangeable Shares; or

(c) in the case of a dividend declared on the Mamba Shares in property other than cash or Mamba Shares, in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent (to be determined by the Board of Directors as contemplated by Section 3(5) hereof) to the type and amount of property declared as a dividend on each Mamba Share.

Such dividends shall be paid out of money, assets or property of the Corporation properly applicable to the payment of dividends, or out of authorized but unissued shares of the Corporation, as applicable. The holders of Exchangeable Shares shall not be entitled to any dividends other than or in excess of the dividends referred to in this Section 3(1).

(2) Cheques of the Corporation payable at par at any branch of the bankers of the Corporation shall be issued in respect of any cash dividends contemplated by Section 3(1)(a) hereof and the sending of such cheque to each holder of an Exchangeable Share shall satisfy the cash dividend represented thereby unless the cheque is not paid on presentation. The direct registration statement evidencing the issuance of Exchangeable Shares or certificate(s) representing the Exchangeable Shares shall be delivered in respect of any stock dividends contemplated by Section 3(1)(b) hereof and the sending of such direct registration statement of certificate(s) to each holder of an Exchangeable Share shall satisfy the stock dividend represented thereby. Such other type and amount of property in respect of any dividends contemplated by Section 3(1)(c) hereof shall be issued, distributed or transferred by the Corporation in such manner as it shall determine and the issuance, distribution or transfer thereof by the Corporation to each holder of an Exchangeable Share shall satisfy the dividend represented thereby. No holder of an

Exchangeable Share shall be entitled to recover by action or other legal process against the Corporation any dividend that is represented by a cheque that has not been duly presented to the Corporation's bankers for payment or that otherwise remains unclaimed for a period of six years from the date on which such dividend was payable.

(3) The record date for the determination of the holders of Exchangeable Shares entitled to receive payment of, and the payment date for, any dividend declared on the Exchangeable Shares under Section 3(1) hereof shall be the same dates as the record date and payment date, respectively, for the corresponding dividend declared on the Mamba Shares. The record date for the determination of the holders of Exchangeable Shares entitled to receive Exchangeable Shares in connection with any subdivision, redivision or change of the Exchangeable Shares under Section 3(1)(b) hereof and the effective date of such subdivision shall be the same dates as the record and payment date, respectively, for the corresponding stock dividend declared on the Mamba Shares.

(4) If on any payment date for any dividends declared on the Exchangeable Shares under Section 3(1) hereof the dividends are not paid in full on all of the Exchangeable Shares then outstanding, any such dividends that remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Corporation shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.

(5) The Board of Directors shall determine, in good faith and in its sole discretion, economic equivalence for the purposes of these share provisions, including Section 3(1) hereof, and each such determination shall be conclusive and binding on the Corporation and its shareholders. In making each such determination, the following factors shall, without excluding other factors determined by the Board of Directors to be relevant, be considered by the Board of Directors:

(a) in the case of any stock dividend or other distribution payable in Mamba Shares, the number of such shares issued in proportion to the number of Mamba Shares previously outstanding;

(b) in the case of the issuance or distribution of any rights, options or warrants to subscribe for or purchase Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares), the relationship between the exercise price of each such right, option or warrant and the Current Market Price;

(c) in the case of the issuance or distribution of any other form of property (including any shares or securities of Mamba of any class other than Mamba Shares, any rights, options or warrants other than those referred to in Section 3(5)(b) hereof, any evidences of indebtedness of Mamba or any assets of Mamba), the relationship between the fair market value (as determined by the Board of Directors in the manner above contemplated) of such property to be issued or distributed with respect to each outstanding Mamba Share and the Current Market Price of a Mamba Share; and

(d) in all such cases, the general taxation consequences of the relevant event to holders of Exchangeable Shares to the extent that such consequences may differ from the taxation consequences to holders of Mamba Shares as a result of differences between taxation laws of Canada and Australia (except for any differing consequences arising as a result of differing withholding taxes and marginal taxation rates and without regard to the individual circumstances of holders of Exchangeable Shares).

4. Certain Restrictions

So long as any of the Exchangeable Shares are outstanding, the Corporation shall not at any time without, but may at any time with the approval of the holders of the Exchangeable Shares given as specified in Section 11(2) of these share provisions:

(a) pay any dividends on the Common Shares or any other shares ranking junior to the Exchangeable Shares, other than stock dividends payable in Common Shares or any such other shares ranking junior to the Exchangeable Shares, as the case may be;

(b) redeem or purchase or make any capital distribution in respect of Common Shares or any other shares ranking junior to the Exchangeable Shares;

(c) redeem or purchase any other shares of the Corporation ranking equally with the Exchangeable Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs;

(d) except for a subdivision of Exchangeable Shares in accordance with Section 3(1)(b), issue any Exchangeable Shares or any other shares of the Corporation ranking equally with the Exchangeable Shares other than by way of stock dividends to the holders of such Exchangeable Shares; and

(e) issue any shares of the Corporation ranking superior to the Exchangeable Shares.

The restrictions in Sections 4(a), (b), (c) and (d)hereof shall not apply if all dividends on the outstanding Exchangeable Shares corresponding to dividends declared and paid to date on the Mamba Shares shall have been declared and paid on the Exchangeable Shares.

5. Distribution on Liquidation

(1) In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the exercise by Mamba or a Mamba Affiliate as applicable of the Liquidation Call Right, a holder of Exchangeable Shares shall be entitled, subject to applicable law, to receive from the assets of the Corporation in respect of each Exchangeable Share held by such holder on the effective date (the "**Liquidation Date**") of such liquidation, dissolution, winding-up or other distribution, before any distribution of any part of the assets of the Corporation among the holders of the Common Shares or any other shares ranking junior to the Exchangeable Shares, an amount per share (the "**Liquidation Amount**") equal to the Current Market Price of an Mamba Share on the last business day prior to the Liquidation Date plus the Dividend Amount, which shall be satisfied in full by the Corporation delivering or causing to be delivered to such holder one Mamba Share plus cash or a cheque in an amount equal to the Dividend Amount.

(2) On or promptly after the Liquidation Date, and provided the Liquidation Call Right has not been exercised by Mamba or a Mamba Affiliate, as applicable, the Corporation shall pay or cause to be paid to the holders of the Exchangeable Shares the Liquidation Amount for each such Exchangeable Share upon presentation and surrender of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and the Articles of the Corporation and such additional documents, instruments and payments as the Transfer Agent and the Corporation may reasonably require, at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of the Exchangeable Shares. Payment of the Liquidation Amount for such Exchangeable Shares shall

be made by transferring or causing to be transferred to each holder the Mamba Shares to which such holder is entitled and by delivering to such holder, on behalf of the Corporation, Mamba Shares (which shares shall be fully paid and shall be free and clear of any lien, claim or encumbrance) and a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in respect of the Dividend Amount for such Exchangeable Shares, in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom. On and after the Liquidation Date, the holders of the Exchangeable Shares shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive the Liquidation Amount without interest, unless payment of the total Liquidation Amount for such Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the Liquidation Amount has been paid in the manner hereinbefore provided the Corporation shall have the right at any time after the Liquidation Date to transfer or cause to be issued or transferred to, and deposited with, the Agent the Liquidation Amount in respect of the Exchangeable Shares represented by certificates that have not at the Liquidation Date been surrendered by the holders thereof, such Liquidation Amount to be held by the Agent as trustee for and on behalf of, and for the use and benefit of, such holders. Upon such deposit being made, the rights of a holder of Exchangeable Shares after such deposit shall be limited to receiving its proportionate part of the Liquidation Amount for such Exchangeable Shares so deposited, without interest, and when received by the Agent, all dividends and other distributions with respect to the Mamba Shares to which such holder is entitled with a record date after the date of such deposit and before the date of transfer of such Mamba Shares to such holder (in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom) against presentation and surrender of the certificates for the Exchangeable Shares held by them in accordance with the foregoing provisions.

(3) After the Corporation has satisfied its obligations to pay the holders of the Exchangeable Shares the Liquidation Amount per Exchangeable Share pursuant to Section 5(1) of these share provisions, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

6. Retraction of Exchangeable Shares by Holder

(1) Subject to the limitation set forth in the immediately following sentence, a holder of Exchangeable Shares shall be entitled at any time, subject to the exercise by Mamba of the Retraction Call Right and otherwise upon compliance with, and subject to, the provisions of this Section 6, to require the Corporation to redeem any or all of the Exchangeable Shares registered in the name of such holder for an amount per share equal to the Current Market Price of a Mamba Share on the last business day prior to the Retraction Date plus the Dividend Amount (the "**Retraction Price**"), which shall be satisfied in full by the Corporation delivering or causing to be delivered to such holder, for each Exchangeable Share presented and surrendered by the holder, one Mamba Share (which on issue will be admitted to listing and trading by the TSX and the ASX (subject to official notice of issuance)) together with, on the designated payment date therefor, cash or a cheque in an amount equal to the Dividend Amount. Holders of Exchangeable Shares will not be entitled to exercise the foregoing right in the United States or by or on behalf of a U.S. Person unless an exemption from registration under the U.S. Securities Act and applicable states securities laws is available. To effect such redemption, the holder shall present and surrender at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of Exchangeable Shares the certificate or certificates representing the Exchangeable Shares which the holder desires to have the Corporation redeem, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and the Articles of the Corporation and such additional documents, instruments and payments as the Transfer Agent and the Corporation may

reasonably require, and together with a duly executed statement (the "**Retraction Request**") in the form of Schedule A hereto or in such other form as may be acceptable to the Corporation:

(a) specifying that the holder desires to have all or any number specified therein of the Exchangeable Shares represented by such certificate or certificates (the "**Retracted Shares**") redeemed by the Corporation;

(b) stating the business day on which the holder desires to have the Corporation redeem the Retracted Shares (the "**Retraction Date**"), provided that the Retraction Date shall be not less than 10 business days nor more than 15 business days after the date on which the Retraction Request is received by the Corporation and further provided that, in the event that no such business day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the 15th business day after the date on which the Retraction Request is received by the Corporation and subject also to Section 6(9) hereof; and

(c) acknowledging the overriding right (the "**Retraction Call Right**") of Mamba to purchase all but not less than all the Retracted Shares directly from the holder and that the Retraction Request shall be deemed to be a revocable offer by the holder to sell the Retracted Shares to Mamba in accordance with the Retraction Call Right on the terms and conditions set out in Section 6(4) hereof.

(2) Mamba may transfer and assign the Retraction Call Right to a Mamba Affiliate. Where Mamba so transfers and assigns the Retraction Call Right, for the purposes of this Section 6, references to Mamba (excluding, for greater certainty, references to an Mamba Share) shall mean a Mamba Affiliate, as applicable.

(3) Provided that Mamba has not exercised the Retraction Call Right, upon receipt by the Corporation or the Transfer Agent in the manner specified in Section 6(1) hereof of a certificate or certificates representing the number of Retracted Shares, together with a Retraction Request, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6(8) hereof, the Corporation shall redeem the Retracted Shares effective at the close of business on the Retraction Date and shall transfer or cause to be issued or transferred to such holder the Mamba Shares to which such holder is entitled and shall comply with Section 6(5) hereof. If only a part of the Exchangeable Shares represented by any certificate is redeemed (or purchased by Mamba pursuant to the Retraction Call Right), a new certificate for the balance of such Exchangeable Shares shall be issued to the holder at the expense of the Corporation.

(4) Subject to the provisions of this Section 6, upon receipt by the Corporation of a Retraction Request, the Corporation shall immediately notify Mamba thereof and shall provide to Mamba a copy of the Retraction Request. In order to exercise the Retraction Call Right, Mamba must notify the Corporation of its determination to do so (the "**Mamba Call Notice**") within five business days of notification to Mamba by the Corporation of the receipt by the Corporation of the Retraction Request. If Mamba does not so notify the Corporation within such five business day period, the Corporation will notify the holder as soon as possible thereafter that Mamba will not exercise the Retraction Call Right. If Mamba delivers the Mamba Call Notice within such five business day period, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6(8) hereof, the Retraction Request shall thereupon be considered only to be an offer by the holder to sell the Retracted Shares to Mamba in accordance with the Retraction Call Right. In such event, the Corporation shall not redeem the Retracted Shares and Mamba shall purchase from such holder and such holder shall sell to Mamba on the Retraction Date the Retracted Shares for a purchase price (the "**Purchase Price**") per share equal to the Retraction Price per share. To the extent that Mamba pays the Dividend Amount in respect of the Retracted Shares, the Corporation shall no longer be obligated to pay any declared and unpaid dividends on such Retracted Shares. For the purpose of completing a purchase pursuant to the Retraction Call Right, on the Retraction Date, Mamba shall transfer or cause to be issued or transferred to

the holder of the Retracted Shares the Mamba Shares to which such holder is entitled. Provided that Mamba has complied with the immediately preceding sentence and Section 6(5) hereof, the closing of the purchase and sale of the Retracted Shares pursuant to the Retraction Call Right shall be deemed to have occurred as at the close of business on the Retraction Date and, for greater certainty, no redemption by the Corporation of such Retracted Shares shall take place on the Retraction Date. In the event that Mamba does not deliver a Mamba Call Notice within such five business day period, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6(8) hereof, the Corporation shall redeem the Retracted Shares on the Retraction Date and in the manner otherwise contemplated in this Section 6.

(5) The Corporation or Mamba, as the case may be, shall deliver or cause the Transfer Agent to deliver to the relevant holder the direct registration statement evidencing the issuance of the Mamba Shares or certificate(s) representing the Mamba Shares (which shares shall be fully paid and shall be free and clear of any lien, claim or encumbrance and which on issue will be admitted to listing and trading by the TSX and the ASX (subject to official notice of issuance)), and, if applicable and on or before the payment date therefor, a cheque payable at par at any branch of the bankers of the Corporation or Mamba, as applicable, representing the aggregate Dividend Amount, in payment of the Retraction Price or the Purchase Price, as the case may be, in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom, and such delivery of such Mamba Shares and cheques on behalf of the Corporation or by Mamba, as the case may be, or by the Transfer Agent shall be deemed to be payment of and shall satisfy and discharge all liability for the Retraction Price or Purchase Price, as the case may be, to the extent that the same is represented by such share certificates and cheques (plus any tax deducted and withheld therefrom and remitted to the proper tax authority).

(6) On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive the Retraction Price or Purchase Price, as the case may be, without interest, unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the Retraction Price or the Purchase Price, as the case may be, shall not be made as provided in Section 6(5) hereof, in which case the rights of such holder shall remain unaffected until the Retraction Price or the Purchase Price, as the case may be, has been paid in the manner hereinbefore provided. On and after the close of business on the Retraction Date, provided that presentation and surrender of certificates and payment of the Retraction Price or the Purchase Price, as the case may be, has been made in accordance with the foregoing provisions, the holder of the Retracted Shares so redeemed by the Corporation or purchased by Mamba shall thereafter be a holder of the Mamba Shares delivered to it.

(7) Notwithstanding any other provision of this Section 6, the Corporation shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law. If the Corporation believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption on such date, and provided that Mamba shall not have exercised the Retraction Call Right with respect to the Retracted Shares, the Corporation shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder and the Trustee at least two business days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Corporation. In any case in which the redemption by the Corporation of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law, the Corporation shall redeem Retracted Shares in accordance with Section 6(3) of these share provisions on a pro rata basis and shall issue to each holder of Retracted Shares a new certificate, at the expense of the Corporation, representing the Retracted Shares not redeemed by the Corporation pursuant to Section 6(3) hereof. If the Corporation would otherwise be obligated to redeem the Retracted

Shares pursuant to Section 6(3) of these share provisions but is not obligated to do so as a result of solvency requirements or other provisions of applicable law, the holder of any such Retracted Shares not redeemed by the Corporation pursuant to this Article 6 as a result of solvency requirements or other provisions of applicable law shall be deemed by giving the Retraction Request to have instructed the Transfer Agent to require Mamba to purchase such Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by Mamba to such holder of the Purchase Price for each such Retracted Share, all as more specifically provided for in the Voting and Exchange Trust Agreement.

(8) A holder of Retracted Shares may, by notice in writing given by the holder to the Corporation before the close of business on the business day immediately preceding the Retraction Date, withdraw its Retraction Request, in which event such Retraction Request shall be null and void and, for greater certainty, the revocable offer constituted by the Retraction Request to sell the Retracted Shares to Mamba shall be deemed to have been revoked.

(9) Notwithstanding any other provision of this Section 6, if:

(a) exercise of the rights of the holders of the Exchangeable Shares, or any of them, to require the Corporation to redeem any Exchangeable Shares pursuant to this Section 6 on any Retraction Date would require listing particulars or any similar document to be issued in order to obtain the approval of the TSX and the ASX to the listing and trading (subject to official notice of issuance) of, the Mamba Shares that would be required to be delivered to such holders of Exchangeable Shares in connection with the exercise of such rights; and

(b) as a result of (a) above, it would not be practicable (notwithstanding the reasonable endeavours of Mamba) to obtain such approvals in time to enable all or any of such Mamba Shares to be admitted to listing and trading by the ASX (subject to official notice of issuance) when so delivered, that Retraction Date shall, notwithstanding any other date specified or otherwise deemed to be specified in any relevant Retraction Request, be deemed for all purposes to be the earlier of (i) the second business day immediately following the date the approvals referred to in Section 6(9)(a) hereof are obtained, and (ii) the date which is 30 business days after the date on which the relevant Retraction Request is received by the Corporation, and references in these share provisions to such Retraction Date shall be construed accordingly.

7. Redemption of Exchangeable Shares by the Corporation

(1) Subject to applicable law, and provided Mamba or a Mamba Affiliate as applicable has not exercised the Redemption Call Right, the Corporation shall on the Redemption Date redeem all but not less than all of the then outstanding Exchangeable Shares for an amount per share (the "**Redemption Price**") equal to the Current Market Price of an Mamba Share on the last business day prior to the Redemption Date plus the Dividend Amount, which shall be satisfied in full by the Corporation causing to be delivered to each holder of Exchangeable Shares one Mamba Share for each Exchangeable Share held by such holder, together with cash or a cheque in an amount equal to the Dividend Amount.

(2) In any case of a redemption of Exchangeable Shares under this Section 7, the Corporation shall, at least 60 days before the Redemption Date (other than a Redemption Date established in connection with a Mamba Control Transaction, an Exchangeable Share Voting Event or an Exempt Exchangeable Share Voting Event), send or cause to be sent to each holder of Exchangeable Shares a notice in writing of the redemption by the Corporation or the purchase by Mamba under the Redemption Call Right, as the case may be, of the Exchangeable Shares held by such holder. In the case of a Redemption Date established in connection with an Mamba Control Transaction, an Exchangeable Share Voting Event or an Exempt Exchangeable Share Voting Event, the written notice of the redemption by the Corporation or the purchase by Mamba,

or a Mamba Affiliate as applicable, under the Redemption Call Right will be sent on or before the Redemption Date, on as many days prior written notice as may be determined by the Board of Directors to be reasonably practicable in the circumstances. In any such case, such notice shall set out the formula for determining the Redemption Price or the Redemption Call Purchase Price, as the case may be, the Redemption Date and, if applicable, particulars of the Redemption Call Right.

(3) On or after the Redemption Date and provided that the Redemption Call Right has not been exercised by Mamba or a Mamba Affiliate as applicable, the Corporation shall pay or cause to be paid to the holders of the Exchangeable Shares to be redeemed the Redemption Price for each such Exchangeable Share, upon presentation and surrender at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation in such notice of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and the Articles of the Corporation and such additional documents, instruments and payments as the Transfer Agent and the Corporation may reasonably require. Payment of the Redemption Price for such Exchangeable Shares shall be made by transferring or causing to be issued or transferred to each holder the Mamba Shares to which such holder is entitled and by delivering to such holder, on behalf of the Corporation, the direct registration statement evidencing the issuance of the Mamba Shares or certificate(s) representing the Mamba Shares (which shares shall be fully paid and shall be free and clear of any lien, claim or encumbrance), and, if applicable, a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in payment of the applicable Dividend Amount, in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom. On and after the Redemption Date, the holders of the Exchangeable Shares called for redemption shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive the Redemption Price without interest, unless payment of the Redemption Price for such Exchangeable Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the Redemption Price has been paid in the manner hereinbefore provided. The Corporation shall have the right at any time after the sending of notice of its intention to redeem the Exchangeable Shares as aforesaid to transfer or cause to be issued or transferred to, and deposited with, the Agent named in such notice the Redemption Price for the Exchangeable Shares so called for redemption, or of such of the said Exchangeable Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, less any amounts withheld on account of tax required to be deducted and withheld therefrom, such aggregate Redemption Price to be held by the Agent as trustee for and on behalf of, and for the use and benefit of, such holders. Upon the later of such deposit being made and the Redemption Date, the Exchangeable Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Redemption Date, as the case may be, shall be limited to receiving their proportionate part of the aggregate Redemption Price for such Exchangeable Shares, without interest, and when received by the Agent, all dividends and other distributions with respect to the Mamba Shares to which such holder is entitled with a record date after the later of the date of such deposit and the Redemption Date and before the date of transfer of such Mamba Shares to such holder (in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom), against presentation and surrender of the certificates for the Exchangeable Shares held by them in accordance with the foregoing provisions.

8. Voting Rights

Except as required by applicable law and by Section 12 hereof, the holders of the Exchangeable Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting. Without limiting the generality of the foregoing, the holders of the Exchangeable Shares shall not have class votes except as required by applicable law.

9. Specified Amount

For the purposes of the “specified amount” in subsection 191(4) of the ITA, the "specified amount" will be designated by a resolution of the directors of the Corporation at the time of the issue of the Exchangeable Shares and will not exceed the fair market value of the consideration received in exchange for such Exchangeable Shares.

10. Amendment and Approval

(1) The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares may be added to, changed or removed only with the approval of the holders of the Exchangeable Shares given as hereinafter specified.

(2) Any approval given by the holders of the Exchangeable Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Exchangeable Shares or any other matter requiring the approval or consent of the holders of the Exchangeable Shares in accordance with applicable law shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law, subject to a minimum requirement that such approval be evidenced by resolution passed by not less than two thirds of the votes cast on such resolution at a meeting of holders of Exchangeable Shares duly called and held at which the holders of at least 10% of the outstanding Exchangeable Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 10% of the outstanding Exchangeable Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than five days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Exchangeable Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Exchangeable Shares.

11. Reciprocal Changes, etc. in Respect of Mamba Shares

(1) Each holder of an Exchangeable Share acknowledges that the Support Agreement provides, in part, that so long as any Exchangeable Shares not owned by Mamba or its affiliates are outstanding, Mamba will not without the prior approval of the Corporation and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 10(2) of these share provisions:

(a) issue or distribute Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares) to the holders of all or substantially all of the then outstanding Mamba Shares by way of stock dividend or other distribution, other than an issue of Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares) to holders of Mamba Shares (i) who exercise an option to receive dividends in Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares) in lieu receiving cash dividends, or (ii) pursuant to any dividend reinvestment plan or similar arrangement;

(b) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Mamba Shares entitling them to subscribe for or to purchase Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares); or

(c) issue or distribute to the holders of all or substantially all of the then outstanding Mamba Shares:

(i) shares or securities of Mamba (including evidence of indebtedness) of any class (other than Mamba Shares or securities convertible into or exchangeable for or carrying rights to acquire Mamba Shares);

(ii) rights, options or warrants other than those referred to in Section 11(1)(b) above;

(iii) evidence of indebtedness of Mamba; or

(iv) assets of Mamba,

unless the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued or distributed simultaneously to holders of the Exchangeable Shares and at least 7 days prior written notice thereof is given to the holders of Exchangeable Shares; provided that, for greater certainty, the above restrictions shall not apply to any securities issued or distributed by Mamba in order to give effect to and to consummate, in furtherance of or otherwise in connection with the transactions contemplated by, and in accordance with, the Plan of Arrangement.

(2) Each holder of an Exchangeable Share acknowledges that the Support Agreement further provides, in part, that so long as any Exchangeable Shares not owned by Mamba or its affiliates are outstanding, Mamba will not without the prior approval of the Corporation and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 10(2) of these share provisions:

(a) subdivide, redivide or change the then outstanding Mamba Shares into a greater number of Mamba Shares;

(b) reduce, combine, consolidate or change the then outstanding Mamba Shares into a lesser number of Mamba Shares; or

(c) reclassify or otherwise change the Mamba Shares or effect an amalgamation, merger, arrangement, reorganization or other transaction affecting the Mamba Shares,

unless the same or an economically equivalent change shall simultaneously be made to, or in the rights of the holders of, the Exchangeable Shares and at least 7 days prior written notice is given to the holders of Exchangeable Shares. The Support Agreement further provides, in part, that the aforesaid provisions of the Support Agreement shall not be changed without the approval of the holders of the Exchangeable Shares given in accordance with Section 11(2) of these share provisions.

(3) Notwithstanding the foregoing provisions of this Section 11, in the event of a Mamba Control Transaction:

(a) in which Mamba merges or amalgamates with, or in which all or substantially all of the then outstanding Mamba Shares are acquired by one or more other corporations to which Mamba is, immediately before such merger, amalgamation or acquisition, related within the meaning of the ITA (otherwise than virtue of a right referred to in paragraph 251(5)(b) thereof);

(b) which does not result in an acceleration of the Redemption Date in accordance with paragraph (b) of the definition of Redemption Date in Section 1(1) of these provisions; and

(c) in which all or substantially all of the then outstanding Mamba Shares are converted into or exchanged for shares or rights to receive such shares (the "**Other Shares**") of another

corporation (the "**Other Corporation**") that, immediately after such Mamba Control Transaction, owns or controls, directly or indirectly, Mamba;

then all references herein to "Mamba" shall thereafter be and be deemed to be references to "Other Corporation" and all references herein to "Mamba Shares" shall thereafter be and be deemed to be references to "Other Shares" (with appropriate adjustments, if any, as are required to result in a holder of Exchangeable Shares on the exchange, redemption or retraction of shares pursuant to these share provisions or Article 5 of the Plan of Arrangement or exchange of shares pursuant to the Voting and Exchange Trust Agreement immediately subsequent to the Mamba Control Transaction being entitled to receive that number of Other Shares equal to the number of Other Shares such holder of Exchangeable Shares would have received if the exchange, option or retraction of such shares pursuant to these share provisions or Article 5 of the Plan of Arrangement, or exchange of such shares pursuant to the Voting and Exchange Trust Agreement had occurred immediately prior to the Mamba Control Transaction and the Mamba Control Transaction was completed) without any need to amend the terms and conditions of the Exchangeable Shares and without any further action required.

12. Actions by the Corporation under Support Agreement

(1) The Corporation will take all such actions and do all such things as shall be necessary to perform and comply with and to ensure performance and compliance by Mamba and the Corporation with all provisions of the Support Agreement applicable to Mamba and the Corporation, respectively, in accordance with the terms thereof including taking all such actions and doing all such things as shall be necessary to enforce for the direct benefit of the Corporation all rights and benefits in favour of the Corporation under or pursuant to such agreement.

(2) The Corporation shall not propose, agree to or otherwise give effect to any amendment to, or waiver or forgiveness of its rights or obligations under, the Support Agreement without the approval of the holders of the Exchangeable Shares given in accordance with Section 10(2) of these share provisions other than such amendments, waivers and/or forgiveness as may be necessary or advisable for the purposes of:

(a) adding to the covenants of the other parties to such agreement for the protection of the Corporation or the holders of the Exchangeable Shares thereunder;

(b) making such amendments or modifications not inconsistent with such agreement as may be necessary or desirable with respect to matters or questions arising thereunder which, in the good faith opinion of the Board of Directors, it may be expedient to make, provided that the Board of Directors shall be of the good faith opinion, after consultation with counsel, that such amendments and modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares; or

(c) making such changes in or corrections to such agreement which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein, provided that the Board of Directors shall be of the good faith opinion that such changes or corrections will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares.

13. Legend; Call Rights; Withholding Rights

(1) The certificates evidencing the Exchangeable Shares shall contain or have affixed thereto a legend in form and on terms approved by the Board of Directors, with respect to the Support Agreement, the provisions of the Plan of Arrangement relating to the Liquidation Call Right, the Redemption Call Right and the Change of Law Call Right, the Voting and Exchange Trust

Agreement (including the provisions with respect to the voting rights and automatic exchange thereunder) and the Retraction Call Right.

(2) Each holder of an Exchangeable Share, whether of record or beneficial, by virtue of becoming and being such a holder shall be deemed to acknowledge each of the Liquidation Call Right, the Retraction Call Right and the Redemption Call Right, in each case, in favour of Mamba or a Mamba Affiliate, as applicable, and the Change of Law Call Right in favour of Mamba or a Mamba Affiliate, as applicable, and the overriding nature thereof in connection with the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, or the retraction or redemption of Exchangeable Shares, as the case may be, and to be bound thereby in favour of Mamba or a Mamba Affiliate, as applicable, as therein provided.

(3) The Corporation, Mamba or a Mamba Affiliate, as applicable, and the Transfer Agent shall be entitled to deduct and withhold from any dividend, distribution or consideration otherwise payable to any holder of Exchangeable Shares such amounts as the Corporation, Mamba or a Mamba Affiliate, as applicable, or the Transfer Agent is required to deduct or withhold with respect to such payment under the ITA or any provision of provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Exchangeable Shares in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing Agency. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, the Corporation, Mamba or a Mamba Affiliate, as applicable, and the Transfer Agent are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to the Corporation, Mamba or a Mamba Affiliate, as applicable, or the Transfer Agent, as the case may be, to enable it to comply with such deduction or withholding requirement and the Corporation, Mamba or the Transfer Agent shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

14. Notices

(1) Any notice, request or other communication to be given to the Corporation by a holder of Exchangeable Shares shall be in writing and shall be valid and effective if given by first class mail (postage prepaid) or by telecopy or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary of the Corporation. Any such notice, request or other communication, if given by mail, telecopy or delivery, shall only be deemed to have been given and received upon actual receipt thereof by the Corporation.

(2) Any presentation and surrender by a holder of Exchangeable Shares to the Corporation or the Transfer Agent of certificates representing Exchangeable Shares in connection with the liquidation, dissolution or winding-up of the Corporation or the retraction or redemption of Exchangeable Shares shall be made by first class mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case, addressed to the attention of the Secretary of the Corporation. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by first class mail (postage prepaid) shall be at the sole risk of the holder mailing the same.

(3) Any notice, request or other communication to be given to a holder of Exchangeable Shares by or on behalf of the Corporation shall be in writing and shall be valid and effective if given by first class mail (postage prepaid) or by delivery to the address of the holder recorded in the register of shareholders of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other

communication, if given by mail, shall be deemed to have been given and received on the date of mailing and, if given by delivery, shall be deemed to have been given and received on the date of delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Exchangeable Shares shall not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant thereto.

(4) In the event of any interruption of mail service immediately prior to a scheduled mailing or in the period following a mailing during which delivery normally would be expected to occur, the Corporation shall make reasonable efforts to disseminate any notice by other means, such as publication. Except as otherwise required or permitted by law, if post offices in Canada are not open for the deposit of mail, any notice which the Corporation or the Transfer Agent may give or cause to be given hereunder will be deemed to have been properly given and to have been received by holders of Exchangeable Shares if it is published once in the national edition of The Globe and Mail and in the daily newspapers of general circulation in each of the French and English languages in the City of Montreal, provided that if the national edition of The Globe and Mail is not being generally circulated, publication thereof will be made in the National Post or any other daily newspaper of general circulation published in the City of Toronto.

Notwithstanding any other provisions of these share provisions, notices, other communications and deliveries need not be mailed if the Corporation determines that delivery thereof by mail may be delayed. Persons entitled to any deliveries (including certificates and cheques) which are not mailed for the foregoing reason may take delivery thereof at the office of the Transfer Agent to which the deliveries were made, upon application to the Transfer Agent, until such time as the Corporation has determined that delivery by mail will no longer be delayed. The Corporation will provide notice of any such determination not to mail made hereunder as soon as reasonably practicable after the making of such determination and in accordance with this Section 14(4). Such deliveries in such circumstances will constitute delivery to the persons entitled thereto.

15. Disclosure of Interests in Exchangeable Shares

The Corporation shall be entitled to require any holder of an Exchangeable Share or any person who the Corporation knows or has reasonable cause to believe holds any interest whatsoever in an Exchangeable Share to confirm that fact or to give such details as to whom has an interest in such Exchangeable Share as would be required (if the Exchangeable Shares were a class of “equity shares” of the Corporation) under Section 102.1 of the *Securities Act* or as would be required under the constitution of Mamba or any laws or regulations, or pursuant to the rules or regulations of any regulatory Agency, if the Exchangeable Shares were Mamba Shares.

SCHEDULE A

RETRACTION REQUEST

[TO BE PRINTED ON EXCHANGEABLE SHARE CERTIFICATES]

To: Champion Exchange Limited (the "**Corporation**") and Mamba Minerals Limited ("**Mamba**")

This notice is given pursuant to Section 6 of the provisions (the "**Share Provisions**") attaching to the Exchangeable Shares of the Corporation represented by this certificate and all capitalized words and expressions used in this notice that are defined in the Share Provisions have the meanings ascribed to such words and expressions in such Share Provisions.

The undersigned hereby notifies the Corporation that, subject to the Retraction Call Right referred to below, the undersigned desires to have the Corporation redeem in accordance with Section 6 of the Share Provisions:

all share (s) represented by this certificate; or

_____ share (s) only represented by this certificate.

The undersigned hereby notifies the Corporation that the Retraction Date shall be _____.

NOTE: The Retraction Date must be a business day and must not be less than 10 business days nor more than 15 business days after the date upon which this notice is received by the Corporation. If no such business day is specified above, the Retraction Date shall be deemed to be the 15th business day after the date on which this notice is received by the Corporation.

The undersigned represents and warrants to the Corporation, Mamba and a Mamba Affiliate, if applicable, that the undersigned is not a U.S. Person, nor is the undersigned giving this notice on behalf of a U.S. Person, and the undersigned is not executing and delivering this Notice in the United States. If the undersigned is unable to provide such representation and warranty, the holder will be given a special Retraction Request Form applicable in those circumstances in a form provided by the Corporation and Mamba, in form and substance acceptable to the Corporation and Mamba, and the holder will only be permitted to exercise the retraction right and give such notice if the holder provides an opinion of counsel addressed to the Corporation and Mamba, in form and substance reasonably acceptable to the Corporation, Mamba and a Mamba Affiliate, if applicable, to the effect that the exercise of the retraction right and exchange of the Exchangeable Shares for Mamba Shares are exempt from registration under the U.S. Securities Act and applicable state securities laws.

The undersigned acknowledges the overriding Retraction Call Right of Mamba or a Mamba Affiliate, as applicable, to purchase all but not less than all the Retracted Shares from the undersigned and that this notice is and shall be deemed to be a revocable offer by the undersigned to sell the Retracted Shares to Mamba or a Mamba Affiliate, as applicable, in accordance with the Retraction Call Right on the Retraction Date for the Purchase Price and on the other terms and conditions set out in Section 6(4) of the Share Provisions. This Retraction Request, and this offer to sell the Retracted Shares to Mamba or a Mamba Affiliate, as applicable, may be revoked and withdrawn by the undersigned only by notice in writing given to the Corporation at any time before the close of business on the business day immediately preceding the Retraction Date.

The undersigned acknowledges that if, as a result of solvency provisions of applicable law, the Corporation is unable to redeem all Retracted Shares, and provided that Mamba or a Mamba Affiliate, as applicable, has not exercised the Retraction Call Right with respect to the Retracted Shares, the

Retracted Shares will be automatically exchanged pursuant to the Voting and Exchange Trust Agreement so as to require Mamba or a Mamba Affiliate to purchase the unredeemed Retracted Shares.

The undersigned hereby represents and warrants to Mamba or a Mamba Affiliate, as applicable, and the Corporation that the undersigned
(select one):

is _____

is not _____

a non-resident of Canada for purposes of the *Income Tax Act* (Canada). **The undersigned acknowledges that in the absence of an indication that the undersigned is not a non-resident of Canada, withholding on account of Canadian tax may be made from amounts payable to the undersigned on the redemption or purchase of the Retracted Shares.**

The undersigned hereby represents and warrants to Mamba or a Mamba Affiliate, as applicable, and the Corporation that the undersigned has good title to, and owns, the share(s) represented by this certificate to be acquired by Mamba, an Acquire Affiliate or the Corporation, as the case may be, free and clear of all liens, claims and encumbrances.

_____	_____	_____
(Date)	(Signature of Shareholder)	(Guarantee of Signature) E-60

Please check box if the certificates for Mamba Shares and any cheque(s) resulting from the retraction or purchase of the Retracted Shares are to be held for pick-up by the shareholder from the Transfer Agent, failing which such certificates and cheque(s) will be mailed to the last address of the shareholder as it appears on the register.

NOTE: This panel must be completed and this certificate, together with such additional documents and payments (including, without limitation, any applicable Stamp Taxes) as the Transfer Agent may require, must be deposited with the Transfer Agent. The securities and any cheque(s) resulting from the retraction or purchase of the Retracted Shares will be issued and registered in, and made payable to, respectively, the name of the shareholder as it appears on the register of the Corporation and the certificates for Mamba Shares and any cheque(s) resulting from such retraction or purchase will be delivered to such shareholder as indicated above, unless the form appearing immediately below is duly completed.

Date: _____

Name of Person in Whose Name Securities or Cheque(s)
Are to be Registered, Issued or Delivered (please print):

Street Address or P.O. Box: _____

Signature of Shareholder: _____

City, Province and Postal Code: _____

Signature Guaranteed by: _____

NOTE: If this Retraction Request is for less than all of the shares represented by this certificate, a certificate representing the remaining share(s) of the Corporation represented by this certificate will be issued and registered in the name of the shareholder as it appears on the register of the Corporation, unless the Share Transfer Power on the share certificate is duly completed in respect of such share(s).

SCHEDULE C

MUTUAL CONDITIONS

The respective obligations of Target, Acquireco and Canco to complete the Arrangement shall be subject to the satisfaction, on or before the Outside Date, of the following conditions, each of which may be waived, in whole or in part, only by the written mutual consent of Target and Acquireco (for itself and on behalf of Canco):

(a) Target Securityholder Approval shall have been obtained at the Target Special Meeting in accordance with the Interim Order;

(b) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement, and shall not have been set aside or modified in a manner unacceptable to Target and Acquireco, acting reasonably, on appeal or otherwise;

(c) Acquireco Shareholder Approval shall have been obtained at the Acquireco Special Meeting;

(d) all waivers, consents, permits, orders and approvals of any Agency (including any Regulatory Approvals), and the expiry of any waiting periods (whether regulatory or contractual), the failure of which to obtain or receive, or the non-expiry of which, would or would reasonably be expected to be Materially Adverse to Target or Acquireco and their respective Subsidiaries, in each case taken as a whole, shall have been obtained, or received or shall have expired, as the case may be, and such waivers, consents, permits, orders and approvals shall be on terms that are not Materially Adverse to Target or Acquireco and their respective Subsidiaries, in each case taken as a whole;

(e) the Acquireco Shares, issuable (i) to the Target Shareholders pursuant to the Arrangement, (ii) pursuant to the rights attached to the Exchangeable Shares, (iii) pursuant to the terms and conditions of the Acquireco Options, and (iv) pursuant to the terms and conditions of the Target Warrants shall have been approved for listing on the ASX, subject to official notice of issuance, and subject to fulfilling listing requirements;

(f) there shall not be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Target or Acquireco from consummating the Arrangement and such applicable Law (if applicable) continues to be in effect through the Outside Date;

(g) this Agreement shall not have been terminated in accordance with its terms;

(h) the distribution of the Acquireco Shares and the Exchangeable Shares pursuant to the Arrangement (including those Acquireco Shares distributable pursuant to the rights attached to the Exchangeable Shares, the Acquireco Options and the Target Warrants) shall be exempt from the prospectus requirements of applicable Law either by virtue of exemptive relief from the applicable securities regulatory authorities or by virtue of applicable exemptions under applicable Law and the first trade thereof shall not be subject to resale restrictions under applicable Law;

(i) Acquireco shall have obtained all shareholder approvals required from shareholders of Acquireco pursuant to the Corporations Act 2001 and the Listing Rules of the ASX (including, but not limited, Acquireco Shareholder Approval); and

(j) the existing Employment Agreements shall have been amended and restated prior to the Effective Date in accordance with Schedule 2.1 of the Target Disclosure Statement.

SCHEDULE D

CONDITIONS IN FAVOUR OF TARGET

The obligations of Target to complete the Transactions shall also be subject to the satisfaction, on or before the Outside Date, of the following conditions, each of which is for the exclusive benefit of Target and may be waived, in whole or in part, by Target in its sole discretion:

(a) Acquireco shall not have failed to perform any of its obligations to be performed by it under this Agreement nor shall Canco have failed to perform any of its obligations arising in respect of the Transactions, on or prior to the Effective Time or, in the event of any failure, such failure is not Materially Adverse to Acquireco and its Subsidiaries, taken as a whole;

(b) the representations and warranties of Acquireco under this Agreement shall be true and correct in all respects except where the failure of such representations and warranties to be true and correct would not reasonably be expected to be Materially Adverse to Acquireco and its Subsidiaries, taken as a whole, (provided that the representations and warranties of Acquireco in paragraph (s) of Schedule G shall be true and correct in all respects) and Target shall have received a certificate of Acquireco addressed to Target and dated the Effective Date, signed on behalf of Acquireco by a senior officer of Acquireco (on Acquireco's behalf and without personal liability) confirming the same as at the Effective Date;

(c) there shall not have occurred, since the date of this Agreement, any event, change, effect or development that individually or in the aggregate, has had a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole;

(d) at the Effective Time, Canco will be a "taxable Canadian corporation" within the meaning of the ITA;

(e) the Acquireco Supporting Shareholders (or any one of them) shall not have breached any of the representations, warranties, covenants or other agreements contained in any of the Acquireco Voting Support Agreements;

(f) prior to the Effective Time, Acquireco shall have made an offer to the holders of the Performance Shares to convert every 10 Performance Shares into one Acquireco Share and at least 77% of such Performance Shares shall have been tendered to the offer and shall have been so converted;

(g) prior to the Effective Time, Acquireco will have completed all necessary filings and shall have provided satisfactory evidence thereof to Target in order to (i) amend the composition of the board of directors of Acquireco such that the board will consist of eight (8) directors, of which five (5) will be nominees of Target and of which three (3) will be nominees of Acquireco, and (ii) appoint Thomas Larsen as Chief Executive Officer of Acquireco;

(h) prior to the Effective Time, Acquireco shall have received conditional listing approval from the TSX in respect of the listing of Acquireco Shares (including those Acquireco Shares distributable pursuant to the rights attached to the Exchangeable Shares, the Acquireco Options and the Target Warrants) on the TSX commencing on the Effective Date; and

(i) prior to the Effective Date, in connection with the Concurrent Financing, Acquireco shall have received executed irrevocable subscriptions with subscription funds fully paid into trust (it being acknowledged that such irrevocable subscriptions may be conditional on the effectiveness of the Arrangement) for Acquireco Shares totalling at least A$10 million (or such greater amount as may be agreed to by Target and Acquireco) at a subscription price of no less than A$0.50 per share from institutional and other investors, which investors and their subscription amounts shall be acceptable to Target and Acquireco, each acting reasonably.

SCHEDULE E

CONDITIONS IN FAVOUR OF ACQUIRECO

The obligations of Acquireco to complete the Transactions shall also be subject to the satisfaction of the following conditions, each of which is for the exclusive benefit of Acquireco and may be waived, in whole or in part, by Acquireco in its sole discretion:

(a) Target shall not have failed to perform any of the obligations to be performed by it under this Agreement on or prior to the Effective Date or, in the event of any failure, such failure is not Materially Adverse to Target;

(b) the representations and warranties of Target under this Agreement shall be true and correct in all respects except where the failure of such representations and warranties to be true and correct would not reasonably be expected to be Materially Adverse to Target, and Acquireco shall have received a certificate of Target addressed to Acquireco and dated the Effective Date, signed on behalf of Target by a senior officer of Target (on Target's behalf and without personal liability) confirming the same as at the Effective Date;

(c) there shall not have been delivered and not withdrawn notices of dissent with respect to the Arrangement in respect of more than 5% of the Target Shares;

(d) prior to the Effective Date, Target shall have repaid in full any and all debt owed by Target under the convertible note in favour of, and all fees owed to, McCarthy Tétrault LLP, including any unpaid portion of the principal amount and interest owing thereunder, and shall have received from McCarthy Tétrault an acknowledgment and release that fully releases and forever discharges Target of any and all obligations arising in respect of such convertible note and fees and any and all engagement letters and related arrangements;

(e) the Target Supporting Shareholders (or any one of them) shall not have breached any of the representations, warranties, covenants or other agreements contained in any of the Target Voting Support Agreements; and

(f) there shall not have occurred, since the date of this Agreement, any event, change, effect or development that individually or in the aggregate, has had a Materially Adverse effect on Target.

SCHEDULE F

REPRESENTATIONS AND WARRANTIES OF TARGET

Target represents and warrants to Acquireco as follows (and acknowledges that Acquireco is relying on such representations and warranties in entering into this Agreement and completing the Transactions):

(a) Organization, Standing and Corporate Power. Target is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite power and authority to own its assets and conduct its business as currently owned and conducted. Target is duly qualified or licensed to conduct the business it conducts and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary. Target has made available for review by Acquireco complete and correct copies of its constating documents, in each case as amended to the date of this Agreement. Target is not in violation of any provision of its constating documents.

(b) Target Subsidiaries. Target has no Subsidiaries. Except for the ownership interests set forth in Schedule (b) of the Target Disclosure Statement**,** Target does not own, directly or indirectly, any capital stock or other ownership interest.

(c) Capitalization. The authorized capital (the "**Authorized Capital**") and issued capital of Target is as set out in the recitals to this Agreement. Except as set forth above, there are no shares of capital stock or other voting securities of Target issued, reserved for issuance or outstanding. Except as set forth in Schedule (c) of the Target Disclosure Statement, there are not any bonds, debentures, notes or other indebtedness of Target having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which shareholders of Target must vote. Except as set forth above and except as set forth in Schedule (c) of the Target Disclosure Statement, as of the date of this Agreement, there are not any options, warrants, puts, calls, rights, commitments, agreements, arrangements or undertakings of any kind (collectively, "**Options**") to which Target is a party or by which it is bound relating to the issued or unissued shares of Target, or obligating Target to issue, transfer, grant, sell or pay for or repurchase any shares or other equity interests in, or securities convertible or exchangeable for any shares or other equity interests in, Target or obligating Target to issue, grant, extend or enter into any such Options. All shares of Target that are subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instrument pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and non-assessable. The issuance and sale of all of the shares described in this Section (c) of Schedule F have been in compliance with all Laws. Target has previously provided Acquireco with a schedule setting forth the names of, and the number of shares of each class (including the number of shares issuable upon exercise of Target Options and the exercise price and vesting schedule with respect thereto) and the number of options held by, all holders of Target Options. Schedule (c) of the Target Disclosure Statement sets forth the average exercise price for outstanding Target Options. Target has not agreed to register any securities under any securities Laws or granted registration rights to any person or entity. There are not any outstanding contractual obligations or other requirements of Target to repurchase, redeem or otherwise acquire any shares of capital stock of Target, or provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any other person. Without limiting the generality of the foregoing, there are no stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or any other attribute of Target. Except as set forth in Schedule (c) of the Target Disclosure Statement, Target is not party to any shareholder, pooling,

voting or other similar agreement relating to the issued and outstanding shares in the capital of Target.

(d) Authority; Non-Contravention.

(i) Target has all requisite corporate power and corporate authority to enter into this Agreement and, subject to Target Securityholder Approval, to consummate the Transactions and to perform its obligations under this Agreement. The execution and delivery of this Agreement by Target and the consummation by Target of the Transactions have been duly authorized by all necessary corporate action on the part of Target, subject to the Target Securityholder Approval. No other corporate proceedings on the part of Target are necessary to authorize this Agreement, the performance by Target of its obligations under this Agreement and, subject to the Target Securityholder Approval, the Transactions. This Agreement has been duly executed and delivered by Target and constitutes a valid and binding obligation of Target, enforceable by Acquireco against Target in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered. The execution and delivery of this Agreement does not, and the consummation of the Transactions and compliance with the provisions of this Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of first refusal, consent, termination, buyback, purchase, cancellation or acceleration of any obligation or to loss of any property, rights or benefits under, or result in the imposition of any additional obligation under, or result in the creation of any Lien upon any of the properties or assets of Target under, (i) the constating documents of Target; (ii) any contract, royalty, instrument, permit, concession, franchise, license, loan or credit agreement, note, bond, mortgage, indenture, lease or other property agreement, partnership or joint venture agreement or other legally binding agreement, arrangement or understanding whether oral or written (a "**Contract**"), to which Target is a party or by which its properties or assets is bound or affected, or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Law applicable to Target or its properties or assets except for such conflicts, violations, defaults, terminations, cancellations, accelerations, impositions, creations of liens, rights of first refusal, or any consents which, if not given or received, would not individually or in the aggregate, reasonably be expected to be Materially Adverse to Target. No consent, approval, order or authorization of, or registration, declaration or filing with, any Agency, is required by or with respect to Target in connection with the execution and delivery of this Agreement by Target or the consummation by Target of the Transactions, except for (i) the filing of the Target Circular with the applicable securities regulatory Agencies, (ii) any approvals required by the Interim Order and the Final Order, (iii) filings with the Director under the OBCA and (iv) such other consents, approvals, orders, authorizations, registrations, declarations and filings as are set forth in Schedule (d) of the Target Disclosure Statement.

(ii) To the knowledge of Target, Target is and has been in material compliance with all applicable Environmental Laws, except to the extent that a failure to be in such compliance would not be reasonably likely to be Materially Adverse to Target.

(iii) The properties held by Target have not been used to generate, manufacture, refine, treat, recycle, transport, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance in all material respects

with all Environmental Laws. To the knowledge of Target, none of Target or any other person in control of any properties held by Target has caused or permitted the Release of any Hazardous Substances at, in, on, under or from any properties held by Target, except in compliance with all Environmental Laws, except to the extent that a failure to be in such compliance would not be reasonably likely to have a Materially Adverse effect on Target. All Hazardous Substances handled, recycled, disposed of, treated or stored on or off site of the properties held by Target have been handled, recycled, disposed of, treated and stored in material compliance with all Environmental Laws except to the extent that a failure to be in such compliance would not be reasonably likely to have a Materially Adverse effect on Target. To the knowledge of Target, there are no Hazardous Substances at, in, on, under or migrating from properties held by Target, except in material compliance with all Environmental Laws.

(iv) To the knowledge of Target, none of Target or any other person for whose actions Target may be partially or wholly liable, has treated or disposed, or arranged for the treatment or disposal, of any Hazardous Substances at any location: (i) listed on any list of hazardous sites or sites requiring Remedial Action issued by any Governmental Entity; (ii) proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action, or any similar federal, state or provincial lists; or (iii) the subject of enforcement actions by any Governmental Entity that creates the reasonable potential for any proceeding, action or other claim against Target. No site or facility now or, to the knowledge of Target, previously owned, operated or leased by Target is listed or, to the knowledge of Target, proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action or is the subject of Remedial Action.

(v) To the knowledge of Target, none of Target or any other person for whose actions Target may be partially or wholly liable has caused or permitted the Release of any Hazardous Substances on or to any of the properties owned, leased or operated by Target in such a manner as: (i) would be reasonably likely to impose Liability for cleanup, natural resource damages, loss of life, personal injury, nuisance or damage to other property, except to the extent that such Liability would not have a Materially Adverse effect on Target; or (ii) would be reasonably likely to result in imposition of a lien, charge or other encumbrance or the expropriation of any of the properties owned, leased or operated by Target.

(vi) To the knowledge of Target, none of the properties of Target has or is required to have any deed notices or restrictions, institutional controls, covenants that run with the land or other restrictive covenants or notices arising under any Environmental Laws.

(vii) To the knowledge of Target, Target has not received any notice, formal or informal, of any proceeding, action or other claim, Liability or potential Liability arising under any Environmental Laws, from any person related to any of the properties owned, leased or operated by Target that is pending as of the date hereof.

(viii) Except as set forth in Schedule (d) of the Target Disclosure Statement, (i) Target has good and valid recorded interest in its mineral exploration claims (other than property as to which Target is a lessee, in which case it has a valid leasehold interest) (the "**Properties**") and all such Properties are in good standing with the relevant Agency, except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Materially Adverse effect on Target, (ii) all such Properties are validly held by Target, and Target has

complied in all respects with all terms and conditions thereof, (iii) none of such Properties will be subject to suspension, modification, revocation or non-renewal as a result of the execution and delivery of this Agreement or the consummation of the Transactions, (iv) since December 31, 2012, Target has not received any written notice, notice of violation or probable violation, notice of revocation, or other written communication from or on behalf of any Agency, alleging (A) any violation of such Property, or (B) that Target requires any Property required for its business as such business is currently conducted, that is not currently held by it, and (v) furthermore, all real and tangible personal property of Target is in generally good repair and is operational and usable in the manner in which it is currently being utilized, subject to normal wear and tear and technical obsolescence, repair or replacement.

(ix) The mineral resource and mineral reserve statements of Target as set forth in the report entitled "Consolidated Fire Lake North Project: the technical report titled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project, Fermont Area, Québec, Canada", dated February 22, 2013 (effective January 25, 2013)" was, to the knowledge of Target, prepared in accordance with accepted engineering practices and was, at such date, in compliance in all material respects with the requirements applicable to the presentation of mineral resource statements in accordance with National Instrument 43-101.

(x) Target possesses all certificates, franchises, licenses, permits, grants, easements, covenants, certificates, orders, authorizations and approvals issued to or granted by Agencies or other third parties (collectively, "**Permits**") that are material and necessary to conduct its business as such business is currently conducted or is expected to be conducted following completion of the Transaction, except where the failure to possess such Permits would not be Materially Adverse to Target. All such Permits are validly held by Target and Target has complied in all material respects with all terms and conditions thereof. None of such Permits will be subject to suspension, modification, revocation or non-renewal as a result of the execution and delivery of this Agreement or the consummation of the Transactions. Since December 31, 2012, Target has not received any written notice, notice of violation or probable violation, notice of revocation, or other written communication from or on behalf of any Agency, alleging (A) any violation of such Permit, or (B) that Target requires any Permit required for its business as such business is currently conducted, that is not currently held by it.

(e) Publicly Filed Documents; Undisclosed Liabilities. Target has filed, or has had filed or disclosed on its behalf, all required reports, schedules, forms, statements and other documents (including documents incorporated by reference) with the applicable security regulatory Agencies since December 31, 2012 (the "**Target Public Disclosure Documents**") except where the failure to make such a filing would not be Materially Adverse. As of its date, each Target Public Disclosure Document complied in all material respects with the requirements of all applicable securities Law. None of the Target Public Disclosure Documents, as of their respective dates, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that such statements have been modified or superseded by a later-filed Target Public Disclosure Document. The financial statements of Target included in the Target Public Disclosure Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the applicable securities regulatory Agencies with respect thereto, have been prepared in accordance with IFRS, during the periods involved

(except as may be indicated in such financial statements and the notes thereto or, in the case of audited statements in the related report of Target's independent auditors; or in the case of unaudited interim statements and subject to normal period end adjustments and may omit notes which are not required by applicable Laws in the unaudited statements) and fairly present the financial position of Target as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except (i) as and to the extent disclosed, reflected or reserved against on the balance sheet or the notes thereto of Target included in the Filed Target Public Disclosure Documents, as incurred after the date thereof in the ordinary course of business consistent with past practice and prohibited by this Agreement or (ii) as set forth in Schedule (e) of the Target Disclosure Statement, Target does not have any liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due, that, individually or in the aggregate, have had or would reasonably be expected to have a Materially Adverse effect on Target.

(f) Information Supplied. None of the information supplied or to be supplied by Target for inclusion or incorporation by reference in the Target Circular or any other filings relating to the Transactions will, at the date the Target Circular is first mailed to Target Securityholders, or at the time of the Target Special Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of circumstances under which they are made, not misleading. The Target Circular will comply as to form in all material respects with the requirements of applicable securities Law, except that no representation or warranty is made by Target with respect to statements made or incorporated by reference therein based on information supplied by Acquireco for inclusion or incorporation by reference in the Target Circular.

(g) Absence of Certain Changes or Events. Except as disclosed in the Target Public Disclosure Documents filed and publicly available prior to the date of this Agreement or Schedule (g) of the Target Disclosure Statement (the "**Filed Target Public Disclosure Documents**"), since December 31, 2012, Target has conducted its business only in the ordinary course and:

(i) there has not been any event, change, effect or development (including any decision to implement such a change made by the board of directors of Target in respect of which senior management believes that confirmation of the board of directors is probable), which, individually or in the aggregate, has had, or would reasonably be expected to have, a Materially Adverse effect on Target;

(ii) there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any Target Shares;

(iii) there has not been any split, combination or reclassification of any Authorized Capital of Target or any issuance or the authorization of any issuance of any other securities in exchange or in substitution for shares of Authorized Capital of Target;

(iv) there has not been, except as disclosed in Schedule (g) of the Target Disclosure Statement, (A) any granting by Target to any officer of Target of any increase in or acceleration of compensation, (B) any granting by Target to any such officer of any increase in severance or termination pay, or (C) any entry by Target into any employment, severance or termination agreement with any such officer;

(v) there has not been any change in accounting methods, principles or practices by Target materially affecting its assets, liabilities or business, except insofar as may have been required by a change in IFRS; and

(vi) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) that is Materially Adverse to Target has been incurred other than in the ordinary course of business consistent with past practice, except as set forth in Schedule (g) of the Target Disclosure Statement.

(h) Compliance. Except for any conflicts, defaults or violations that would not, individually or in the aggregate (taking into account the impact of any cross defaults), reasonably be expected to result in a Materially Adverse effect on Target, Target has complied with, and is not in conflict with, or in default (including cross defaults) under or in violation of:

(i) its articles or other organizational documents or by-laws;

(ii) any Law or material Permit applicable to it, its business or operations or by which any of its properties or assets is bound or affected; or

(iii) any agreement, arrangement or understanding to which it, its business or operations or by which any of its properties or assets is bound or affected.

(i) Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon Target that has, or would reasonably be expected to have, the effect of prohibiting, restricting or impairing any business practice of Target, any acquisition of property or royalties by Target or the conduct of business by it as currently conducted (including following the Arrangement) other than such agreements, judgments, injunctions, orders or decrees which are not, individually or in the aggregate, Materially Adverse to Target.

(j) Contracts. Schedule (j) of the Target Disclosure Statement lists all material Contracts to which Target is a party including those Contracts which fall within any of the following categories: (a) Contracts not entered into in the ordinary course of Target's business; (b) royalty, joint venture, partnership and similar agreements; (c) Contracts containing covenants purporting to limit the freedom of Target to compete in any line of business in any geographic area, to hire any individual or group of individuals or to acquire any business, entity or the assets thereof; (d) Contracts which after the Effective Time of the Transactions would have the effect of limiting the freedom of Acquireco or its Subsidiaries (other than Target) to compete in any line of business in any geographic area, to hire any individual or group of individuals or to acquire any business, entity or the assets thereof; (e) Contracts which contain minimum purchase conditions or requirements or other terms that restrict or limit the purchasing relationships of Target other than in the ordinary course of business; (f) Contracts involving annual revenues or expenditures to the business of Target in excess of $100,000; (g) Contracts containing any rights on the part of any party, including joint venture partners or other entities, to acquire royalty, mining or other property rights from Target; and (i) Contracts that require Target to provide indemnification to any other person. All such Contracts are valid and binding obligations of Target and, to the knowledge of Target, the valid and binding obligation of each other party thereto and are enforceable by Target in accordance with their respective terms, and Target is entitled to all rights and benefits ascribed to such person thereunder, except for such Contracts which if not so valid and binding would not, individually or in the aggregate, have a Materially Adverse effect on Target. Neither Target nor, to the knowledge of Target, any other party thereto is in violation of or in default in respect of, nor has there occurred an event or condition which with the passage of time or giving of notice (or both) would constitute a default under or entitle any party to terminate, accelerate, modify or call a default under, or trigger any pre-emptive rights or rights of

first refusal under, any such Contract except such violations or defaults under such Contracts, which, individually or in the aggregate, would not have a Materially Adverse effect on Target.

(k) Tax Matters.

(i) Target has timely filed, or caused to be timely filed with the appropriate Agency, all Tax Returns required to be filed by it, and have timely paid, or caused to be timely paid, all material amounts of Taxes due and payable by them, including all instalments on account of any Taxes, except for any such failure to file or failure to pay which would not individually or in the aggregate, have a Materially Adverse effect on Target. All such Tax Returns are true, correct and complete in all material respects and have been completed in accordance with applicable Laws. To the best of Target's knowledge, no such Tax Return contains any misstatement or omits any statement that should have been included therein. No Tax Return has been amended.

(ii) Reserves and provisions for Taxes accrued but not yet due on or before the Effective Date as reflected in Target's financial statements contained in the Filed Target Public Disclosure Documents are adequate as of the date of such financial statements, in accordance with IFRS. No material deficiencies for Taxes have been proposed, asserted or assessed against Target that would reasonably be expected to be Materially Adverse to Target.

(iii) Target has not received any written notification that any issues involving a material amount of Taxes have been raised (and are currently pending) by the CRA, or any other taxing authority, including, without limitation, any sales tax authority, in connection with any of the Tax Returns filed or required to be filed, which would, individually or in the aggregate, be Materially Adverse to Target.

(iv) No unresolved assessments, reassessments, audits, claims, actions, suits, proceedings, or investigations exist or have been initiated with regard to any Taxes or Tax Returns of Target. To the knowledge of Target, no assessment, reassessment, audit or investigation by any Agency is underway, threatened or imminent with respect to Taxes for which Target may be liable, in whole or in part.

(v) No election, consent for extension, nor any waiver that extends any applicable statute of limitations relating to the determination of a Tax liability of Target has been filed or entered into and is still effective.

(vi) Target has duly and timely collected all amounts on account of any goods, services, sales, value added, transfer or other Taxes required to have been collected by it and have duly set aside in trust or timely remitted to the appropriate Agency any and all such amounts required to be remitted by it except when the failure to do so would not individually, or in the aggregate, be Materially Adverse.

(vii) Target has made available to Acquireco or its legal counsel or accountants true and complete copies of all Tax Returns for (and non-privileged studies and opinions related thereto) Target for each of its last three taxable years.

(viii) Target is, and at all times has filed its Tax Returns on the basis that it is, resident for Tax purposes in its country of incorporation or formation and has not at any time been treated by any Agency as resident in any other country for any Tax

purpose (including any treaty, convention or arrangement for the avoidance of double taxation). Target has not filed any Tax Return on the basis that it is subject to Tax in any jurisdiction other than its country of incorporation or formation (and political subdivisions thereof) or received written notification from any Agency that it may be required to file on such basis.

(ix) Target has properly withheld and remitted all amounts required to be withheld and/or remitted (including income Tax, non-resident withholding tax, Canada Pension Plan contributions, Employment Insurance, Worker's Compensation premiums, Québec pension plan and Québec parental insurance plan premiums) and have paid such amounts due to the appropriate authority on a timely basis and in the form required under the appropriate legislation except when the failure to do so would not individually, or in the aggregate, be Materially Adverse.

(x) There are no Tax liens on any assets of Target except for Taxes not yet currently due and those which would not reasonably be expected to be Materially Adverse to Target.

(xi) "**Tax**" and "**Taxes**" means, with respect to any person, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, Canada or Québec Pension Plan premiums, excise, severance, social security premiums, workers' compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes of any kind whatsoever, and any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such person or for which such person is responsible, and any interest, penalties, additional taxes, additions to tax or other amounts imposed with respect to the foregoing, and includes any items described above attributable to another person in respect of which the first person is liable to pay by Law, Contract or otherwise, whether or not disputed. "**Tax Returns**" means returns, reports and forms (including schedules thereto) required to be filed with any Agency of Canada or any provincial, state or local Agency therein or any other jurisdiction responsible for the imposition or collection of Taxes.

(xii) For purposes of this Section (k), the term "**material amount of Taxes**" shall mean an amount of Taxes that is material to Target.

(l) Intellectual Property. Target owns all right, title and interest in, or possesses the lawful right to use or has a currently pending application for all patents, patent applications, registered and common law trademarks (including applications therefor), service marks, trade names, copyright applications, copyrights, trade secrets, know-how, computer software, production technology, proprietary technology and other intellectual property and proprietary rights used in or necessary to conduct the business. Additionally:

(i) Target is not aware of any infringement of any such intellectual property by any third party; and

(ii) the conduct of the business of Target has not, and will not, cause Target to infringe or violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets, proprietary rights, computer software rights or licences

or other intellectual property of any other person and Target has not received any written or oral claim or notice of infringement or potential infringement of the intellectual property of any other person arising out of the conduct of Target and, in particular Target has complied with any licence respecting intellectual property held by Target.

(m) Non-Arm's Length Transactions. Other than as set out in Schedule (m) of the Target Disclosure Statement, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by Target) between Target on the one hand, and any: (i) officer or director of Target, (ii) any holder of record or, to the knowledge of Target, beneficial owner of five percent or more of the voting securities of Target, or (iii) any affiliate or associate of any officer, director or beneficial owner, on the other hand.

(n) Employment Matters.

(i) Except as to matters otherwise specifically disclosed in Schedule (n) of the Target Disclosure Statement, Target is not a party to any agreement, obligation or understanding providing for severance or termination payments to, or any employment agreement with, any director, consultant, employee or officer, other than any common law obligations of reasonable notice of termination or pay in lieu thereof and any statutory obligations.

(ii) Except as to matters otherwise specifically disclosed in Schedule (n) of the Target Disclosure Statement, Target has not had and does not have labour contracts, collective bargaining agreements or employment or consulting agreements with any persons employed by Target or any persons otherwise performing services primarily for Target (the "**Business Personnel**"). Target has not engaged in any unfair labour practice with respect to the Business Personnel since December 31, 2012 and there is no unfair labour practice complaint pending or, to the knowledge of Target, threatened, against Target with respect to the Business Personnel. There is no labour strike, dispute, slowdown or stoppage pending or, to the knowledge of Target, threatened against Target, and Target has not experienced any labour strike, dispute, slowdown or stoppage or other labour difficulty involving the Business Personnel since December 31, 2012.

(iii) Target is not subject to any litigation, actual or, to the knowledge of Target, threatened, relating to employment or termination of employment of employees or independent contractors, other than those claims or litigation as would, individually or in the aggregate, not be Materially Adverse to Target.

(iv) Target has operated in material compliance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights and labour relations and there are no current, pending or, to the knowledge of Target, threatened proceedings before any Agency with respect to any of the above.

(o) Pension and Employee Benefits.

(i) Schedule (o) of the Target Disclosure Statement includes a complete list of all employee benefit, health, welfare, supplemental unemployment benefit, bonus, pension, profit sharing, deferred compensation, stock option, stock compensation, stock purchase, retirement, hospitalization insurance, medical, dental, legal, disability and similar plans or arrangements or practices, whether

written or oral, which are maintained by Target, including all Employee Benefit Plans and Material Employment Agreements (collectively, the "**Target Plans**").

(ii) To Target's knowledge, no step has been taken, no event has occurred and no condition or circumstance exists that has resulted, or would reasonably be expected to result, in any Target Plan being ordered or required to be terminated or wound up in whole or in part or having its registration under applicable Laws refused or revoked, or being placed under the administration of any trustee or receiver or Agency or being required to pay any material Taxes, penalties or levies under applicable Laws. To Target's knowledge, there are no actions, suits, claims (other than routine claims for payment of benefits in the ordinary course), trials, demands, investigations, arbitrations or other proceedings which are pending or threatened in respect of any of the Target Plans or their assets which, individually or in the aggregate, are Materially Adverse to Target.

(iii) All of the Target Plans are in compliance in all material respects with all applicable Laws and their terms.

(iv) Without limiting the generality of the foregoing with respect to each Target Plan:

(A) Target has delivered or made available to Acquireco a true, correct and complete copy of: (i) each writing constituting a part of such Plan, including all plan documents, employee communications, benefit schedules, trust agreements, and insurance contracts and other funding vehicles; (ii) the current summary plan description and any material modifications thereto, if any; (iii) the most recent annual financial report, if any; (iv) the most recent actuarial report, if applicable. Target has delivered or made available to Acquireco a true, complete and correct copy of each Material Employment Agreement. Except as specifically provided in the foregoing documents delivered or made available to Acquireco, there are no amendments to any Plan or Material Employment Agreement that have been adopted or approved nor has Target undertaken to make any such amendments or to adopt or approve any new Plan or Material Employment Agreement.

(B) All Employee Benefit Plans subject to the Laws of any jurisdiction (i) have been maintained in accordance with all applicable requirements, (ii) if they are intended to qualify for special Tax treatment, meet all requirements for such treatment, and (iii) if they are intended to be funded and/or book-reserved, are fully funded and/or book-reserved on a projected obligation basis, as appropriate, based upon reasonable actuarial assumptions.

(C) On or before the date hereof, Target has caused each grantor trust providing for funding of amounts payable pursuant to any Plans and/or Employment Agreements to be amended to ensure that no amounts are required to be contributed thereto as a result of the execution and delivery of this Agreement, the announcement hereof, and/or the announcement or consummation of the Transactions.

(p) Books and Records. The financial books, records and accounts of Target in all material respects, (i) have been maintained in accordance with IFRS on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets of Target and (iii) accurately and fairly reflect the basis for Target financial statements. The corporate minute books of Target contain

minutes of all meetings and resolutions of the directors and shareholders held, and full access to non-confidential information has been provided to Acquireco.

(q) Insurance. Target has made available to Acquireco true, correct and complete copies of all material policies of insurance to which Target is a party or is a beneficiary or named insured. Target maintains insurance coverage with reputable insurers in such amounts and covering such risks as are in accordance with normal industry practice for companies engaged in businesses similar to that of Target.

(r) Litigation. Except as specifically disclosed in Schedule (r) of the Target Disclosure Statement, there is no suit, action or proceeding pending or, to the knowledge of Target, threatened against Target that, individually or in the aggregate, if adversely determined, would reasonably be expected to have a Materially Adverse effect on Target, and there is not any judgment, decree, injunction, rule or order of any Agency or arbitrator outstanding against Target having, or which would reasonably be expected to have, any Materially Adverse effect on Target. As of the date of this Agreement, except as specifically disclosed in Schedule (r) of the Target Disclosure Statement, there is no suit, action, proceeding pending or, to the knowledge of Target, threatened against Target that, individually or in the aggregate, if adversely determined, would reasonably be expected to prevent or delay in any material respect the consummation of the Transactions.

(s) Determination by the Board and Voting Requirements. The board of directors of Target (after receiving financial advice including the Fairness Opinion, legal advice and after considering other factors), by the unanimous vote of its directors, has determined and resolved at its meeting held on December 5, 2013:

(i) that the entering into of this Agreement, the performance by Target of its obligations hereunder and the Transactions are in the best interests of Target and its Securityholders;

(ii) the Arrangement is fair to Target Securityholders;

(iii) to approve the Transactions and this Agreement; and

(iv) to recommend that Target Securityholders approve the Arrangement.

Subject to the terms of the Interim Order, the approvals set out in the definition of Target Securityholder Approval are the only votes of the holders of securities of Target necessary to approve this Agreement and the Transactions.

(t) Brokers; Schedule of Fees and Expenses. Except as described in Schedule (t) of the Target Disclosure Statement, no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Target. Target has made available to Acquireco true and complete copies of all agreements that are referred to in Schedule (t) of the Target Disclosure Statement and all indemnification and other agreements related to the engagement of the persons so listed.

(u) Opinion of Financial Advisor. Target has received the opinion of the Financial Advisor dated the date of this Agreement to the effect that, as of such date, the consideration to be received pursuant to the Transactions by Target Shareholders is fair to the Target Shareholders from a financial point of view, a copy of which opinion will be promptly delivered to Acquireco.

(v) Dispositions of Company Property. Except as disclosed in Schedule (v) of the Target Disclosure Statement, since December 31, 2012 Target has not sold or disposed of or ceased to hold or own any personal property, real property, any interest or rights with respect to real property (including exploration or production rights), any royalty interest or interest in a joint venture or other assets or properties of Target ("**Target Property**"), other than any interest or rights with respect to real property having an individual fair market value of less than $50,000 in the aggregate, in each case in the ordinary course of business, consistent with past practice. Except as disclosed in Schedule (v) of the Target Disclosure Statement, no Target Property, the fair market value of which on the date of this Agreement is greater than $50,000 in the aggregate, is subject to any pending sale or disposition transaction.

(w) Absence of Cease Trade Orders. No order ceasing or suspending trading in Target Shares (or any of them) or any other securities of Target is outstanding and no proceedings for this purpose have been instituted or, to the knowledge of Target, are pending, contemplated or threatened.

(x) Reporting Issuer Status. Target is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

(y) Disclosure Controls. Target has designed such disclosure controls and procedures, or caused them to be designed under the supervision of its Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance that material information relating to Target is made known to the Chief Executive Officer and Chief Financial Officer by others within Target, particularly during the period in which the annual or interim filings are being prepared.

(z) Internal Controls. Target has designed such internal controls over financial reporting, or caused them to be designed under the supervision of the Chief Executive Officer and Chief Financial Officer of Target, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. To the knowledge of Target, prior to the date of this Agreement: (i) there are no significant deficiencies in the design or operation of, or material weaknesses in, the internal controls over financial reporting of Target that are reasonably likely to adversely affect Target's ability to record, process, summarize and report financial information, and (ii) there is and has been no fraud, whether or not material, involving management or any other employees who have a significant role in the internal control over financial reporting of Target. Since December 31, 2012, Target has received no (x) complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) expressions of concern from employees of Target regarding questionable accounting or auditing matters.

(aa) Investment Canada Act. The book value of the assets of Target calculated in accordance with the *Investment Canada Act* (Canada) and the regulations thereunder is less than $344 million and neither Target nor entities controlled by Target constitute Canadian businesses that carry on cultural activities within the meaning of the *Investment Canada Act*.

(bb) Listing. The Target Shares are listed and posted for trading on the TSX.

(cc) Foreign Private Issuer. Target is a "foreign private issuer" as defined in rule 405 of Regulation C under the U.S. Securities Act.

(dd) Investment Company. Target is not registered or required to be registered as an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended.

SCHEDULE G

REPRESENTATIONS AND WARRANTIES OF ACQUIRECO

Acquireco represents and warrants to Target as follows (and acknowledge that Target is relying on such representations and warranties in entering this Agreement and completing the Transactions):

(a) Organization, Standing and Corporate Power. Each of Acquireco and each of its Subsidiaries is a corporation, partnership or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite power and authority to own its assets and conduct its business as currently owned and conducted. Each of Acquireco and each of its Subsidiaries is duly qualified or licensed to conduct the business it conducts. Acquireco is not in violation of any provision of its constitution, and no Subsidiary of Acquireco is in violation of any provisions of its constitution, certificate of incorporation, by-laws or comparable organizational documents.

(b) Acquireco Subsidiaries. All the outstanding shares of each Subsidiary of Acquireco have been validly issued and are fully paid and non-assessable. Canco shall be incorporated as a direct wholly owned Subsidiary of Acquireco and shall have no operations.

(c) Capitalization. As at the date of this Agreement, the issued capital of Acquireco consists of 70,550,086 Acquireco Shares and 32,000,000 Performance Shares. As of November 29, 2013, Acquireco is obliged to issue 20,800,000 Acquireco Shares upon the exercise of outstanding stock options that were granted, or are to be granted pursuant to Acquireco's stock option plan or otherwise and except as set forth above, there are no shares of capital stock or other voting securities of Acquireco issued or which would be required to be issued upon the exercise of an option or similar. Other than as disclosed in Section (c) of the Acquireco Disclosure Statement, as at the date of this Agreement, there are no bonds, debentures, notes or other indebtedness of Acquireco having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which shareholders of Acquireco must vote. Except as set forth in Section (c) of the Acquireco Disclosure Statement, as at the date of this Agreement, there are no options to which Acquireco or any of its Subsidiaries is a party or by which any of them is bound relating to the issued or unissued shares of Acquireco or any of its Subsidiaries, or obligating Acquireco or any of its Subsidiaries to issue, transfer, grant, sell or pay for or repurchase any shares or other equity interests in, or securities convertible or exchangeable for any capital stock or other equity interests in, Acquireco or any of its Subsidiaries or obligating Acquireco or any of its Subsidiaries to issue, grant, extend or enter into any such options. All shares of Acquireco that are subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instrument pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and non-assessable.

(d) Shareholder and Similar Agreements. Acquireco is not party to any shareholder, pooling, voting or other similar agreement relating to the issued and outstanding shares in the capital of Acquireco or any of its Subsidiaries.

(e) Authority; Non-Contravention.

(i) Acquireco has all requisite corporate power and corporate authority to enter into this Agreement and to consummate the Transactions and to perform its obligations under this Agreement. On December 5, 2013, the board of directors of Acquireco unanimously approved this Agreement and the Transactions and Acquireco resolved to recommend to Acquireco Shareholders that Acquireco

Shareholders give the Acquireco Shareholder Approval. The execution and delivery of this Agreement by Acquireco and the consummation by Acquireco of the Transactions have been duly authorized by all necessary corporate action on the part of Acquireco. Other than the Acquireco Shareholder Approval, no other corporate proceedings on the part of Acquireco or any of its Subsidiaries are necessary to authorize this Agreement, the performance by Acquireco of its obligations under this Agreement or the Transactions. This Agreement has been duly executed and delivered by Acquireco and constitutes a valid and binding obligation of Acquireco, enforceable by Target against Acquireco in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered. Except as set forth in Section (e) of the Acquireco Disclosure Statement, the execution and delivery of this Agreement does not, and the consummation of the Transactions and compliance with the provisions of this Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of first refusal, consent, termination, buyback, purchase, cancellation or acceleration of any obligation or to loss of any property, rights or benefits under, or result in the imposition of any additional obligation under, or result in the creation of any Lien upon any of the properties or assets of Acquireco or any of its Subsidiaries under, (i) the constitution of Acquireco or the comparable organization documents of any of its Subsidiaries; (ii) any Contract to which Acquireco or any of its Subsidiaries is a party or by which any of them or their respective properties or assets is bound or affected; or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Law applicable to Acquireco or any of its Subsidiaries or their respective properties or assets except for such conflicts, violations, defaults, terminations, cancellations, accelerations, impositions, creations of liens, rights of first refusal, or any consents which, if not given or received, would not individually or in the aggregate, reasonably be expected to be Materially Adverse to Acquireco. No consent, approval, order or authorization of, or registration, declaration or filing with, any Agency, is required by or with respect to Acquireco or any of its Subsidiaries in connection with the execution and delivery of this Agreement by Acquireco or the consummation by Acquireco of the Transactions, except for (i) any approvals required by the Interim Order or the Final Order, (ii) the Regulatory Approvals, and (iii) as set forth in Section (e) of the Acquireco Disclosure Statement.

(ii) Each of Acquireco and its Subsidiaries possesses all Permits necessary to conduct its business as such business is currently conducted or is expected to be conducted following completion of the Transaction, except where the failure to possess such Permits would not be Materially Adverse to Acquireco and its Subsidiaries and except as set forth in Section (e) of the Acquireco Disclosure Statement: (i) all such Permits are validly held by Acquireco or its Subsidiaries, and Acquireco and its Subsidiaries have complied in all respects with all terms and conditions thereof, and (ii) neither Acquireco nor any of its Subsidiaries has received any outstanding written notice, notice of violation or probable violation, notice of revocation, or other written communication from or on behalf of any Agency, alleging (A) any material violation of such Permit, or (B) that Acquireco or any of its Subsidiaries requires any Permit required for its business as such business is currently conducted, that is not currently held by it.

(iii) except as set forth in Section (e) of the Acquireco Disclosure Statement:

(A) to the knowledge of Acquireco, each of Acquireco and its Subsidiaries are and have been in material compliance with all applicable Environmental Laws, except to the extent that a failure to be in such compliance would not be reasonably likely to be Materially Adverse to Acquireco;

(B) the properties held by Acquireco have not been used to generate, manufacture, refine, treat, recycle, transport, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance in all material respects with all Environmental Laws. To the knowledge of Acquireco, none of Acquireco, its Subsidiaries or any other person in control of any properties held by Acquireco has caused or permitted the Release of any Hazardous Substances at, in, on, under or from any properties held by Acquireco, except in compliance with all Environmental Laws, except to the extent that a failure to be in such compliance would not be reasonably likely to have a Materially Adverse effect on Acquireco. All Hazardous Substances handled, recycled, disposed of, treated or stored on or off site of the properties held by Acquireco have been handled, recycled, disposed of, treated and stored in material compliance with all Environmental Laws except to the extent that a failure to be in such compliance would not be reasonably likely to have a Materially Adverse effect on Acquireco. To the knowledge of Acquireco, there are no Hazardous Substances at, in, on, under or migrating from properties held by Acquireco, except in material compliance with all Environmental Laws;

(C) to the knowledge of Acquireco, none of Acquireco, its Subsidiaries nor any other person for whose actions Acquireco or an Acquireco Subsidiary may be partially or wholly liable, has treated or disposed, or arranged for the treatment or disposal, of any Hazardous Substances at any location: (i) listed on any list of hazardous sites or sites requiring Remedial Action issued by any Governmental Entity; (ii) proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action, or any similar federal, state or provincial lists; or (iii) the subject of enforcement actions by any Governmental Entity that creates the reasonable potential for any proceeding, action, or other claim against Acquireco or any of the Acquireco Subsidiaries. No site or facility now or, to the knowledge of Acquireco, previously owned, operated or leased by Acquireco or any of its Subsidiaries is listed or, to the knowledge of Acquireco, proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action or is the subject of Remedial Action;

(D) to the knowledge of Acquireco, none of Acquireco, its Subsidiaries or any other person for whose actions Acquireco or an Acquireco Subsidiary may be partially or wholly liable has caused or permitted the Release of any Hazardous Substances on or to any of the properties owned, leased or operated by Acquireco in such a manner as: (i) would be reasonably likely to impose Liability for cleanup, natural resource damages, loss of life, personal injury, nuisance or damage to other property, except to the extent that such Liability would not have a Materially Adverse effect on Acquireco; or (ii) would be reasonably likely to result in imposition of a lien, charge or other encumbrance or the expropriation on any of the

properties owned, leased or operated by Acquireco or the assets of any of Acquireco or its Subsidiaries;

(E) to the knowledge of Acquireco, none of the properties of Acquireco has or is required to have any deed notices or restrictions, institutional controls, covenants that run with the land or other restrictive covenants or notices arising under any Environmental Laws; and

(F) to the knowledge of Acquireco, none of Acquireco or its Subsidiaries has received any notice, formal or informal, of any proceeding, action or other claim, Liability or potential Liability arising under any Environmental Laws, from any person related to any of the properties owned, leased or operated by Acquireco that is pending as of the date hereof.

(iv) Acquireco and each Acquireco Subsidiary has good and marketable title to its properties where it has marketable title (other than property as to which Acquireco or a Subsidiary is a lessee, in which case it has a valid leasehold interest) (the "**Properties**") and all such Properties are in good standing with the relevant Agency, except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Materially Adverse effect on Acquireco. (i) all such Properties are validly held by Acquireco or its Subsidiaries, and Acquireco and its Subsidiaries have complied in all respects with all terms and conditions thereof, (ii) none of such Properties will be subject to suspension, modification, revocation or non-renewal as a result of the execution and delivery of this Agreement or the consummation of the Transactions, and (iii) since June 30, 2013, neither Acquireco nor any of its Subsidiaries has received any written notice, notice of violation or probable violation, notice of revocation, or other written communication from or on behalf of any Agency, alleging (A) any violation of such Property, or (B) that Acquireco or any of its Subsidiaries requires any Property required for its business as such business is currently conducted, that is not currently held by it. Furthermore, all real and tangible personal property of each of Acquireco and a Subsidiary is in generally good repair and is operational and usable in the manner in which it is currently being utilized, subject to normal wear and tear and technical obsolescence, repair or replacement; and

(v) Exploration and technical information contained in the Acquireco Public Disclosure Documents lodged since January 1, 2013 with the ASX, or otherwise made publicly available, has been prepared under the supervision of a Competent Person (as defined in the JORC Code) and otherwise complies in all material respects with the requirements of the JORC Code. Acquireco has not declared any ore resource or ore reserve on any mineral project. To the knowledge of Acquireco, all data and information underlying the exploration and technical information contained in the Acquireco Public Disclosure Documents lodged since January 1, 2013 with the ASX, or otherwise made publicly available, has been reviewed and verified to the satisfaction of a Competent Person. No amendments, restatements or modifications to any prior disclosure of this nature by Acquireco are pending or contemplated.

(f) Publicly Filed Documents; Undisclosed Liabilities. Except as set forth in Section (f) of the Acquireco Disclosure Statement, Acquireco has filed, or has had filed or disclosed on its behalf, all required reports, schedules, forms, statements and other documents (including documents incorporated by reference, as may be required) with the Australian Securities & Investments Commission and in respect of any Acquireco Subsidiary incorporated outside of Australia, relevant regulatory authorities in those jurisdictions (the "**Acquireco Public Disclosure Documents**") except where the failure to make such filing would not

be Materially Adverse. Except as set forth in Section (f) of the Acquireco Disclosure Statement, as of its date, each Acquireco Public Disclosure Document complied in all material respects with the rules and regulations applicable to such Acquireco Public Disclosure Document. None of the Acquireco Public Disclosure Documents, as of their respective dates, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that such statements have been modified or superseded by a later-filed Acquireco Public Disclosure Document. The consolidated financial statements of Acquireco included in the Acquireco Public Disclosure Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of AIFRS with respect thereto, have been prepared in accordance with AIFRS applied on a consistent basis during the periods involved (except as may be indicated such financial statements and the notes thereto or, in the case of audited statements in the related report of Acquireco's independent auditors; or in the case of unqualified interim statements and subject to normal period end adjustments and may omit notes which are not required by applicable Laws in the unaudited statements) and fairly present the consolidated financial position of Acquireco as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as and to the extent disclosed, reflected or reserved against on the balance sheet or the notes thereto of Acquireco included in the Acquireco Public Disclosure Documents filed and publically available or in to the date of this Agreement (the "**Filed Acquireco Public Disclosure Documents**"), as incurred after the date thereof in the ordinary course of business consistent with past practice and prohibited by this Agreement, Acquireco does not have any liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due, that, individually or in the aggregate, have had or would reasonably be expected to have a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole.

(g) Absence of Certain Changes or Events. Except as disclosed in the Filed Acquireco Public Disclosure Documents or Section (g) of the Acquireco Disclosure Statement, since June 30, 2013, Acquireco has conducted, and caused each of its Subsidiaries to conduct, its business only in the ordinary course and:

(i) there has not been any event, change, effect or development (including any decision to implement such a change made by the board of directors of Acquireco or any of its Subsidiaries in respect of which senior management believes that confirmation of the board of directors is probable), which, individually or in the aggregate, has had, or would reasonably be expected to have, a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole;

(ii) there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any Acquireco Shares;

(iii) there has not been any split, combination or reclassification of any authorized capital of Acquireco or any issuance or the authorization of any issuance of any other securities in exchange or in substitution for shares of authorized capital of Acquireco;

(iv) there has not been any change in accounting methods, principles or practices by Acquireco or any of its Subsidiaries materially affecting its assets, liabilities or business, except insofar as may have been required by a change in AIFRS or as set forth in Section (g) of the Acquireco Disclosure Statement; and

(v) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) that is Materially Adverse to Acquireco and its Subsidiaries, taken as a whole, has been incurred other than in the ordinary course of business consistent with past practice, except as set forth in Section (g) of the Acquireco Disclosure Statement.

(h) Restrictions on Business Activities. Except as set forth in Section (h) of the Acquireco Disclosure Statement, there is no agreement, judgment, injunction, order or decree binding upon Acquireco or any of its Subsidiaries that has, or would reasonably be expected to have, the effect of prohibiting, restricting or impairing any business practice of Acquireco or any of its Subsidiaries, any acquisition of property by Acquireco or any of its Subsidiaries or the conduct of business by any of them as currently conducted (including following the Arrangement) other than such agreements, judgments, injunctions, orders or decrees which are not, individually or in the aggregate, Materially Adverse to Acquireco and its Subsidiaries, taken as a whole.

(i) Contracts. Section (i) of the Acquireco Disclosure Statement lists all material Contracts to which Acquireco and its Subsidiaries are party including those Contracts which fall within any of the following categories: (a) Contracts not entered into in the ordinary course of business of Acquireco and its Subsidiaries; (b) royalty, joint venture, partnership and similar agreements; (c) Contracts containing covenants purporting to limit the freedom of Acquireco and its Subsidiaries to compete in any line of business in any geographic area, to hire any individual or group of individuals or to acquire any business, entity or the assets thereof; (d) Contracts which after the Effective Time of the Transactions would have the effect of limiting the freedom of Acquireco or its Subsidiaries to compete in any line of business in any geographic area, to hire any individual or group of individuals or to acquire any business, entity or the assets thereof; (e) Contracts which contain minimum purchase conditions or requirements or other terms that restrict or limit the purchasing relationships of Acquireco and its Subsidiaries other than in the ordinary course of business; (f) Contracts involving annual revenues or expenditures to the business of Acquireco and its Subsidiaries in excess of $100,000; (g) Contracts containing any rights on the part of any party, including joint venture partners or other entities, to acquire royalty, mining or other property rights from Acquireco and its Subsidiaries; and (i) Contracts that require Acquireco or its Subsidiaries to provide indemnification to any other person. All such Contracts are valid and binding obligations of Acquireco or any of its Subsidiaries and, to the knowledge of Acquireco, the valid and binding obligation of each other party thereto and are enforceable by Acquireco or its applicable Subsidiary in accordance with their respective terms, and the Acquireco or its applicable Subsidiary is entitled to all rights and benefits thereunder, except for such Contracts which if not so valid and binding would not, individually or in the aggregate, have a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole. Neither Acquireco nor, to the knowledge of Acquireco, any other party thereto is in violation of or in default in respect of, nor has there occurred an event or condition which with the passage of time or giving of notice (or both) would constitute a default under or entitle any party to terminate, accelerate, modify or call a default under, or trigger any pre-emptive rights or rights of first refusal under, any such Contract except such violations or defaults under such Contracts, which, individually or in the aggregate, would not have a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole.

(j) Tax Matters.

(i) Acquireco and each of its Subsidiaries have timely filed, or caused to be timely filed with the appropriate Agency, all Tax Returns required to be filed by them, and have timely paid, or caused to be timely paid, all material amounts of Taxes due and payable by them, including all instalments on account of any Taxes, except for any such failure to file or failure to pay which would not individually or

in the aggregate, have a Materially Adverse effect on Acquireco. All such Tax Returns are true, correct and complete in all material respects and have been completed in accordance with applicable Laws. To the best of Acquireco's knowledge, no such Tax Return contains any misstatement or omits any statement that should have been included therein. No Tax Return has been amended.

(ii) Reserves and provisions for Taxes accrued but not yet due on or before the Effective Date as reflected in Acquireco's financial statements contained in the Filed Acquireco Public Disclosure Documents are adequate as of the date of such financial statements, in accordance with AIFRS. No material deficiencies for Taxes have been proposed, asserted or assessed against Acquireco that would reasonably be expected to be Materially Adverse to Acquireco.

(iii) Neither Acquireco nor any of its Subsidiaries has received any written notification that any issues involving a material amount of Taxes have been raised (and are currently pending) by the Australian Tax Office or any other taxing authority, including, without limitation, any sales tax authority, in connection with any of the Tax Returns filed or required to be filed, which would, individually or in the aggregate, be Materially Adverse to Acquireco.

(iv) No unresolved assessments, reassessments, audits, claims, actions, suits, proceedings, or investigations exist or have been initiated with regard to any Taxes or Tax Returns of Acquireco or its Subsidiaries. To the knowledge of Acquireco, no assessment, reassessment, audit or investigation by any Agency is underway, threatened or imminent with respect to Taxes for which Acquireco or any of its Subsidiaries may be liable, in whole or in part.

(v) No election, consent for extension, nor any waiver that extends any applicable statute of limitations relating to the determination of a Tax liability of Acquireco or any of its Subsidiaries has been filed or entered into and is still effective.

(vi) Acquireco and each of its Subsidiaries have duly and timely collected all amounts on account of any goods, services, sales, value added, transfer or other Taxes required to have been collected by it and have duly set aside in trust or timely remitted to the appropriate Agency any and all such amounts required to be remitted by it.

(vii) Acquireco has made available to Target or its legal counsel or accountants true and complete copies of all Tax Returns for (and non-privileged studies and opinions related thereto) Acquireco and its Subsidiaries for each of its last three taxable years.

(viii) Acquireco and each of its Subsidiaries is, and at all times has filed its Tax Returns on the basis that it is, resident for Tax purposes in its country of incorporation or formation and has not at any time been treated by any Agency as resident in any other country for any Tax purpose (including any treaty, convention or arrangement for the avoidance of double taxation). None of Acquireco or any of its Subsidiaries has filed any Tax Return on the basis that it is subject to Tax (other than withholding Tax) in any jurisdiction other than its country of incorporation or formation (and political subdivisions thereof) or received written notification from any Agency that it may be required to file on such basis.

(ix) Acquireco and each of its Subsidiaries have properly withheld and remitted all amounts required to be withheld and/or remitted (including income tax and non-

resident withholding tax) and have paid such amounts due to the appropriate authority on a timely basis and in the form required under the appropriate legislation except when the failure to do so would not individually or in the aggregate be Materially Adverse.

(x) There are no Tax liens on any assets of Acquireco or any of its Subsidiaries except for Taxes not yet currently due and those which would not reasonably be expected to be Materially Adverse to Acquireco.

(xi) For purposes of this Section (j), the term "**material amount of Taxes**" shall mean an amount of Taxes that is material to Acquireco and its Subsidiaries taken as a whole.

(k) Non-Arm's Length Transactions. Other than as set out in Section (k) of the Acquireco Disclosure Statement, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by Acquireco or any of its Subsidiaries) between Acquireco or any of its Subsidiaries on the one hand, and any (a) officer or director of Acquireco or any of its Subsidiaries, (b) any holder of record or, to the knowledge of Acquireco, beneficial owner of five percent or more of the voting securities of Acquireco, or (c) any affiliate or associate of any officer, director or beneficial owner, on the other hand.

(l) Books and Records. The financial books, records and accounts of Acquireco and its Subsidiaries in all material respects, (i) have been maintained in accordance with AIFRS on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets of Acquireco and its Subsidiaries and (iii) accurately and fairly reflect the basis for Acquireco consolidated financial statements. The corporate minute books of Acquireco and its Subsidiaries contain minutes of all meetings and resolutions of the directors and shareholders held, and access to non-confidential information has been provided to Acquireco.

(m) Insurance. Acquireco and its Subsidiaries maintain insurance coverage with reputable insurers in such amounts and covering such risks as are in accordance with normal industry practice for companies engaged in businesses similar to that of Acquireco and its Subsidiaries.

(n) Litigation. Except as disclosed in the Filed Acquireco Public Disclosure Documents, there is no suit, action or proceeding pending or, to the knowledge of Acquireco, threatened against Acquireco or any of its Subsidiaries that, individually or in the aggregate, would reasonably be expected to have a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole, and there is not any judgment, decree, injunction, rule or order of any Agency or arbitrator outstanding against Acquireco or any of its Subsidiaries having, or which would reasonably be expected to have, a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole. As of the date of this Agreement, except as disclosed in the Filed Acquireco Public Disclosure Documents, there is no suit, action or proceeding pending, or, to the knowledge of Acquireco, threatened, against Acquireco or any of its Subsidiaries that, individually or in the aggregate, would reasonably be expected to prevent or delay in any material respect the consummation of the Transactions.

(o) Determination by the Board. The board of directors of Acquireco has unanimously determined and resolved at its respective meeting held on December 5, 2013:

(i) that the entering into of this Agreement and the performance by Acquireco of its obligations hereunder and the Transactions are in the best interests of Acquireco;

(ii) to approve the Transactions and this Agreement; and

(iii) to recommend to Acquireco Shareholders to give the Acquireco Shareholder Approval.

(p) Brokers. Except as set forth in Section (p) of the Acquireco Disclosure Statement, no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Acquireco. Acquireco has made available to Target true and complete copies of all agreements that are referred to in Section (p) of the Acquireco Disclosure Statement and all indemnification and other agreements related to the engagement of the persons so listed.

(q) Compliance. Except for any conflicts, defaults or violations that would not, individually or in the aggregate (taking into account the impact of any cross defaults), reasonably be expected to result in a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole, each of Acquireco and its Subsidiaries has complied with, and is not in conflict with, or in default (including cross defaults) under or in violation of:

(i) its articles or other organizational documents or by-laws;

(ii) any Law or Permit applicable to it, its business or operations or by which any of its properties or assets is bound or affected; or

(iii) any agreement, arrangement or understanding to which it, its business or operations or by which any of its properties or assets is bound or affected.

(r) Dispositions of Company Property. As at the date of this Agreement, except as described in the Filed Acquireco Public Disclosure Documents, since July 1, 2013 neither Acquireco nor any of its Subsidiaries has sold or disposed of or ceased to hold or own any personal property, real property, any interest or rights with respect to real property (including exploration or production rights), any royalty interest or interest in a joint venture or other assets of properties of Acquireco or any of its Subsidiaries ("**Acquireco Property**"), other than any Acquireco Property having an individual fair market value of less than $500,000 in the aggregate, in each case in the ordinary course of business, consistent with past practice. Except as may be set forth in Section (r) of the Acquireco Disclosure Statement, as at the date of this Agreement, no Acquireco Property, the fair market value of which on the date of this Agreement is greater than $500,000 in the aggregate, is subject to any pending sale or disposition transaction.

(s) Absence of Cease Trade Orders. As at the date of this Agreement, no order ceasing or suspending trading in Acquireco Shares (or any of them) or any other securities of Acquireco is outstanding and no proceedings for this purpose have been instituted or, to the knowledge of Acquireco, are pending, contemplated or threatened.

(t) Issuance of Acquireco Shares and Exchangeable Shares. All Acquireco Shares and Exchangeable Shares issuable in connection with the Arrangement will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights and will not be subject to any hold or restricted periods.

(u) Investment Canada Act. Acquireco qualifies as a "WTO investor", as such term is defined at subsection 14.1(6) of the *Investment Canada Act* (Canada).

(v) Reservation of Shares. Subject to Acquireco Shareholder Approval, as specified in this Agreement, Acquireco has the ability and capacity to issue the Acquireco Shares, the

Exchangeable Shares, the Acquireco Options and the Target Warrants contemplated under this Agreement and pursuant to the Arrangement.

(w) Listing. The Acquireco Shares are quoted for trading on the market conducted by ASX. From and after the Effective Time (i) the Acquireco Shares included in the Acquireco Share Consideration shall be listed and quoted for trading on the market conducted by ASX and an application to list such shares on the TSX will be made, and (ii) the Acquireco Shares issuable upon (A) exchange of the Exchangeable Share Consideration, and (B) exercise of the Acquireco Option Consideration and the Target Warrants shall, subject to such exchange or exercise, as applicable, be listed and quoted for trading on the market conducted by ASX and an application to list such shares on the TSX will be made.

(x) Foreign Private Issuer. Acquireco is a "foreign private issuer" as defined in Rule 405 of Regulation C under the U.S. Securities Act.

(y) Investment Company. Acquireco is not registered and is not required to be registered, as an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended.

SCHEDULE H

SUPPORT AGREEMENT

MEMORANDUM OF AGREEMENT made as of the ● day of ●, 2014 between Mamba Minerals Limited, a corporation existing under the laws of Australia (hereinafter referred to as "**Mamba**") and Champion Exchange Limited, a corporation existing under the laws of Ontario (hereinafter referred to as "**Canco**").

RECITALS:

(A) In connection with an arrangement agreement (the "**Arrangement Agreement**") made as of December 5, 2013 between Mamba and Champion Iron Mines Limited ("**Champion**"), the Exchangeable Shares are to be issued to certain holders of securities of Champion pursuant to the Plan of Arrangement contemplated by the Arrangement Agreement.

(B) Pursuant to the Arrangement Agreement, Mamba is required to enter into this agreement.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are acknowledged), the parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

Each initially capitalized term used and not otherwise defined herein shall have the meaning ascribed thereto in the rights, privileges, restrictions and conditions (collectively, the "**Share Provisions**") attaching to the Exchangeable Shares as set out in the articles of Canco. In this agreement, "**including**" means "including without limitation" and "**includes**" means "includes without limitation".

1.2 Interpretation Not Affected by Headings

The division of this agreement into Articles, Sections and other portions and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this agreement. Unless otherwise specified, references to an "Article" or "Section" refer to the specified Article or Section of this agreement.

1.3 Number, Gender

Words importing the singular number only shall include the plural and vice versa. Words importing any gender shall include all genders.

1.4 Date for any Action

If any date on which any action is required to be taken under this agreement is not a business day, such action shall be required to be taken on the next succeeding business day. For the purposes of this agreement, a "business day" means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario, West Perth, Australia, under applicable law.

ARTICLE 2
COVENANTS OF MAMBA AND CANCO

2.1 Covenants Regarding Exchangeable Shares

So long as any Exchangeable Shares not owned by Mamba or its affiliates are outstanding, Mamba shall:

(a) not declare or pay any dividend or make any other distribution on the Mamba Shares unless (i) Canco shall (A) on the same day declare or pay, as the case may be, an equivalent dividend or other distribution (as provided for in the Share Provisions) on the Exchangeable Shares (an "**Equivalent Dividend**"), and (B) have sufficient money or other assets or authorized but unissued securities available to enable the due declaration and the due and punctual payment, in accordance with applicable law, of any such Equivalent Dividend, or (ii) Canco shall, in the case of a dividend that is a stock dividend on the Mamba Shares (A) subdivide the Exchangeable Shares in lieu of a stock dividend thereon (as provided for in the Share Provisions) in a similar proportion to that in respect of the Mamba Shares (an "**Equivalent Stock Subdivision**"), and (B) have sufficient authorized but unissued securities available to enable the Equivalent Stock Subdivision;

(b) advise Canco sufficiently in advance of the declaration by Mamba of any dividend or other distribution on the Mamba Shares and take all such other actions as are necessary or desirable, in co-operation with Canco, to ensure that (i) the respective declaration date, record date and payment date for an Equivalent Dividend on the Exchangeable Shares shall be the same as the declaration date, record date and payment date for the corresponding dividend or other distribution on the Mamba Shares, or (ii) the record date and effective date for an Equivalent Stock Subdivision shall be the same as the record date and payment date for the corresponding stock dividend on the Mamba Shares;

(c) ensure that the record date for any dividend or other distribution declared on the Mamba Shares is not less than seven (7) days after the declaration date of such dividend or other distribution and at least seven (7) days prior written notice of the dividend or other distribution is issued or distributed to holders of Exchangeable Shares;

(d) take all such actions and do all such things as are necessary to enable and permit Canco, in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of the Liquidation Amount, the Retraction Price or the Redemption Price in respect of each issued and outstanding Exchangeable Share (other than Exchangeable Shares owned by Mamba or its affiliates) upon the liquidation, dissolution or winding-up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, the delivery of a Retraction Request by a holder of Exchangeable Shares or a redemption of Exchangeable Shares by Canco, as the case may be, including all such actions and all such things as are necessary or desirable to enable and permit Canco to cause to be delivered Mamba Shares to the holders of Exchangeable Shares in accordance with the provisions of Sections 5, 6 or 7, as the case may be, of the Share Provisions;

(e) take all such actions and do all such things as are necessary or desirable to enable and permit Mamba, or a Mamba Affiliate as applicable, or, in accordance with applicable law, to perform its obligations arising upon the exercise by it of the Liquidation Call Right, the Redemption Call Right, the Change of Law Call Right or the Retraction Call Right, including all such actions and all such things as are necessary or desirable to enable and permit Mamba, or a Mamba Affiliate as applicable, to cause to be delivered Mamba Shares to the holders of Exchangeable Shares in accordance with the provisions of the Liquidation Call Right, the Retraction Call Right, the Change of Law Call Right or the Redemption Call Right, as the case may be; and

(f) except in connection with any event, circumstance or action which causes or could cause the occurrence of a Redemption Date, not exercise its vote as a shareholder to initiate the voluntary liquidation, dissolution or winding up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, nor take any action or omit to take any action that is designed to result in the liquidation, dissolution or winding up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs.

2.2 Segregation of Funds

Mamba shall cause Canco to deposit a sufficient amount of funds in a separate account of Canco and segregate a sufficient amount of such other assets and property as is necessary to enable Canco to pay dividends when due (including, without limitation, the Equivalent Dividend) and to pay or otherwise satisfy its respective obligations under Sections 5, 6 and 7 of the Share Provisions, as applicable.

2.3 Reservation of Mamba Shares

Mamba hereby represents, warrants and covenants in favour of Canco that Mamba has reserved for issuance and shall, at all times while any Exchangeable Shares (other than Exchangeable Shares held by Mamba or its affiliates) are outstanding, keep available, free from pre-emptive and other rights, out of its authorized and unissued capital stock such number of Mamba Shares (or other shares or securities into which Mamba Shares may be reclassified or changed as contemplated by Section 2.7): (a) as is equal to the sum of (i) the number of Exchangeable Shares issued and outstanding from time to time and (ii) the number of Exchangeable Shares issuable upon the exercise of all rights to acquire Exchangeable Shares outstanding from time to time; and (b) as are now and may hereafter be required to enable and permit Mamba to meet its obligations under the Voting and Exchange Trust Agreement and under any other security or commitment pursuant to which Mamba may now or hereafter be required to issue Mamba Shares, to enable and permit Mamba, or a Mamba Affiliate as applicable, to meet its obligations under each of the Liquidation Call Right, the Retraction Call Right, the Change of Law Call Right and the Redemption Call Right and to enable and permit Canco to meet its obligations hereunder and under the Share Provisions.

2.4 Notification of Certain Events

In order to assist Mamba to comply with its obligations hereunder and to permit Mamba, or a Mamba Affiliate as applicable, to exercise, as the case may be, the Liquidation Call Right, the Retraction Call Right, the Change of Law Call Right and the Redemption Call Right, Canco shall notify Mamba, or the Mamba Affiliate as applicable, of each of the following events at the time set forth below:

(a) in the event of any determination by the Board of Directors of Canco to institute voluntary liquidation, dissolution or winding-up proceedings with respect to Canco or to effect any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, at least 60 days prior to the proposed effective date of such liquidation, dissolution, winding-up or other distribution;

(b) promptly, upon the earlier of receipt by Canco of notice of and Canco otherwise becoming aware of any threatened or instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding-up of Canco or to effect any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs;

(c) immediately, upon receipt by Canco of a Retraction Request;

(d) on the same date on which notice of redemption is given to holders of Exchangeable Shares, upon the determination of a Redemption Date in accordance with the Share Provisions;

(e) as soon as practicable upon the issuance by Canco of any Exchangeable Shares or rights to acquire Exchangeable Shares (other than the issuance of Exchangeable Shares and rights to acquire Exchangeable Shares pursuant to the Arrangement); and

(f) promptly, upon receiving notice of a Change of Law (as defined in the Plan of Arrangement).

2.5 Delivery of Mamba Shares to Canco

In furtherance of its obligations under Section 2.1(d) and Section 2.1(e), upon notice from Canco of any event that requires Canco, Mamba or a Mamba Affiliate as applicable, to cause to be delivered Mamba Shares to any holder of Exchangeable Shares, Mamba shall forthwith allot, issue and deliver or cause to be delivered to the relevant holder of Exchangeable Shares as directed by Canco or a Mamba Affiliate the requisite number of Mamba Shares to be allotted to, received by, and issued to or to the order of, the former holder of the surrendered Exchangeable Shares (but, for the avoidance of doubt, not to Canco or a Mamba Affiliate). All such Mamba Shares shall be duly authorized and validly issued as fully paid and shall be free and clear of any lien, claim or encumbrance. In consideration of the issuance and delivery of each such Mamba Share, Canco or the Mamba Affiiate, as the case may be, shall ascribe a cash amount or pay a purchase price equal to the fair market value of such Mamba Shares.

2.6 Qualification of Mamba Shares

If any Mamba Shares (or other shares or securities into which Mamba Shares may be reclassified or changed as contemplated by Section 2.7) to be issued and delivered hereunder require registration or qualification with or approval of or the filing of any document, including any prospectus or similar document or the taking of any proceeding with or the obtaining of any order, ruling or consent from any governmental or regulatory authority under any Australian or Canadian federal, state, provincial or territorial securities or other law or regulation or pursuant to the rules and regulations of any securities or other regulatory authority in Australia or Canada or the fulfillment of any other Australian or Canadian legal requirement before such shares (or such other shares or securities) may be issued by Mamba and delivered by Mamba at the direction of Canco, Mamba or a Mamba Affiliate, if applicable, to the holder of surrendered Exchangeable Shares or in order that such shares (or such other shares or securities) may be freely traded (other than any restrictions of general application on transfer by reason of a holder being a "**control person**" for purposes of Canadian federal, provincial or territorial securities law or the equivalent thereof under any Australian laws), Mamba shall use its commercially reasonable efforts (which, for greater certainty, shall not require Mamba to consent to a term or condition of an approval or consent which Mamba reasonably determines could have a materially adverse effect on Mamba or its subsidiaries) to cause such Mamba Shares (or such other shares or securities) to be and remain duly registered, qualified or approved under Australian and/or Canadian law as freely tradeable shares. Mamba shall use its commercially reasonable efforts (which, for greater certainty, shall not require Mamba to consent to a term or condition of an approval or consent which Mamba reasonably determines could have a materially adverse effect on Mamba or its subsidiaries) to cause all Mamba Shares (or such other shares or securities) to be delivered hereunder to be listed, quoted or posted for trading on all stock exchanges and quotation systems on which outstanding Mamba Shares (or such other shares or securities) have been listed by Mamba and remain listed and are quoted or posted for trading at such time.

2.7 Economic Equivalence

So long as any Exchangeable Shares not owned by Mamba or its affiliates are outstanding:

(a) Mamba shall not without prior approval of Canco and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 12(2) of the Share Provisions:

(i) issue or distribute Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares) to the holders of all or substantially all of the then outstanding Mamba Shares by way of stock dividend or other distribution, other than an issue of Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares) to holders of Mamba Shares (i) who exercise an option to receive dividends in Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares) in lieu of receiving cash dividends, or pursuant to any dividend reinvestment plan or similar arrangement; or

(ii) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Mamba Shares entitling them to subscribe for or to purchase Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares); or

(iii) issue or distribute to the holders of all or substantially all of the then outstanding Mamba Shares (A) shares or securities (including evidence of indebtedness) of Mamba of any class (other than Mamba Shares or securities convertible into or exchangeable for or carrying rights to acquire Mamba Shares), or (B) rights, options, warrants or other assets other than those referred to in Section 2.7(a)(ii) or (C) assets of Mamba;

unless in each case the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued or distributed simultaneously to holders of the Exchangeable Shares and at least seven (7) days prior written notice thereof is given to the holders of Exchangeable Shares; provided that, for greater certainty, the above restrictions shall not apply to any securities issued or distributed by Mamba in order to give effect to and to consummate, is in furtherance of or is otherwise in connection with the transactions contemplated by, and in accordance with, the Plan of Arrangement.

(b) Mamba shall not without the prior approval of Canco and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 12(2) of the Share Provisions:

(i) subdivide, redivide or change the then outstanding Mamba Shares into a greater number of Mamba Shares; or

(ii) reduce, combine, consolidate or change the then outstanding Mamba Shares into a lesser number of Mamba Shares; or

(iii) reclassify or otherwise change Mamba Shares or effect an amalgamation, merger, arrangement, reorganization or other transaction affecting Mamba Shares;

unless the same or an economically equivalent change shall simultaneously be made to, or in the rights of the holders of, the Exchangeable Shares and at least seven days prior written notice is given to the holders of Exchangeable Shares.

(c) Mamba shall ensure that the record date for any event referred to in Section 2.7(a) or Section 2.7(b), or (if no record date is applicable for such event) the effective date for any such event, is not less than seven business days after the date on which such event is declared or announced by Mamba (with contemporaneous notification thereof by Mamba to Canco).

(d) The Board of Directors of Canco shall determine, acting in good faith and in its sole discretion, economic equivalence for the purposes of any event referred to in Section 2.7(a) or Section 2.7(b) and each such determination shall be conclusive and binding on Mamba. In making each such determination, the following factors shall, without excluding other factors determined by the Board of Directors of Canco to be relevant, be considered by the Board of Directors of Canco:

(i) in the case of any stock dividend or other distribution payable in Mamba Shares, the number of such shares issued in proportion to the number of Mamba Shares previously outstanding;

(ii) in the case of the issuance or distribution of any rights, options or warrants to subscribe for or purchase Mamba Shares (or securities exchangeable for or convertible into or carrying rights to acquire Mamba Shares), the relationship between the exercise price of each such right, option or warrant and the Current Market Price of an Mamba Share;

(iii) in the case of the issuance or distribution of any other form of property (including any shares or securities of Mamba of any class other than Mamba Shares, any rights, options or warrants other than those referred to in Section 2.7(d)(ii), any evidences of indebtedness of Mamba or any assets of Mamba), the relationship between the fair market value (as determined by the Board of Directors of Canco in the manner above contemplated) of such property to be issued or distributed with respect to each outstanding Mamba Share and the Current Market Price of an Mamba Share;

(iv) in the case of any subdivision, redivision or change of the then outstanding Mamba Shares into a greater number of Mamba Shares or the reduction, combination, consolidation or change of the then outstanding Mamba Shares into a lesser number of Mamba Shares or any amalgamation, merger, arrangement, reorganization or other transaction affecting Mamba Shares, the effect thereof upon the then outstanding Mamba Shares; and

(v) in all such cases, the general taxation consequences of the relevant event to holders of Exchangeable Shares to the extent that such consequences may differ from the taxation consequences to holders of Mamba Shares as a result of differences between taxation laws of Canada and the Australia (except for any differing consequences arising as a result of differing withholding taxes and marginal taxation rates and without regard to the individual circumstances of holders of Exchangeable Shares).

(e) Canco agrees that, to the extent required, upon due notice from Mamba, Canco shall use its best efforts to take or cause to be taken such steps as may be necessary for the purposes of ensuring that appropriate dividends are paid or other distributions are made by Canco, or subdivisions, redivisions or changes are made to the Exchangeable Shares,

in order to implement the required economic equivalence with respect to the Mamba Shares and Exchangeable Shares as provided for in this Section 2.7.

2.8 Tender Offers

In the event that a tender offer, share exchange offer, issuer bid, take-over bid or similar transaction with respect to Mamba Shares (an "**Offer**") is proposed by Mamba or is proposed to Mamba or its shareholders and is recommended by the Board of Directors of Mamba, or is otherwise effected or to be effected with the consent or approval of the Board of Directors of Mamba, and the Exchangeable Shares are not redeemed by Canco or purchased by Mamba or a Mamba Affiliate pursuant to the Redemption Call Right, Mamba shall expeditiously and in good faith take all such actions and do all such things as are necessary or desirable to enable and permit holders of Exchangeable Shares (other than Mamba and its affiliates) to participate in such Offer to the same extent and on an economically equivalent basis as the holders of Mamba Shares, without discrimination. Without limiting the generality of the foregoing, Mamba shall expeditiously and in good faith take all such actions and do all such things as are necessary or desirable to ensure that holders of Exchangeable Shares may participate in each such Offer without being required to retract Exchangeable Shares as against Canco (or, if so required, to ensure that any such retraction shall be effective only upon, and shall be conditional upon, the closing of such Offer and only to the extent necessary to tender or deposit to the Offer). Nothing herein shall affect the rights of Canco to redeem (or Mamba or a Mamba Affiliate to purchase pursuant to the Redemption Call Right) Exchangeable Shares, as applicable, in the event of an Mamba Control Transaction.

2.9 Ownership of Outstanding Shares

Without the prior approval of Canco and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 12(2) of the Share Provisions, Mamba covenants and agrees in favour of Canco that, as long as any outstanding Exchangeable Shares are owned by any person other than Mamba or any of its affiliates, Mamba shall be and remain the direct or indirect beneficial owner of all issued and outstanding voting shares in the capital of Canco and any Mamba Affiliate. Notwithstanding the foregoing, but subject to Article 3, Mamba shall not be in violation of this Section 2.9 if any person or group of persons acting jointly or in concert acquire all or substantially all of the assets of Mamba or the Mamba Shares pursuant to any merger of Mamba pursuant to which Mamba was not the surviving corporation.

2.10 Mamba and Affiliates Not to Vote Exchangeable Shares

Mamba covenants and agrees that it shall appoint and cause to be appointed proxyholders with respect to all Exchangeable Shares held by it and its affiliates for the sole purpose of attending each meeting of holders of Exchangeable Shares in order to be counted as part of the quorum for each such meeting. Mamba further covenants and agrees that it shall not, and shall cause its affiliates not to, exercise any voting rights which may be exercisable by holders of Exchangeable Shares from time to time pursuant to the Share Provisions or pursuant to the provisions of the OBCA (or any successor or other corporate statute by which Canco may in the future be governed) with respect to any Exchangeable Shares held by it or by its affiliates in respect of any matter considered at any meeting of holders of Exchangeable Shares.

2.11 Ordinary Market Purchases

For certainty, nothing contained in this agreement, including the obligations of Mamba contained in Section 2.8, shall limit the ability of Mamba (or any of its subsidiaries including, without limitation, Canco or a Mamba Affiliate) to make ordinary market purchases of Mamba Shares in accordance with applicable laws and regulatory or stock exchange requirements.

2.12 Stock Exchange Listing

Mamba covenants and agrees in favour of Canco that, as long as any outstanding Exchangeable Shares are owned by any person other than Mamba or any of its affiliates, Mamba shall use reasonable efforts to maintain a listing for such Mamba Shares on the ASX and the TSX.

ARTICLE 3
MAMBA SUCCESSORS

3.1 Certain Requirements in Respect of Combination, etc.

So long as any Exchangeable Shares not owned by Mamba or its affiliates are outstanding, Mamba shall not consummate any transaction (whether by way of reconstruction, reorganization, consolidation, arrangement, amalgamation, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other person or, in the case of a merger, of the continuing corporation resulting therefrom, provided that it may do so if:

(a) such other person or continuing corporation (the "**Mamba Successor**") by operation of law, becomes, without more, bound by the terms and provisions of this agreement or, if not so bound, executes, prior to or contemporaneously with the consummation of such transaction, an agreement supplemental hereto and such other instruments (if any) as are necessary or advisable to evidence the assumption by the Mamba Successor of liability for all moneys payable and property deliverable hereunder and the covenant of such Mamba Successor to pay and deliver or cause to be delivered the same and its agreement to observe and perform all the covenants and obligations of Mamba under this agreement; and

(b) such transaction shall be upon such terms and conditions as to preserve and not to impair in any material respect any of the rights, duties, powers and authorities of the other parties hereunder or the holders of the Exchangeable Shares.

3.2 Vesting of Powers in Successor

Whenever the conditions of Section 3.1 have been duly observed and performed, the parties, if required by Section 3.1, shall execute and deliver the supplemental agreement provided for in Section 3.1(a) and thereupon the Mamba Successor and such other person that may then be the issuer of the Mamba Shares shall possess and from time to time may exercise each and every right and power of Mamba under this agreement in the name of Mamba or otherwise and any act or proceeding by any provision of this agreement required to be done or performed by the Board of Directors of Mamba or any officers of Mamba may be done and performed with like force and effect by the directors or officers of such Mamba Successor.

3.3 Wholly-Owned Subsidiaries

Nothing herein shall be construed as preventing (i) the amalgamation or merger of any wholly owned direct or indirect subsidiary of Mamba with or into Mamba (other than Canco or an Mamba Affiiate), (ii) the winding-up, liquidation or dissolution of any wholly-owned direct or indirect subsidiary of Mamba, provided that all of the assets of such subsidiary are transferred to Mamba or another wholly-owned direct or indirect subsidiary of Mamba, or (iii) any other distribution of the assets of any wholly-owned direct or indirect subsidiary of Mamba among the shareholders of such subsidiary for the purpose of winding up its affairs (other than Canco or a Mamba Affiliate, unless done so in accordance with the terms of this agreement and the Share Provisions), and any such transactions are expressly permitted by this Article 3.

3.4 Successorship Transaction

Notwithstanding the foregoing provisions of Article 3, in the event of an Mamba Control Transaction:

(a) in which Mamba merges or amalgamates with, or in which all or substantially all of the then outstanding Mamba Shares are acquired by, one or more other corporations to which Mamba is, immediately before such merger, amalgamation or acquisition, "related" within the meaning of the Tax Act (otherwise than by virtue of a right referred to in paragraph 251(5)(b) thereof);

(b) which does not result in an acceleration of the Redemption Date in accordance with paragraph (b) of the definition of Redemption Date in **Section 1(1)** of the Share Provisions; and

(c) in which all or substantially all of the then outstanding Mamba Shares are converted into or exchanged for shares or rights to receive such shares (the "**Other Shares**") or another corporation (the "**Other Corporation**") that, immediately after such Mamba Control Transaction, owns or controls, directly or indirectly, Mamba;

then all references herein to "Mamba" shall thereafter be and be deemed to be references to "Other Corporation" and all references herein to "Mamba Shares" shall thereafter be and be deemed to be references to "Other Shares" (with appropriate adjustments if any, as are required to result in a holder of Exchangeable Shares on the exchange, redemption or retraction of such shares pursuant to the Exchangeable Share Provisions or Article 5 of the Plan of Arrangement or exchange of such shares pursuant to the Voting and Exchange Trust Agreement immediately subsequent to the Mamba Control Transaction being entitled to receive that number of Other Shares equal to the number of Other Shares such holder of Exchangeable Shares would have received if the exchange, redemption or retraction of such shares pursuant to the Exchangeable Share Provisions or Article 5 of the Plan of Arrangement, or exchange of such shares pursuant to the Voting and Exchange Trust Agreement had occurred immediately prior to the Mamba Control Transaction and the Mamba Control Transaction was completed) without any need to amend the terms and conditions of the Exchangeable Shares and without any further action required.

ARTICLE 4
GENERAL

4.1 Term

This agreement shall come into force and be effective as of the date hereof and shall terminate and be of no further force and effect at such time as no Exchangeable Shares (or securities or rights convertible into or exchangeable for or carrying rights to acquire Exchangeable Shares) are held by any person other than Mamba and any of its affiliates.

4.2 Changes in Capital of Mamba and Canco

At all times after the occurrence of any event contemplated pursuant to Section 2.7 and Section 2.8 or otherwise, as a result of which either Mamba Shares or the Exchangeable Shares or both are in any way changed, this agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which Mamba Shares or the Exchangeable Shares or both are so changed and the parties hereto shall execute and deliver an agreement in writing giving effect to and evidencing such necessary amendments and modifications.

4.3 Severability

If any term or other provision of this agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.4 Amendments, Modifications

(a) Subject to Section 4.2, Section 4.3 and Section 4.5 this agreement may not be amended or modified except by an agreement in writing executed by Canco and Mamba and approved by the holders of the Exchangeable Shares in accordance with Section 12(2) of the Share Provisions.

(b) No amendment or modification or waiver of any of the provisions of this agreement otherwise permitted hereunder shall be effective unless made in writing and signed by all of the parties hereto.

4.5 Ministerial Amendments

Notwithstanding the provisions of Section 4.4, the parties to this agreement may in writing at any time and from time to time, without the approval of the holders of the Exchangeable Shares, amend or modify this agreement for the purposes of:

(a) adding to the covenants of any or all parties provided that the Board of Directors of each of Canco and Mamba shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares;

(b) making such amendments or modifications not inconsistent with this agreement as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board of Directors of each of Canco and Mamba, it may be expedient to make, provided that each such Board of Directors shall be of the good faith opinion that such amendments or modifications will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares; or

(c) making such changes or corrections which, on the advice of counsel to Canco and Mamba, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Boards of Directors of each of Canco and Mamba shall be of the good faith opinion that such changes or corrections will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares.

4.6 Meeting to Consider Amendments

Canco, at the request of Mamba, shall call a meeting or meetings of the holders of the Exchangeable Shares for the purpose of considering any proposed amendment or modification requiring approval pursuant to Section 4.4. Any such meeting or meetings shall be called and held in accordance with the bylaws of Canco, the Share Provisions and all applicable laws.

4.7 Enurement

This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

4.8 Notices to Parties

Any notice and other communications required or permitted to be given pursuant to this agreement shall be sufficiently given if delivered in person or if sent by facsimile transmission (provided such transmission is recorded as being transmitted successfully) to the parties at the following addresses:

(i) in the case of Mamba or Canco to the following address:

Mamba Minerals Limited

Attn: Mr. Michael O'Keeffe
91 Evans Street
Rozelle NSW 2039

Tel: +61 2 9810 7816
Fax: +61 2 8065 5017

with a copy to (which shall not constitute notice):

Ashurst Australia

Attn: Mr. Gary Lawler
Level 36, Grosvenor Place, 225 George Street
Sydney NSW 2000
GPO Box 9938, Sydney NSW 2001

Tel: +61 2 9258 6000
Fax: +61 2 9258 6999

or at such other address as the party to which such notice or other communication is to be given has last notified the party given the same in the manner provided in this section, and if not given the same shall be deemed to have been received on the date of such delivery or sending.

4.9 Counterparts

This agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

4.10 Jurisdiction

This agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each party hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or related hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the date first above written.

MAMBA MINERALS LIMITED

Per: _____

Name:

Title:

CHAMPION EXCHANGE LIMITED

Per: _____

Name:

Title:

SCHEDULE I

VOTING AND EXCHANGE TRUST AGREEMENT

MEMORANDUM OF AGREEMENT made as of the ● day of ●, 2014, between Mamba Minerals Limited, Champion Exchange Limited and Equity Financial Trust Company.

RECITALS:

(A) In connection with an agreement (as may be amended, supplemented and/or restated, the "**Arrangement Agreement**") made as of December 5, 2013, between Mamba and Champion, the Exchangeable Shares are to be issued to certain holders of securities of Champion pursuant to the Plan of Arrangement contemplated in the Arrangement Agreement;

(B) Pursuant to the Arrangement Agreement, Mamba is required to enter into this agreement.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are acknowledged), the parties agree as follows:

ARTICLE 1 – DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this agreement, each initially capitalized term used and not otherwise defined herein shall have the meaning provided thereto in the rights, privileges, restrictions and conditions (collectively, the "**Share Provisions**") attaching to the Exchangeable Shares as set out in the articles of Canco and the following terms shall have the following meanings:

(a) "**Agency**" means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory authority (including the TSX and the ASX or administrative agency or commission (including the Securities Commissions and the Australian Securities & Investments Commission) or any elected or appointed public official.

(b) "**Arrangement Agreement**" has the meaning provided in the Recitals.

(c) "**ASX**" means the Australian Securities Exchange, or any successor exchange.

(d) "**Authorized Investments**" means short-term interest-bearing or discount debt obligations issued or guaranteed by the Government of Canada or any province thereof or a Canadian chartered bank (which may include an affiliate or related party of the Trustee), maturing not more than one year from the date of investment, provided that each such obligation is rated at least RI (middle) by DBRS Inc. or any equivalent rating by Canadian Bond Rating Service.

(e) "**Automatic Exchange Right**" means the benefit of the obligation of Mamba to effect the automatic exchange of Exchangeable Shares for Mamba Shares pursuant to Section 5.12.

(f) "**Beneficiaries**" means the registered holders from time to time of Exchangeable Shares, other than Mamba's affiliates.

(g) "**Beneficiary Votes**" has the meaning provided in Section 4.2(a).

(h) "**Board of Directors**" means the Board of Directors of Canco.

(i) "**Canco**" means Champion Exchange Limited, a corporation incorporated under the laws of Ontario.

(j) "**Champion**" means Champion Iron Mines Limited, a corporation incorporated under the laws of the Province of Ontario.

(k) "**Change of Law Call Right**" has the meaning provided pursuant to Section 5.3(a) of the Plan of Arrangement.

(l) "**Exchange Right**" has the meaning provided in Section 5.1(a).

(m) "**Exchangeable Share Consideration**" means, in respect of each Exchangeable Share for which a relevant Beneficiary who has exercised the Exchange Right, one Mamba Share plus cash or a cheque in an amount equal to the Dividend Amount.

(n) "**Exchangeable Share Provisions**" means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares, which rights, privileges, restrictions and conditions shall be in substantially the form set out in Appendix I to Schedule B of the Arrangement Agreement.

(o) "**Exchangeable Shares**" means the exchangeable shares in the capital of Canco as more particularly described in Appendix 1 to Schedule B of the Arrangement Agreement.

(p) "**including**" means "including without limitation" and "includes" means "includes without limitation".

(q) "**Indemnified Parties**" has the meaning provided in Section 8.1(a).

(r) "**Insolvency Event**" means (i) the institution by Canco of any proceeding to be adjudicated a bankrupt or insolvent or to be wound up, or the consent of Canco to the institution of bankruptcy, insolvency or winding-up proceedings against it, or (ii) the filing of a petition, answer or consent seeking dissolution or winding-up under any bankruptcy, insolvency or analogous laws, including the *Companies Creditors' Arrangement Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada), and the failure by Canco to contest in good faith any such proceedings commenced in respect of Canco within 30 days of becoming aware thereof, or the consent by Canco to the filing of any such petition or to the appointment of a receiver, or (iii) the making by Canco of a general assignment for the benefit of creditors, or the admission in writing by Canco of its inability to pay its debts generally as they become due, or (iv) Canco not being permitted, pursuant to solvency requirements of applicable law, to redeem any Retracted Shares pursuant to Sections 6 or 7 of the Share Provisions.

(s) "**Law**" means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, published policies, notices, directions and judgments or other requirements of any Agency, in each case having the force of law.

(t) "**Liquidation Call Right**" has the meaning provided in Section 5.1(a) of the Plan of Arrangement.

(u) "**Liquidation Event**" has the meaning provided in Section 5.12(b).

(v) "**Liquidation Event Effective Date**" has the meaning provided in Section 5.12(c).

(w) "**List**" has the meaning provided in Section 4.6.

(x) "**Mamba**" means Mamba Minerals Limited ABN 34 119 770 142, a corporation incorporated under the laws of Australia.

(y) "**Mamba Affiliate**" means a direct or indirect wholly owned Subsidiary of Mamba to which Mamba has transferred and assigned the Liquidation Call Right pursuant to Section 5.1(a) of the Plan of Arrangement, the Redemption Call Right pursuant to Section 5.2(b) of the Plan of Arrangement, the Change of Law Call Right pursuant to Section 5.3(b) of the Plan of

Arrangement or the Retraction Call Right pursuant to Section 6(1) of the Exchangeable Share Provisions, as applicable.

(z) "**Mamba Consent**" has the meaning provided in Section 4.2(a).

(aa) "**Mamba Meeting**" has the meaning provided in Section 4.2(a).

(bb) "**Mamba Special Voting Share**" means the special voting share in the capital of Mamba which entitles the holder of record of such share to a number of votes at meetings of holders of Mamba Shares equal to the number of Exchangeable Shares outstanding from time to time (excluding Exchangeable Shares held by Mamba and affiliates of Mamba), which share is to be issued to and voted by, the Trustee as described herein.

(cc) "**Mamba Successor**" has the meaning provided in Section 10.1(a).

(dd) "**Officer's Certificate**" means, with respect to Mamba or Canco, as the case may be, a certificate signed by any officer or director of Mamba or Canco, as the case may be.

(ee) "**Plan of Arrangement**" means the plan of arrangement attached as Schedule B to the Arrangement Agreement.

(ff) "**Privacy Laws**" has the meaning provided in Section 6.18.

(gg) "**Redemption Call Right**" has the meaning provided in Section 5.2(a) of the Plan of Arrangement.

(hh) "**Retraction Call Right**" has the meaning provided pursuant to Section 6(1) of the Exchangeable Share Provisions.

(ii) "**Support Agreement**" means that certain support agreement of even date between Canco and Mamba in the form of Schedule H to the Arrangement Agreement, as amended in accordance with the terms of the Support Agreement.

(jj) "**Subsidiaries**" means, in respect of a person, each of the corporate entities, partnerships and other entities over which it exercises direction or control.

(kk) "**Trust**" means the trust created by this agreement.

(ll) "**Trust Estate**" means the Mamba Special Voting Share, any other securities, the Automatic Exchange Right, the Exchange Right and any money or other property which may be held by the Trustee from time to time pursuant to this agreement.

(mm) "**Trustee**" means Equity Financial Trust Company, a trust company incorporated under the laws of Canada and, subject to the provisions of Article 9, includes any successor trustee.

(nn) "**Voting Rights**" means the voting rights attached to the Mamba Special Voting Share.

ARTICLE 2 – PURPOSE OF AGREEMENT

2.1 Establishment of Trust

The purpose of this agreement is to create the Trust for the benefit of the Beneficiaries as herein provided. Mamba, as the settlor of the Trust, hereby appoints the Trustee as trustee of the Trust. The delivery by Mamba of $1.00 for the purpose of settling the Trust is hereby acknowledged by the Trustee. The Trustee shall hold the Mamba Special Voting Share in order to enable the Trustee to exercise the Voting Rights and shall hold the Automatic Exchange Right and the Exchange Right in order to enable the Trustee to exercise such rights, in each case as trustee for and on behalf of the Beneficiaries as provided in this agreement. It is agreed that the

number of votes attached to the Mamba Special Voting Share at any time shall be equal to the number of Exchangeable Shares outstanding at any time.

ARTICLE 3 – MAMBA SPECIAL VOTING SHARE

3.1 Issue and Ownership of the Mamba Special Voting Share

Immediately following execution of this agreement, Mamba shall issue to the Trustee the Mamba Special Voting Share (and shall deliver the certificate representing such share to the Trustee) to be hereafter held of record by the Trustee as trustee for and on behalf of, and for the use and benefit of, the Beneficiaries and in accordance with the provisions of this agreement. Mamba hereby acknowledges receipt from the Trustee as trustee for and on behalf of the Beneficiaries of $1.00 and other good and valuable consideration (and the adequacy thereof) for the issuance of the Mamba Special Voting Share by Mamba to the Trustee. During the term of the Trust and subject to the terms and conditions of this agreement, the Trustee shall possess and be vested with full legal ownership of the Mamba Special Voting Share and shall be entitled to exercise all of the rights and powers of an owner with respect to the Mamba Special Voting Share provided that the Trustee shall:

(a) hold the Mamba Special Voting Share and the legal title thereto as trustee solely for the use and benefit of the Beneficiaries in accordance with the provisions of this agreement; and

(b) except as specifically authorized by this agreement, have no power or authority to sell, transfer, vote or otherwise deal in or with the Mamba Special Voting Share and the Mamba Special Voting Share shall not be used or disposed of by the Trustee for any purpose other than the purposes for which this Trust is created pursuant to this agreement.

3.2 Legended Share Certificates

Canco shall cause each certificate representing Exchangeable Shares to bear an appropriate legend notifying the Beneficiaries of their right to instruct the Trustee with respect to the exercise of the portion of the Voting Rights in respect of the Exchangeable Shares of the Beneficiaries.

3.3 Safe Keeping of Certificate

The certificate representing the Mamba Special Voting Share shall at all times be held in safe keeping by the Trustee or its duly authorized agent.

ARTICLE 4 – EXERCISE OF VOTING RIGHTS

4.1 Voting Rights

The Trustee, as the holder of record of the Mamba Special Voting Share, shall be entitled to all of the Voting Rights, including the right to vote in person or by proxy attaching to the Mamba Special Voting Share on any matters, questions, proposals or propositions whatsoever that may properly come before the shareholders of Mamba at a Mamba Meeting. The Voting Rights shall be and remain vested in and exercised by the Trustee subject to the terms of this agreement. Subject to Section 6.15:

(a) the Trustee shall exercise the Voting Rights only on the basis of instructions received pursuant to this Article 4 from Beneficiaries on the record date established by Mamba or by applicable law for such Mamba Meeting or Mamba Consent; and

(b) to the extent that no instructions are received from a Beneficiary with respect to the Voting Rights to which such Beneficiary is entitled, the Trustee shall not exercise or permit the exercise of such Voting Rights.

4.2 Number of Votes

(a) With respect to all meetings of shareholders of Mamba at which holders of Mamba Shares are entitled to vote (each, an "**Mamba Meeting**") and with respect to all written consents sought from shareholders of Mamba, including holders of the Mamba Shares (each, a "**Mamba Consent**"), each Beneficiary shall be entitled to instruct the Trustee to cast and exercise for each Exchangeable Share owned of record by a Beneficiary on the record date established by Mamba or by applicable law for such Mamba Meeting or Mamba Consent, as the case may be (collectively, the "**Beneficiary Votes**"), in respect of each matter, question, proposal or proposition to be voted on at such Mamba Meeting or consented to in connection with such Mamba Consent, an equal number of Voting Rights determined on the record date established by Mamba or by applicable law for such Mamba Meeting or Mamba Consent.

(b) The aggregate Voting Rights on a poll at a Mamba Meeting shall consist of a number of votes equal to one vote per outstanding Exchangeable Share not owned by Mamba and its affiliates on the record date established by Mamba or by applicable law for such Mamba Meeting or Mamba Consent, and for which the Trustee has received voting instructions from the Beneficiary. Pursuant to the terms of the Mamba Special Voting Share, the Trustee or its proxy is entitled on a vote on a show of hands to one vote, in addition to any votes which may be cast by a Beneficiary (or its nominee) on a show of hands, as proxy for the Trustee. Any Beneficiary who chooses to attend a Mamba Meeting in person, and who is entitled to vote in accordance with Section 4.8(b), shall be entitled to one vote on a show of hands.

4.3 Mailings to Shareholders

(a) With respect to each Mamba Meeting, the Trustee shall use its reasonable efforts promptly to mail or cause to be mailed (or otherwise communicate in the same manner as Mamba utilizes in communications to holders of Mamba Shares subject to applicable regulatory requirements and provided that such manner of communications is reasonably available to the Trustee) to each of the Beneficiaries named in the List, such mailing or communication to commence wherever practicable on the same day as the mailing or notice (or other communication) with respect thereto is commenced by Mamba to its shareholders:

(i) a copy of such notice, together with any related materials, including any circular or information statement or listing particulars, to be provided to shareholders of Mamba;

(ii) a statement that such Beneficiary is entitled to instruct the Trustee as to the exercise of the Beneficiary Votes with respect to such Mamba Meeting or, pursuant to Section 4.7, to attend such Mamba Meeting and to exercise personally the Beneficiary Votes thereat;

(iii) a statement as to the manner in which such instructions may be given to the Trustee, including an express indication that instructions may be given to the Trustee to give:

(A) a proxy to such Beneficiary or his, her or its designee to exercise personally the Beneficiary Votes; or

(B) a proxy to a designated agent or other representative of Mamba to exercise such Beneficiary Votes;

(iv) a statement that if no such instructions are received from the Beneficiary, the Beneficiary Votes to which such Beneficiary is entitled will not be exercised;

(v) a form of direction whereby the Beneficiary may so direct and instruct the Trustee as contemplated herein; and

(vi) a statement of the time and date by which such instructions must be received by the Trustee in order to be binding upon it, which in the case of a Mamba Meeting shall not

be later than the close of business on the fourth business day prior to such meeting, and of the method for revoking or amending such instructions.

(b) The materials referred to in this Section 4.3 shall be provided to the Trustee by Mamba, and the materials referred to in Section 1.1(nn)(iii), Section 1.1(nn)(v) and Section 1.1(nn)(vi) shall (if reasonably practicable to do so) be subject to reasonable comment by the Trustee in a timely manner. Subject to the foregoing, Mamba shall ensure that the materials to be provided to the Trustee are provided in sufficient time to permit the Trustee to comment as aforesaid and to send all materials to each Beneficiary at the same time as such materials are first sent to holders of Mamba Shares. Mamba agrees not to communicate with holders of Mamba Shares with respect to the materials referred to in this Section 4.3 otherwise than by mail unless such method of communication is also reasonably available to the Trustee for communication with the Beneficiaries. Notwithstanding the foregoing, Mamba may at its option exercise the duties of the Trustee to deliver copies of all materials to all Beneficiaries as required by this Section 4.3 so long as in each case Mamba delivers a certificate to the Trustee stating that Mamba has undertaken to perform the obligations set forth in this Section 4.3.

(c) For the purpose of determining Beneficiary Votes to which a Beneficiary is entitled in respect of any Mamba Meeting, the number of Exchangeable Shares owned of record by the Beneficiary shall be determined at the close of business on the record date established by Mamba or by applicable law for purposes of determining shareholders entitled to vote at such Mamba Meeting. Mamba shall notify the Trustee of any decision of the board of directors of Mamba with respect to the calling of any Mamba Meeting and shall provide all necessary information and materials to the Trustee in each case promptly and in any event in sufficient time to enable the Trustee to perform its obligations contemplated by this Section 4.3.

4.4 Copies of Shareholder Information

Mamba shall deliver to the Trustee copies of all proxy materials (including notices of Mamba Meetings but excluding proxies to vote Mamba Shares), information statements, reports (including all interim and annual financial statements) and other written communications that, in each case, are to be distributed by Mamba from time to time to holders of Mamba Shares in sufficient quantities and in sufficient time so as to enable the Trustee to send or cause to send those materials to each Beneficiary at the same time as such materials are first sent to holders of Mamba Shares. The Trustee shall mail or otherwise send to each Beneficiary, at the expense of Mamba, copies of all such materials (and all materials specifically directed to the Beneficiaries or to the Trustee for the benefit of the Beneficiaries by Mamba) received by the Trustee from Mamba contemporaneously with the sending of such materials to holders of Mamba Shares. The Trustee shall also make available for inspection by any Beneficiary at the Trustee's principal office in Toronto, Ontario all proxy materials, information statements, reports and other written communications that are:

(a) received by the Trustee as the registered holder of the Mamba Special Voting Share and made available by Mamba generally to the holders of Mamba Shares; or

(b) specifically directed to the Beneficiaries or to the Trustee for the benefit of the Beneficiaries by Mamba.

Notwithstanding the foregoing, Mamba at its option may exercise the duties of the Trustee to deliver copies of all such materials to each Beneficiary as required by this Section 4.4 so long as in each case Mamba delivers a certificate to the Trustee stating that Mamba has undertaken to perform the obligations set forth in this Section 4.4.

4.5 Other Materials

As soon as reasonably practicable after receipt by Mamba or shareholders of Mamba (if such receipt is known by Mamba) of any material sent or given by or on behalf of a third party to holders of Mamba Shares generally, including dissident proxy and information circulars (and related information and material) and take-over bid and securities exchange take-over bid circulars (and related information and material), provided such material has not been sent to the Beneficiaries by or on behalf of such third party, Mamba shall use its reasonable efforts to

obtain and deliver to the Trustee copies thereof in sufficient quantities so as to enable the Trustee to forward such material (unless the same has been provided directly to Beneficiaries by such third party) to each Beneficiary as soon as possible thereafter. As soon as reasonably practicable after receipt thereof, the Trustee shall mail or otherwise send to each Beneficiary, at the expense of Mamba, copies of all such materials received by the Trustee from Mamba. The Trustee shall also make available for inspection by any Beneficiary at the Trustee's principal office in Toronto copies of all such materials. Notwithstanding the foregoing, Mamba at its option may exercise the duties of the Trustee to deliver copies of all such materials to each Beneficiary as required by this Section 4.5 so long as in each case Mamba delivers a certificate to the Trustee stating that Mamba has undertaken to perform the obligations set forth in this Section 4.5.

4.6 List of Persons Entitled to Vote

Canco shall, (a) prior to each annual, general and extraordinary Mamba Meeting and (b) forthwith upon each request made at any time by the Trustee in writing, prepare or cause to be prepared a list (a "**List**") of the names and addresses of the Beneficiaries arranged in alphabetical order and showing the number of Exchangeable Shares held of record by each such Beneficiary, in each case at the close of business on the date specified by the Trustee in such request or, in the case of a List prepared in connection with a Mamba Meeting or Mamba Consent, at the close of business on the record date established by Mamba or pursuant to applicable law for determining the holders of Mamba Shares entitled to receive notice of and/or to vote at such Mamba Meeting or provide a Mamba Consent. Each such List shall be delivered to the Trustee promptly after receipt by Canco of such request or the record date for such meeting or consent and in any event within sufficient time as to permit the Trustee to perform its obligations under this agreement. Mamba agrees to give Canco notice (with a copy to the Trustee) of the calling of any Mamba Meeting or solicitation of any Mamba Consent, together with the record date therefor, sufficiently prior to the date of the calling of such meeting or solicitation of any Mamba Consent so as to enable Canco to perform its obligations under this Section 4.6.

4.7 Entitlement to Direct Votes

Subject to Section 4.8 and Section 4.11, any Beneficiary named in a List prepared in connection with any Mamba Meeting shall be entitled (a) to instruct the Trustee in the manner described in Section 4.3 with respect to the exercise of the Beneficiary Votes to which such Beneficiary is entitled or (b) to attend such meeting and personally exercise thereat, as the proxy of the Trustee, the Beneficiary Votes to which such Beneficiary is entitled.

4.8 Voting by Trustee and attendance of Trustee Representative at Meeting

(a) In connection with each Mamba Meeting, the Trustee shall exercise, either in person or by proxy, in accordance with the instructions received from a Beneficiary pursuant to Section 4.3, the Beneficiary Votes as to which such Beneficiary is entitled to direct the vote (or any lesser number thereof as may be set forth in the instructions) other than any Beneficiary Votes that are the subject of Section 4.8(b); provided, however, that such written instructions are received by the Trustee from the Beneficiary prior to the time and date fixed by the Trustee for receipt of such instruction in the notice given by the Trustee to the Beneficiary pursuant to Section 4.3.

(b) The Trustee shall cause a representative who is empowered by it to sign and deliver, on behalf of the Trustee, proxies for Voting Rights to attend each Mamba Meeting. Upon submission by a Beneficiary (or its designee) named in the List prepared in connection with the relevant meeting of identification satisfactory to the Trustee's representative, and at the Beneficiary's request, such representative shall sign and deliver to such Beneficiary (or its designee) a proxy to exercise personally the Beneficiary Votes as to which such Beneficiary is otherwise entitled hereunder to direct the vote, if such Beneficiary either (i) has not previously given the Trustee instructions pursuant to Section 4.3 in respect of such meeting or (ii) submits to such representative written revocation of any such previous instructions. At such meeting, the Beneficiary (or its designee) exercising such Beneficiary Votes in accordance with such proxy shall have the same rights in respect of such Beneficiary Votes as the Trustee to speak at the meeting in respect of any matter, question, proposal or proposition, to vote by way of ballot at the meeting in respect of any matter, question, proposal or proposition, and to vote at such meeting by way of a show of hands in respect of any matter, question or proposition.

4.9 Distribution of Written Materials

Any written materials distributed by the Trustee pursuant to this agreement shall be sent by mail (or otherwise communicated in the same manner as Mamba utilizes in communications to holders of Mamba Shares subject to applicable regulatory requirements and provided such manner of communications is reasonably available to the Trustee) to each Beneficiary at its address as shown on the books of Canco. Mamba agrees not to communicate with holders of Mamba Shares with respect to such written materials otherwise than by mail unless such method of communication is also reasonably available to the Trustee for communication with the Beneficiaries. Canco shall provide or cause to be provided to the Trustee for purposes of communication, on a timely basis and without charge or other expense:

(a) a current List; and

(b) upon the request of the Trustee, mailing labels to enable the Trustee to carry out its duties under this agreement.

Canco's obligations under this Section 4.9 shall be deemed satisfied to the extent Mamba exercises its option to perform the duties of the Trustee to deliver copies of materials to each Beneficiary and Canco provides the required information and materials to Mamba.

4.10 Termination of Voting Rights

All of the rights of a Beneficiary with respect to the Beneficiary Votes exercisable in respect of the Exchangeable Shares held by such Beneficiary, including the right to instruct the Trustee as to the voting of or to vote personally such Beneficiary Votes, shall be deemed to be surrendered by the Beneficiary to Mamba, as the case may be, and such Beneficiary Votes and the Voting Rights (attached to the underlying Mamba Special Voting Share) represented thereby shall cease immediately upon (i) the delivery by such holder to the Trustee of the certificates representing such Exchangeable Shares in connection with the occurrence of the automatic exchange of Exchangeable Shares for Mamba Shares, as specified in Article 5 (unless Mamba shall not have delivered the requisite Mamba Shares issuable in exchange therefor to the Trustee pending delivery to the Beneficiaries), or (ii) the retraction or redemption of Exchangeable Shares pursuant to Section 6 or 7 of the Share Provisions, or (iii) the effective date of the liquidation, dissolution or winding-up of Canco pursuant to Section 5 of the Share Provisions, or (iv) the purchase of Exchangeable Shares from the holder thereof by Mamba or a Mamba Affiliate, as applicable, pursuant to the exercise by Mamba or a Mamba Affiliate, as applicable, of the Retraction Call Right, the Redemption Call Right or the Liquidation Call Right, or upon the purchase of Exchangeable Shares from the holders thereof by Mamba or a Mamba Affiliate, as applicable, pursuant to the exercise by Mamba or a Mamba Affiliate, as applicable, of the Change of Law Call Right (as defined in the Plan of Arrangement).

4.11 Disclosure of Interest in Exchangeable Shares

The Trustee and/or Canco shall be entitled to require any Beneficiary or any person who the Trustee and/or Canco know or have reasonable cause to believe to hold any interest whatsoever in an Exchangeable Share to confirm that fact or to give such details as to who has an interest in such Exchangeable Share as would be required (if the Exchangeable Shares were a class of "voting or equity securities" of Canco) under section 102.1 of the *Securities Act* (Ontario), as amended from time to time, or as would be required under the constitution of Mamba or any laws or regulations (including the *Corporations Act 2001* (Cth), or pursuant to the rules or regulations of any Agency, including the Listing Rules of the Australian Securities Exchange, if the Exchangeable Shares were Mamba Shares. If a Beneficiary does not provide the information required to be provided by such Beneficiary pursuant to this Section 4.11, the board of directors of Mamba may take any action permitted under the constitution of Mamba or any laws or regulations, or pursuant to the rules or regulations of any Agency, with respect to the Voting Rights relating to the Exchangeable Shares held by such Beneficiary.

ARTICLE 5 – EXCHANGE AND AUTOMATIC EXCHANGE

5.1 Grant of Exchange Right and Automatic Exchange Right

(a) Mamba hereby grants to Trustee as trustee for and on behalf of, and for the use and benefit of the Beneficiaries, the Automatic Exchange Right and the right (the "**Exchange Right**"), upon the occurrence and during the continuance of an Insolvency Event, to require Mamba to purchase from each or any Beneficiary all or any part of the Exchangeable Shares held by such Beneficiary, all in accordance with the provisions of this agreement. Mamba hereby acknowledges receipt from the Trustee as trustee for and on behalf of the Beneficiaries of good and valuable consideration (and the adequacy thereof) for the grant of the Exchange Right and the Automatic Exchange Right by Mamba to the Trustee.

(b) During the term of the Trust and subject to the terms and conditions of this agreement, the Trustee shall possess and be vested with full legal ownership of the Automatic Exchange Right and the Exchange Right and shall be entitled to exercise all of the rights and powers of an owner with respect to the Automatic Exchange Right and the Exchange Right, provided that the Trustee shall:

(i) hold the Automatic Exchange Right and the Exchange Right and the legal title thereto as trustee solely for the use and benefit of the Beneficiaries in accordance with the provisions of this agreement; and

(ii) except as specifically authorized by this agreement, have no power or authority to exercise or otherwise deal in or with the Automatic Exchange Right or the Exchange Right, and the Trustee shall not exercise any such rights for any purpose other than the purposes for which the Trust is created pursuant to this agreement.

(c) The obligations of Mamba to issue Mamba Shares pursuant to the Automatic Exchange Right or the Exchange Right are subject to all applicable laws and regulatory or stock exchange requirements.

5.2 Legended Share Certificates

Canco shall cause each certificate representing Exchangeable Shares to bear an appropriate legend notifying the Beneficiaries of:

(a) their right to instruct the Trustee with respect to the exercise of the Exchange Right in respect of the Exchangeable Shares held by a Beneficiary; and

(b) the Automatic Exchange Right.

5.3 General Exercise of Exchange Right

The Exchange Right shall be and remain vested in and exercisable by Trustee. Subject to Section 6.15, the Trustee shall exercise the Exchange Right only on the basis of instructions received pursuant to this Article 5 from Beneficiaries entitled to instruct the Trustee as to the exercise thereof. To the extent that no instructions are received from a Beneficiary with respect to the Exchange Right, the Trustee shall not exercise or permit the exercise of the Exchange Right.

5.4 Purchase Price

The purchase price payable by Mamba for each Exchangeable Share to be purchased by Mamba under the Exchange Right shall be an amount per share equal to (i) the Current Market Price of a Mamba Share on the day before the exchange, which shall be satisfied in full by Mamba issuing to the Beneficiary one Mamba Share, plus (ii) cash or a cheque in an amount equal to the Dividend Amount. In connection with each exercise of the Exchange Right, Mamba shall provide to the Trustee an Officer's Certificate setting forth the calculation of the purchase price for each Exchangeable Share.

5.5 Exercise Instructions

Subject to the terms and conditions set forth herein, a Beneficiary shall be entitled upon the occurrence and during the continuance of an Insolvency Event, to instruct the Trustee to exercise the Exchange Right with respect to all or any part of the Exchangeable Shares registered in the name of such Beneficiary on the books of Canco. To cause the exercise of the Exchange Right by the Trustee, the Beneficiary shall deliver to the Trustee, in person or by certified or registered mail, at its principal office in Toronto, Ontario or at such other place as the Trustee may from time to designate by written notice to the Beneficiaries, the certificates representing the Exchangeable Shares which such Beneficiary desires Mamba to purchase, duly endorsed in blank for transfer, and accompanied by such other documents and instruments as the Trustee, Mamba and Canco may reasonably require together with (a) a duly completed form of notice of exercise of the Exchange Right, contained on the reverse of or attached to the Exchangeable Share certificates, stating (i) that the Beneficiary thereby instructs the Trustee to exercise the Exchange Right so as to require Mamba to purchase from the Beneficiary the number of Exchangeable Shares specified therein, (ii) that such Beneficiary has good title to and owns all such Exchangeable Shares to be acquired by Mamba free and clear of all liens, claims, security interests and encumbrances, (iii) the names in which the certificates representing Mamba Shares issuable in connection with the exercise of the Exchange Right are to be issued, and (iv) the names and addresses of the persons to whom such new certificates should be delivered, and (b) payment (or evidence satisfactory to the Trustee, Mamba and Canco of payment) of the taxes (if any) payable as contemplated by Section 5.7 of this agreement. If only a part of the Exchangeable Shares represented by any certificate or certificates delivered to the Trustee are to be purchased by Mamba under the Exchange Right, a new certificate for the balance of such Exchangeable Shares shall be issued to the holder at the expense of Canco.

5.6 Delivery of Mamba Shares; Effect of Exercise

Promptly after the receipt by the Trustee of the certificates representing the Exchangeable Shares which the Beneficiary desires Mamba to purchase under the Exchange Right, together with such documents and instruments of transfer and a duly completed form of notice of exercise of the Exchange Right (and payment of taxes, if any payable as contemplated by Section 5.7 or evidence thereof), duly endorsed for transfer to Mamba, the Trustee shall notify Mamba and Canco of its receipt of the same, which notice to Mamba and Canco shall constitute exercise of the Exchange Right by the Trustee on behalf of the Beneficiary in respect of such Exchangeable Shares, and Mamba shall promptly thereafter deliver or cause to be delivered to the Trustee, for delivery to the Beneficiary in respect of such Exchangeable Shares (or to such other persons, if any, properly designated by such Beneficiary) the Exchangeable Share Consideration deliverable in connection with the exercise of the Exchange Right; provided, however, that no such delivery shall be made unless and until the Beneficiary requesting the same shall have paid (or provided evidence satisfactory to the Trustee, Canco and Mamba of the payment of) the taxes (if any) payable as contemplated by Section 5.7 of this agreement. Immediately upon the giving of notice by the Trustee to Mamba and Canco of the exercise of the Exchange Right, as provided in this Section 5.6, the closing of the transaction of purchase and sale contemplated by the Exchange Right shall be deemed to have occurred, and the Beneficiary of such Exchangeable Shares shall be deemed to have transferred to Mamba all of such Beneficiary's right, title and interest in and to such Exchangeable Shares and in the related interest in the Trust Estate and shall cease to be a holder of such Exchangeable Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive his proportionate part of the total Exchangeable Share Consideration therefor, unless such Exchangeable Share Consideration is not delivered by Mamba to the Trustee for delivery to such Beneficiary (or to such other person, if any, properly designated by such Beneficiary) within three business days of the date of the giving of such notice by the Trustee, in which case the rights of the Beneficiary shall remain unaffected until such Exchangeable Share Consideration is delivered by Mamba and any cheque included therein is paid. Upon delivery of such Exchangeable Share Consideration to the Trustee, the Trustee shall promptly deliver such Exchangeable Share Consideration to such Beneficiary (or to such other person, if any, properly designated by such Beneficiary). Concurrently with such Beneficiary ceasing to be a holder of Exchangeable Shares, the Beneficiary shall be considered and deemed for all purposes to be the holder of the Mamba Shares delivered to it pursuant to the Exchange Right.

5.7 Stamp or Other Transfer Taxes

Upon any sale of Exchangeable Shares to Mamba pursuant to the Exchange Right or the Automatic Exchange Right, the share certificate or certificates representing Mamba Shares to be delivered in connection with the

payment of the purchase price therefor shall be issued in the name of the Beneficiary in respect of the Exchangeable Shares so sold or in such names as such Beneficiary may otherwise direct in writing without charge to the holder of the Exchangeable Shares so sold; provided, however, that such Beneficiary (a) shall pay (and none of Mamba, Canco or the Trustee shall be required to pay) any documentary, stamp, transfer or other similar taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Beneficiary or (b) shall have evidenced to the satisfaction of Mamba that such taxes, if any, have been paid.

5.8 Notice of Insolvency Event

As soon as practicable following the occurrence of an Insolvency Event or any event that with the giving of notice or the passage of time or both would be an Insolvency Event, Canco and Mamba shall give written notice thereof to the Trustee. As soon as practicable following the receipt of notice from Canco and Mamba of the occurrence of an Insolvency Event, or upon the Trustee becoming aware of an Insolvency Event, the Trustee shall mail to each Beneficiary, at the expense of Mamba (such funds to be received in advance), a notice of such Insolvency Event in the form provided by Mamba, which notice shall contain a brief statement of the rights of the Beneficiaries with respect to the Exchange Right.

5.9 Failure to Retract

Upon the occurrence of an event referred to in paragraph (iv) of the definition of Insolvency Event, Canco hereby agrees with the Trustee and in favour of the Beneficiary promptly to forward or cause to be forwarded to the Trustee all relevant materials delivered by the Beneficiary to Canco or to the transfer agent of the Exchangeable Shares (including a copy of the retraction request delivered pursuant to Section 6(1) of the Share Provisions) in connection with such proposed redemption of the Retracted Shares.

5.10 Listing of Mamba Shares

Mamba covenants that if any Mamba Shares to be issued and delivered pursuant to the Automatic Exchange Right or the Exchange Right require registration or qualification with or approval of or the filing of any document, including any prospectus or similar document, or the taking of any proceeding with or the obtaining of any order, ruling or consent from any Agency under any Australian or Canadian federal, provincial or territorial law or regulation or pursuant to the rules and regulations of any Agency or the fulfillment of any other Australian or Canadian legal requirement before such shares may be issued and delivered by Mamba to the initial holder thereof or in order that such shares may be freely traded (other than any restrictions of general application on transfer by reason of a holder being a "control person" or the equivalent of Mamba for purposes of Canadian securities Law or any Australian equivalent), Mamba shall use its commercially reasonable efforts (which, for greater certainty, shall not require Mamba to consent to a term or condition of an approval or consent which Mamba reasonably determines could have a materially adverse effect on Mamba or its subsidiaries) to cause such Mamba Shares (or such other shares or securities) to be and remain duly registered, qualified or approved. Mamba shall use its commercially reasonable efforts (which, for greater certainty, shall not require Mamba to consent to a term or condition of an approval or consent which Mamba reasonably determines could have a materially adverse effect on Mamba or its subsidiaries) to cause all Mamba Shares (or such other shares or securities) to be delivered pursuant to the Automatic Exchange Right or the Exchange Right to be listed, quoted or posted for trading on all stock exchanges and quotation systems on which outstanding Mamba Shares have been listed by Mamba and remain listed and are quoted or posted for trading at such time.

5.11 Mamba Shares

Mamba hereby represents, warrants and covenants that the Mamba Shares issuable as described herein will be duly authorized and validly issued as fully paid and shall be free and clear of any lien, claim or encumbrance.

5.12 Automatic Exchange on Liquidation of Mamba

(a) Mamba shall give the Trustee written notice of each of the following events at the time set forth below:

(i) in the event of any determination by the board of directors of Mamba to institute voluntary liquidation, dissolution or winding-up proceedings with respect to Mamba or to effect any other distribution of assets of Mamba among its shareholders for the purpose of winding up its affairs, at least 60 days prior to the proposed effective date of such liquidation, dissolution, winding-up or other distribution; and

(ii) as soon as practicable following the earlier of (A) receipt by Mamba of notice of, and (B) Mamba otherwise becoming aware of any instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding-up of Mamba or to effect any other distribution of assets of Mamba among its shareholders for the purpose of winding up its affairs, in each case where Mamba has failed to contest in good faith any such proceeding commenced in respect of Mamba within 30 days of becoming aware thereof.

(b) As soon as practicable following receipt by the Trustee from Mamba of notice of any event (a "**Liquidation Event**") contemplated by Section 5.12(a)(i) or Section 5.12(a)(ii), the Trustee shall give notice thereof to the Beneficiaries. Such notice shall be provided to the Trustee by Mamba and shall include a brief description of the automatic exchange of Exchangeable Shares for Mamba Shares provided for in Section 5.12(c).

(c) In order that the Beneficiaries will be able to participate on a pro rata basis with the holders of Mamba Shares in the distribution of assets of Mamba in connection with a Liquidation Event, immediately prior to the effective date (the "**Liquidation Event Effective Date**") of a Liquidation Event, all of the then outstanding Exchangeable Shares held by the Beneficiaries shall be automatically exchanged for Mamba Shares. To effect such automatic exchange, Mamba shall purchase each Exchangeable Share outstanding immediately prior to the Liquidation Event Effective Date and held by Beneficiaries, and each Beneficiary shall sell the Exchangeable Shares held by it at such time, free and clear of any lien, claim or encumbrance, for a purchase price per share equal to (i) the Current Market Price of a Mamba Share on the day prior to the Liquidation Event Effective Date, which shall be satisfied in full by Mamba issuing to the Beneficiary one Mamba Share, plus (ii) payment by cash or a cheque in an amount equal to the Dividend Amount. Mamba shall provide the Trustee with an Officer's Certificate in connection with each automatic exchange setting forth the calculation of the purchase price for each Exchangeable Share. Upon payment by Mamba of such purchase price, the relevant Beneficiary shall cease to have any right to be paid by Canco any amount in respect of declared and unpaid dividends on each Exchangeable Share.

(d) The closing of the transaction of purchase and sale contemplated by the automatic exchange of Exchangeable Shares held by the Beneficiaries for Mamba Shares shall be deemed to have occurred immediately prior to the Liquidation Event Effective Date, and each Beneficiary shall be deemed to have transferred to Mamba all of the Beneficiary's right, title and interest in and to such Beneficiary's Exchangeable Shares free and clear of any lien, claim or encumbrance and the related interest in the Trust Estate and each such Beneficiary shall cease to be a holder of such Exchangeable Shares and Mamba shall issue to the Beneficiary the Mamba Shares issuable upon the automatic exchange of Exchangeable Shares for Mamba Shares and on the applicable payment date shall deliver to the Trustee for delivery to the Beneficiary a cheque for the balance, if any, of the purchase price for such Exchangeable Shares, without interest, in each case less any amounts withheld pursuant to Section 5.13. Concurrently with such Beneficiary ceasing to be a holder of Exchangeable Shares, the Beneficiary shall become the holder of the Mamba Shares issued pursuant to the automatic exchange of such Beneficiary's Exchangeable Shares for Mamba Shares and the certificates held by the Beneficiary previously representing the Exchangeable Shares exchanged by the Beneficiary with Mamba pursuant to such automatic exchange shall thereafter be deemed to represent Mamba Shares issued to the Beneficiary by Mamba pursuant to such automatic exchange. Upon the request of a Beneficiary and the surrender by the Beneficiary of Exchangeable Share certificates deemed to represent Mamba Shares, duly endorsed in blank and accompanied by such instruments of transfer as Mamba may reasonably require, Mamba shall deliver or cause to be delivered to the Beneficiary certificates representing the Mamba Shares of which the Beneficiary is the holder.

5.13 Withholding Rights

Mamba, Canco and the Trustee shall be entitled to deduct and withhold from any dividend, distribution, price or other consideration otherwise payable under this agreement to any holder of Exchangeable Shares or Mamba Shares such amounts as Mamba, Canco or the Trustee is required to deduct or withhold with respect to such payment under the *Income Tax Act* (Canada) or Australian tax Laws or any provision of provincial, state, local or foreign tax Law, in each case as amended or succeeded. The Trustee may act and rely on the advice of counsel with respect to such matters. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes as having been paid to the holder of the shares in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing Agency. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Mamba, Canco and the Trustee are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Mamba, Canco or the Trustee, as the case may be, to enable it to comply with such deduction or withholding requirement and Mamba, Canco or the Trustee shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale.

ARTICLE 6 – CONCERNING THE TRUSTEE

6.1 Powers and Duties of the Trustee

(a) The rights, powers, duties and authorities of the Trustee under this agreement, in its capacity as trustee of the Trust, shall include:

(i) receipt and deposit of the Mamba Special Voting Share from Mamba as trustee for and on behalf of the Beneficiaries in accordance with the provisions of this agreement;

(ii) granting proxies and distributing materials to Beneficiaries as provided in this agreement;

(iii) voting the Beneficiary Votes in accordance with the provisions of this agreement;

(iv) receiving the grant of the Automatic Exchange Right and the Exchange Right from Mamba as trustee for and on behalf of the Beneficiaries in accordance with the provisions of this agreement;

(v) enforcing the benefit of the Automatic Exchange Right and the Exchange Right, in each case in accordance with the provisions of this agreement, and in connection therewith receiving from Beneficiaries Exchangeable Shares and other requisite documents and distributing to such Beneficiaries Mamba Shares and cheques, if any, to which such Beneficiaries are entitled pursuant to the Automatic Exchange Right or the Exchange Right, as the case may be;

(vi) holding title to the Trust Estate;

(vii) investing any moneys forming, from time to time, a part of the Trust Estate as provided in this agreement;

(viii) taking action at the direction of a Beneficiary or Beneficiaries to enforce the obligations of Mamba and Canco under this agreement; and

(ix) taking such other actions and doing such other things as are specifically provided in this agreement to be carried out by the Trustee whether alone, jointly or in the alternative.

(b) In the exercise of such rights, powers, duties and authorities the Trustee shall have (and is granted) such incidental and additional rights, powers, duties and authority not in conflict with any of the provisions of this agreement as the Trustee, acting in good faith and in the reasonable exercise of its discretion, may deem necessary, appropriate or desirable to effect

the purpose of the Trust. Any exercise of such discretionary rights, powers, duties and authorities by the Trustee shall be final, conclusive and binding upon all persons.

(c) The Trustee in exercising its rights, powers, duties and authorities hereunder shall act honestly and in good faith and with a view to the best interests of the Beneficiaries and shall exercise the care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

(d) The Trustee shall not be bound to give notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall be specifically required to do so under the terms hereof; nor shall the Trustee be required to take any notice of, or to do, or to take any act, action or proceeding as a result of any default or breach of any provision hereunder, unless and until notified in writing of such default or breach, which notices shall distinctly specify the default or breach desired to be brought to the attention of the Trustee, and in the absence of such notice the Trustee may for all purposes of this agreement conclusively assume that no default or breach has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein.

6.2 No Conflict of Interest

The Trustee represents to Mamba and Canco that at the date of execution and delivery of this agreement there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder and the role of the Trustee in any other capacity. The Trustee shall, within 90 days after it becomes aware that such material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Article 9. If, notwithstanding the foregoing provisions of this Section 6.2, the Trustee has such a material conflict of interest, the validity and enforceability of this agreement shall not be affected in any manner whatsoever by reason only of the existence of such material conflict of interest. If the Trustee contravenes the foregoing provisions of this Section 6.2, any interested party may apply to the Superior Court of Justice (Ontario) for an order that the Trustee be replaced as trustee hereunder.

6.3 Dealings with Transfer Agent, Registrars, etc.

(a) Each of Mamba and Canco irrevocably authorizes the Trustee, from time to time, to:

(i) consult, communicate and otherwise deal with the respective registrars and transfer agents, and with any such subsequent registrar or transfer agent, of the Exchangeable Shares and Mamba Shares; and

(ii) requisition, from time to time, (i) from any such registrar or transfer agent any information readily available from the records maintained by it which the Trustee may reasonably require for the discharge of its duties and responsibilities under this agreement and (ii) from the transfer agent of Mamba Shares, and any subsequent transfer agent of such shares, the share certificates issuable upon the exercise from time to time of the Automatic Exchange Right and pursuant to the Exchange Right.

(b) Mamba and Canco shall irrevocably authorize their respective registrars and transfer agents to comply with all such requests. Mamba covenants that it shall supply its transfer agent with duly executed share certificates for the purpose of completing the exercise from time to time of the Automatic Exchange Right and the Exchange Right, in each case pursuant to Article 5.

6.4 Books and Records

The Trustee shall keep available for inspection by Mamba and Canco at the Trustee's principal office in Toronto correct and complete books and records of account relating to the Trust created by this agreement, including all relevant data relating to mailings and instructions to and from Beneficiaries and all transactions pursuant to the Automatic Exchange Right and the Exchange Right. On or before the tenth day following the closing date of the arrangement effected pursuant to the Plan of Arrangement, and on or before January 15 in every year

thereafter, so long as the Mamba Special Voting Share is registered in the name of the Trustee, the Trustee shall transmit to Mamba and Canco a brief report, dated as of the preceding December 31, with respect to:

(a) the property and funds comprising the Trust Estate as of that date;

(b) the number of exercises of the Automatic Exchange Right, if any, and the aggregate number of Exchangeable Shares received by the Trustee on behalf of Beneficiaries in consideration of the issuance by Mamba of Mamba Shares in connection with the Automatic Exchange Right, during the calendar year ended on such December 31; and

(c) any action taken by the Trustee in the performance of its duties under this agreement which it had not previously reported.

6.5 Income Tax Returns and Reports

The Trustee shall, to the extent necessary, prepare and file, or cause to be prepared and filed, on behalf of the Trust appropriate Canadian income tax returns and any other returns or reports as may be required by applicable law or pursuant to the rules and regulations of any other Agency, including any securities exchange or other trading system through which the Exchangeable Shares are traded. In connection therewith, the Trustee may obtain the advice and assistance of such experts or advisors as the Trustee considers necessary or advisable (who may be experts or advisors to Mamba or Canco). If requested by the Trustee, Mamba or Canco shall retain qualified experts or advisors for the purpose of providing such tax advice or assistance.

6.6 Indemnification Prior to Certain Actions by Trustee

(a) The Trustee shall exercise any or all of the rights, duties, powers or authorities vested in it by this agreement at the request, order or direction of any Beneficiary upon such Beneficiary furnishing to the Trustee reasonable funding, security or indemnity against the costs, expenses and liabilities which may be incurred by the Trustee therein or thereby, provided that no Beneficiary shall be obligated to furnish to the Trustee any such funding, security or indemnity in connection with the exercise by the Trustee of any of its rights, duties, powers and authorities with respect to the Mamba Special Voting Share pursuant to Article 4, subject to Section 6.15, and with respect to the Automatic Exchange Right and the Exchange Right pursuant to Article 5.

(b) None of the provisions contained in this agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the exercise of any of its rights, powers, duties, or authorities unless funded, given security and indemnified as aforesaid.

6.7 Action of Beneficiaries

No Beneficiary shall have the right to institute any action, suit or proceeding or to exercise any other remedy authorized by this agreement for the purpose of enforcing any of its rights or for the execution of any trust or power hereunder unless the Beneficiary has requested the Trustee to take or institute such action, suit or proceeding and furnished the Trustee with any applicable funding, security or indemnity referred to in Section 6.6 and the Trustee shall have failed to act within a reasonable time thereafter. In such case, but not otherwise, the Beneficiary shall be entitled to take proceedings in any court of competent jurisdiction such as the Trustee might have taken; it being understood and intended that no one or more Beneficiaries shall have any right in any manner whatsoever to affect, disturb or prejudice the rights hereby created by any such action or to prejudice the rights of any other Beneficiaries hereunder.

6.8 Reliance Upon Declarations

The Trustee shall not be considered to be in contravention of any of its rights, powers, duties and authorities hereunder if, when required, it acts and relies in good faith upon statutory declarations, certificates, opinions or reports furnished pursuant to the provisions hereof or required by the Trustee to be furnished to it in the exercise of its rights, powers, duties and authorities hereunder if such statutory declarations, certificates, opinions or

reports comply with the provisions of Section 6.9, if applicable, and with any other applicable provisions of this agreement.

6.9 Evidence and Authority to Trustee

(a) Mamba and/or Canco shall furnish to the Trustee evidence of compliance with the conditions provided for in this agreement relating to any action or step required or permitted to be taken by Mamba and/or Canco or the Trustee under this agreement or as a result of any obligation imposed under this agreement, including in respect of the Voting Rights or the Automatic Exchange Right or the Exchange Right and the taking of any other action to be taken by the Trustee at the request of or on the application of Mamba and/or Canco promptly if and when:

(i) such evidence is required by any other section of this agreement to be furnished to the Trustee in accordance with the terms of this Section 6.9; or

(ii) the Trustee, in the exercise of its rights, powers, duties and authorities under this agreement, gives Mamba and/or Canco written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

(b) Such evidence shall consist of an Officer's Certificate of Mamba and/or Canco or a statutory declaration or a certificate made by persons entitled to sign an Officer's Certificate stating that any such condition has been complied with in accordance with the terms of this agreement.

(c) Whenever such evidence relates to a matter other than the Voting Rights or the Automatic Exchange Right or the Exchange Right or the taking of any other action to be taken by the Trustee at the request or on the application of Mamba and/or Canco, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, attorney, auditor, accountant, appraiser, valuer or other expert or any other person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a director, officer or employee of Mamba and/or Canco it shall be in the form of an Officer's Certificate or a statutory declaration.

(d) Each statutory declaration, Officer's Certificate, opinion or report furnished to the Trustee as evidence of compliance with a condition provided for in this agreement shall include a statement by the person giving the evidence:

(i) declaring that he has read and understands the provisions of this agreement relating to the condition in question;

(ii) describing the nature and scope of the examination or investigation upon which he based the statutory declaration, certificate, statement or opinion; and

(iii) declaring that he has made such examination or investigation as he believes is necessary to enable him to make the statements or give the opinions contained or expressed therein.

6.10 Experts Advisers and Agents

The Trustee may:

(a) in relation to these presents act and rely on the opinion or advice of or information obtained from any solicitor, attorney, auditor, accountant, appraiser, valuer or other expert, whether retained by the Trustee or by Mamba and/ or Canco or otherwise, and may retain or employ such assistants as may be necessary to the proper discharge of its powers and duties and determination of its rights hereunder and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid;

(b) employ such agents and other assistants as it may reasonably require for the proper determination and discharge of its powers and duties hereunder; and

(c) pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all reasonable disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the Trust.

6.11 Investment of Moneys Held by Trustee

Unless otherwise provided in this agreement, any moneys held by or on behalf of the Trustee which under the terms of this agreement may or ought to be invested or which may be on deposit with the Trustee or which may be in the hands of the Trustee shall, upon the receipt by the Trustee of the written direction of Canco, be invested or reinvested in the name or under the control of the Trustee in securities in which, under the laws of the Province of Ontario, trustees are authorized to invest trust moneys, provided that such securities are stated to mature within two years after their purchase by the Trustee, or in Authorized Investments. Any direction of Canco to the Trustee as to investment or reinvestment of funds shall be in writing and shall be provided to the Trustee no later than 9:00 a.m. (local time) or if received on a non-business day, shall be deemed to have been given prior to 9:00 a.m. (local time) on the immediately following business day. If no such direction is received, the Trustee shall not have any obligation to invest the monies and pending receipt of such a direction all interest or other income and such moneys may be deposited in the name of the Trustee in any chartered bank in Canada or, with the consent of Canco, in the deposit department of the Trustee or any other specified loan or trust company authorized to accept deposits under the laws of Canada or any province thereof at the rate of interest then current on similar deposits. The Trustee shall not be held liable for any losses incurred in the investment of any funds as herein provided.

6.12 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts, rights, duties, powers and authorities of this agreement or otherwise in respect of the premises.

6.13 Trustee Not Bound to Act on Request

Except as in this agreement otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of Mamba and/or Canco or of the directors thereof until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

6.14 Authority to Carry on Business

The Trustee represents to Mamba and Canco that at the date of execution and delivery by it of this agreement it is authorized to carry on the business of a trust company in each of the provinces of Canada but if, notwithstanding the provisions of this Section 6.14, it ceases to be so authorized to carry on business, the validity and enforceability of this agreement and the Voting Rights, the Automatic Exchange Right and the Exchange Right shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in any province of Canada, either become so authorized or resign in the manner and with the effect specified in Article 9.

6.15 Conflicting Claims

(a) If conflicting claims or demands are made or asserted with respect to any interest of any Beneficiary in any Exchangeable Shares, including any disagreement between the heirs, representatives, successors or assigns succeeding to all or any part of the interest of any Beneficiary in any Exchangeable Shares, resulting in conflicting claims or demands being made in connection with such interest, then the Trustee shall be entitled, in its sole discretion, to refuse to recognize or to comply with any such claims or demands. In so refusing, the Trustee may elect not to exercise any Voting Rights, Automatic Exchange Right or Exchange Right

subject to such conflicting claims or demands and, in so doing, the Trustee shall not be or become liable to any person on account of such election or its failure or refusal to comply with any such conflicting claims or demands. The Trustee shall be entitled to continue to refrain from acting and to refuse to act until:

(i) the rights of all adverse claimants with respect to the Voting Rights, Automatic Exchange Right or Exchange Right subject to such conflicting claims or demands have been adjudicated by a final judgment of a court of competent jurisdiction; or

(ii) all differences with respect to the Voting Rights, Automatic Exchange Right or Exchange Right subject to such conflicting claims or demands have been conclusively settled by a valid written agreement binding on all such adverse claimants, and the Trustee shall have been furnished with an executed copy of such agreement certified to be in full force and effect.

(b) If the Trustee elects to recognize any claim or comply with any demand made by any such adverse claimant, it may in its discretion require such claimant to furnish such surety bond or other security satisfactory to the Trustee as it shall deem appropriate to fully indemnify it as between all conflicting claims or demands.

6.16 Acceptance of Trust

The Trustee hereby accepts the Trust created and provided for, by and in this agreement and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Beneficiaries, subject to all the terms and conditions herein set forth.

6.17 Third Party Interests

Each party to this agreement hereby represents to the Trustee that any account to be opened by, or interest to be held by the Trustee in connection with this agreement, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Trustee's prescribed form as to the particulars of such third party.

6.18 Privacy

The parties acknowledge that Canadian federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this agreement. Despite any other provision of this agreement, no party shall take or direct any action that would contravene, or cause the others to contravene, applicable Privacy Laws. The parties shall, prior to transferring or causing to be transferred personal information to the Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. Specifically, the Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this agreement and not to use it for any purpose except with the consent of or direction from the other parties or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

ARTICLE 7 – COMPENSATION

7.1 Fees and Expenses of the Trustee

Canco agrees to pay the Trustee reasonable compensation for all of the services rendered by it under this agreement and shall reimburse the Trustee for all reasonable expenses (including, but not limited to, taxes other

than taxes based on the net income or capital of the Trustee, fees paid to legal counsel and other experts and advisors and travel expenses) and disbursements, including the cost and expense of any suit or litigation of any character and any proceedings before any governmental Agency, reasonably incurred by the Trustee in connection with its duties under this agreement; provided that Canco shall have no obligation to reimburse the Trustee for any expenses or disbursements paid, incurred or suffered by the Trustee in any suit or litigation or any such proceedings in which the Trustee is determined to have acted in bad faith or with fraud, gross negligence or wilful misconduct.

ARTICLE 8 – INDEMNIFICATION AND LIMITATION OF LIABILITY

8.1 Indemnification of the Trustee

(a) Mamba and Canco jointly and severally agree to indemnify and hold harmless the Trustee and each of its directors, officers, employees and agents appointed and acting in accordance with this agreement (collectively, the "**Indemnified Parties**") against all claims, losses, damages, reasonable costs, penalties, fines and reasonable expenses (including reasonable expenses of the Trustee's legal counsel) which, without fraud, gross negligence, wilful misconduct or bad faith on the part of such Indemnified Party, may be paid, incurred or suffered by the Indemnified Party by reason or as a result of the Trustee's acceptance or administration of the Trust, its compliance with its duties set forth in this agreement, or any written or oral instruction delivered to the Trustee by Mamba or Canco pursuant hereto.

(b) In no case shall Mamba or Canco be liable under this indemnity for any claim against any of the Indemnified Parties unless Mamba and Canco shall be notified by the Trustee of the written assertion of a claim or of any action commenced against the Indemnified Parties, promptly after any of the Indemnified Parties shall have received any such written assertion of a claim or shall have been served with a summons or other first legal process giving information as to the nature and basis of the claim. Subject to (ii) below, Mamba and Canco shall be entitled to participate at their own expense in the defence and, if Mamba and Canco so elect at any time after receipt of such notice, either of them may assume the defence of any suit brought to enforce any such claim. The Trustee shall have the right to employ separate counsel in any such suit and participate in the defence thereof, but the fees and expenses of such counsel shall be at the expense of the Trustee unless: (i) the employment of such counsel has been authorized by Mamba or Canco; or (ii) the named parties to any such suit include both the Trustee and Mamba or Canco and the Trustee shall have been advised by counsel acceptable to Mamba or Canco that there may be one or more legal defences available to the Trustee that are different from or in addition to those available to Mamba or Canco and that, in the judgment of such counsel, would present a conflict of interest were a joint representation to be undertaken (in which case Mamba and Canco shall not have the right to assume the defence of such suit on behalf of the Trustee but shall be liable to pay the reasonable fees and expenses of counsel for the Trustee). This indemnity shall survive the termination of the Trust and the resignation or removal of the Trustee.

8.2 Limitation of Liability

The Trustee shall not be held liable for any loss which may occur by reason of depreciation of the value of any part of the Trust Estate or any loss incurred on any investment of funds pursuant to this agreement, except to the extent that such loss is attributable to the fraud, gross negligence, wilful misconduct or bad faith on the part of the Trustee.

ARTICLE 9 – CHANGE OF TRUSTEE

9.1 Resignation

The Trustee, or any trustee hereafter appointed, may at any time resign by giving written notice of such resignation to Mamba and Canco specifying the date on which it desires to resign, provided that such notice shall not be given less than thirty (30) days before such desired resignation date unless Mamba and Canco otherwise agree and provided further that such resignation shall not take effect until the date of the appointment

of a successor trustee and the acceptance of such appointment by the successor trustee. Upon receiving such notice of resignation, Mamba and Canco shall promptly appoint a successor trustee, which shall be a corporation organized and existing under the laws of Canada and authorized to carry on the business of a trust company in all provinces of Canada, by written instrument in duplicate, one copy of which shall be delivered to the resigning trustee and one copy to the successor trustee. Failing the appointment and acceptance of a successor trustee, a successor trustee may be appointed by order of a court of competent jurisdiction upon application of one or more of the parties to this agreement. If the retiring trustee is the party initiating an application for the appointment of a successor trustee by order of a court of competent jurisdiction, Mamba and Canco shall be jointly and severally liable to reimburse the retiring trustee for its legal costs and expenses in connection with same.

9.2 Removal

The Trustee, or any trustee hereafter appointed, may (provided a successor trustee is appointed) be removed at any time on not less than 30 days' prior notice by written instrument executed by Mamba and Canco, in duplicate, one copy of which shall be delivered to the trustee so removed and one copy to the successor trustee.

9.3 Successor Trustee

Any successor trustee appointed as provided under this agreement shall execute, acknowledge and deliver to Mamba and Canco and to its predecessor trustee an instrument accepting such appointment. Thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor under this agreement, with the like effect as if originally named as trustee in this agreement. However, on the written request of Mamba and Canco or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due to it pursuant to the provisions of this agreement, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon the request of any such successor trustee, Mamba, Canco and such predecessor trustee shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers.

9.4 Notice of Successor Trustee

Upon acceptance of appointment by a successor trustee as provided herein, Mamba and Canco shall cause to be mailed notice of the succession of such trustee hereunder to each Beneficiary specified in a List. If Mamba or Canco shall fail to cause such notice to be mailed within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of Mamba and Canco.

ARTICLE 10 – MAMBA SUCCESSORS

10.1 Certain Requirements in Respect of Combination, etc.

So long as any Exchangeable Shares not owned by Mamba or its affiliates are outstanding, Mamba shall not consummate any transaction (whether by way of reconstruction, reorganization, consolidation, arrangement, amalgamation, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other person or, in the case of a merger, of the continuing corporation resulting therefrom, provided that it may do so if:

(a) such other person or continuing corporation (the "**Mamba Successor**"), by operation of law, becomes, without more, bound by the terms and provisions of this agreement or, if not so bound, executes, prior to or contemporaneously with the consummation of such transaction, a trust agreement supplemental hereto and such other instruments (if any) as are necessary or advisable to evidence the assumption by the Mamba Successor of liability for all moneys payable and property deliverable hereunder and the covenant of such Mamba Successor to pay and deliver or cause to be delivered the same and its agreement to observe and perform all the covenants and obligations of Mamba under this agreement; and

(b) such transaction shall be upon such terms and conditions as substantially to preserve and not to impair in any material respect any of the rights, duties, powers and authorities of the Trustee or of the Beneficiaries hereunder.

10.2 Vesting of Powers in Successor

Whenever the conditions of Section 10.1 have been duly observed and performed, the Trustee, Mamba Successor and Canco shall, if required by Section 10.1, execute and deliver the supplemental trust agreement provided for in Article 11 and thereupon Mamba Successor and such other person that may then be the issuer of the Mamba Shares shall possess and from time to time may exercise each and every right and power of Mamba under this agreement in the name of Mamba or otherwise and any act or proceeding by any provision of this agreement required to be done or performed by the board of directors of Mamba or any officers of Mamba may be done and performed with like force and effect by the directors or officers of such Mamba Successor.

10.3 Wholly-Owned Subsidiaries

Nothing herein shall be construed as preventing (i) the amalgamation or merger of any wholly-owned direct or indirect Subsidiary of Mamba with or into Mamba, (ii) the winding-up, liquidation or dissolution of any wholly-owned direct or indirect Subsidiary of Mamba (other than Canco), provided that all of the assets of such Subsidiary are transferred to Mamba or another wholly-owned direct or indirect Subsidiary of Mamba, or (iii) any other distribution of the assets of any wholly-owned direct or indirect Subsidiary of Mamba (other than Canco) among the shareholders of such Subsidiary for the purpose of winding up its affairs, and any such transactions are expressly permitted by this Article 10.

10.4 Successor Transactions

Notwithstanding the foregoing provisions of this Article 10, in the event of a Mamba Control Transaction:

(a) in which Mamba merges or amalgamates with, or in which all or substantially all of the then outstanding Mamba Shares are acquired by, one or more other corporations to which Mamba is, immediately before such merger, amalgamation or acquisition, "related" within the meaning of the *Income Tax Act* (Canada) (otherwise than by virtue of a right referred to in paragraph 251(5)(b) thereof);

(b) which does not result in an acceleration of the Redemption Date in accordance with paragraph (b) of that definition; and

(c) in which all or substantially all of the then outstanding Mamba Shares are converted into or exchanged for shares or rights to receive such shares (the "**Other Shares**") of another corporation (the "**Other Corporation**") that, immediately after such Mamba Control Transaction, owns or controls, directly or indirectly, Mamba,

then, (i) all references herein to "Mamba" shall thereafter be and be deemed to be references to "Other Corporation" and all references herein to "Mamba Shares" shall thereafter be and be deemed to be references to "Other Shares" (with appropriate adjustments, if any, as are required to result in a holder of Exchangeable Shares on the exchange, redemption or retraction of such shares pursuant to the Share Provisions or Article 5 of the Plan of Arrangement or exchange of such shares pursuant to this agreement immediately subsequent to the Mamba Control Transaction being entitled to receive that number of Other Shares equal to the number of Other Shares such holder of Exchangeable Shares would have received if the exchange, redemption or retraction of such shares pursuant to the Share Provisions or Article 5 of the Plan of Arrangement, or exchange of such shares pursuant to this agreement had occurred immediately prior to the Mamba Control Transaction and the Mamba Control Transaction was completed) without any need to amend the terms and conditions of this agreement and without any further action required; and (ii) Mamba shall cause the Other Corporation to deposit one or more voting securities of such Other Corporation to allow Beneficiaries to exercise voting rights in respect of the Other Corporation substantially similar to those provided for in this agreement.

ARTICLE 11 – AMENDMENTS AND SUPPLEMENTAL TRUST AGREEMENTS

11.1 Amendments, Modifications, etc.

Subject to Section 11.2, Section 11.4 and Section 13.1, this agreement may not be amended or modified except by an agreement in writing executed by Mamba, Canco and the Trustee and approved by the Beneficiaries in accordance with Section 10(2) of the Share Provisions.

11.2 Ministerial Amendments

Notwithstanding the provisions of Section 11.1, the parties to this agreement may in writing, at any time and from time to time, without the approval of the Beneficiaries, amend or modify this agreement for the purposes of:

(a) adding to the covenants of any or all parties hereto for the protection of the Beneficiaries hereunder provided that the board of directors of each of Canco and Mamba shall be of the good faith opinion and the Trustee, acting on the advice of counsel, shall be of the opinion that such additions will not be prejudicial to the rights or interests of the Beneficiaries;

(b) making such amendments or modifications not inconsistent with this agreement as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the board of directors of each of Mamba and Canco and in the opinion of the Trustee, having in mind the best interests of the Beneficiaries, it may be expedient to make, provided that such boards of directors and the Trustee, acting on the advice of counsel, shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Beneficiaries; or

(c) making such changes or corrections which, on the advice of counsel to Mamba, Canco and the Trustee, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

11.3 Meeting to Consider Amendments

Canco, at the request of Mamba, shall call a meeting or meetings of the Beneficiaries for the purpose of considering any proposed amendment or modification requiring approval pursuant hereto. Any such meeting or meetings shall be called and held in accordance with the by-laws of Canco, the Share Provisions and all applicable laws.

11.4 Changes in Capital of Mamba and Canco

At all times after the occurrence of any event contemplated pursuant to Section 2.7 or 2.8 of the Support Agreement or otherwise, as a result of which either Mamba Shares or the Exchangeable Shares or both are in any way changed, this agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which Mamba Shares or the Exchangeable Shares or both are so changed and the parties hereto shall execute and deliver a supplemental trust agreement giving effect to and evidencing such necessary amendments and modifications.

11.5 Execution of Supplemental Trust Agreements

From time to time Canco (when authorized by a resolution of its Board of Directors), Mamba (when authorized by a resolution of its board of directors) and the Trustee may, subject to the provisions of these presents, and they shall, when so directed by these presents, execute and deliver by their proper officers, trust agreements or other instruments supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

(a) evidencing the succession of Mamba Successors and the covenants of and obligations assumed by each such Mamba Successor in accordance with the provisions of Article 10 and the successors of the Trustee or any successor trustee in accordance with the provisions of Article 9;

(b) making any additions to, deletions from or alterations of the provisions of this agreement or the Voting Rights, the Automatic Exchange Right or the Exchange Right which, in the opinion of the Trustee relying on the advice of counsel, will not be prejudicial to the interests of the Beneficiaries or are, in the opinion of counsel to the Trustee, necessary or advisable in order to incorporate, reflect or comply with any legislation the provisions of which apply to Mamba, Canco, the Trustee or this agreement; and

(c) for any other purposes not inconsistent with the provisions of this agreement, including to make or evidence any amendment or modification to this agreement as contemplated hereby; provided that, in the opinion of the Trustee relying on the advice of counsel, the rights of the Trustee and Beneficiaries will not be prejudiced thereby.

ARTICLE 12 – TERMINATION

12.1 Term

The Trust created by this agreement shall continue until the earliest to occur of the following events:

(a) no outstanding Exchangeable Shares are held by a Beneficiary; and

(b) each of Mamba and Canco elects in writing to terminate the Trust and such termination is approved by the Beneficiaries in accordance with Section 10(2) of the Share Provisions.

12.2 Survival of Agreement

This agreement shall survive any termination of the Trust and shall continue until there are no Exchangeable Shares outstanding held by a Beneficiary; provided, however, that the provisions of Article 7 and Article 8 shall survive any such termination of this agreement.

ARTICLE 13 – GENERAL

13.1 Severability

If any term or other provision of this agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

13.2 Enurement

This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns and, subject to the terms hereof, to the benefit of the Beneficiaries.

13.3 Notices to Parties

Any notice and other communications required or permitted to be given pursuant to this agreement shall be sufficiently given if delivered in person or if sent by facsimile transmission (provided such transmission is recorded as being transmitted successfully) to the parties at the following addresses:

(a) in the case of Mamba or Canco to the following address:

Mamba Minerals Limited

Attn: Mr. Michael O'Keeffe
91 Evans Street
Rozelle NSW 2039

Tel: +61 2 9810 7816
Fax: +61 2 8065 5017

with a copy to (which shall not constitute notice):

Ashurst Australia

Attn: Mr. Gary Lawler
Level 36, Grosvenor Place, 225 George Street
Sydney NSW 2000
GPO Box 9938, Sydney NSW 2001

Tel: +61 2 9258 6000
Fax: +61 2 9258 6999

(b) In the case of the Trustee to:

Equity Financial Trust Company

Attention: Manager, Corporate Trust Services
200 University Avenue
Suite 300
Toronto, Ontario
M5H 4H1

Tel: 416-361-0152
Fax: 416-361-0470

or at such other address as the party to which such notice or other communication is to be given has last notified the party given the same in the manner provided in this section, and if not given the same shall be deemed to have been received on the date of such delivery or sending.

13.4 Notice to Beneficiaries

Any and all notices to be given and any documents to be sent to any Beneficiaries may be given or sent to the address of such Beneficiary shown on the register of holders of Exchangeable Shares in any manner permitted by the by-laws of Canco from time to time in force in respect of notices to shareholders and shall be deemed to be received (if given or sent in such manner) at the time specified in such by-laws, the provisions of which by-laws shall apply mutatis mutandis to notices or documents as aforesaid sent to such Beneficiaries.

13.5 Counterparts

This agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

13.6 Jurisdiction

This agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

13.7 Attornment

Each of the Trustee, Mamba and Canco agrees that any action or proceeding arising out of or relating to this agreement may be instituted in the courts of Ontario, waives any objection which it may have now or hereafter to the venue of any such action or proceeding, irrevocably submits to the non-exclusive jurisdiction of the said courts in any such action or proceeding, agrees to be bound by any judgment of the said courts and not to seek, and hereby waives, any review of the merits of any such judgment by the courts of any other jurisdiction, and Mamba hereby appoints Canco at its registered office in the Province of Ontario as attorney for service of process.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be duly executed as of the date first above written.

MAMBA MINERALS LIMITED

Per: _____

Name:

Title:

CHAMPION EXCHANGE LIMITED

Per: _____

Name:

Title:

EQUITY FINANCIAL TRUST COMPANY

Per: _____

Name:

Title:

Per: _____

Name:

Title:

APPENDIX C
Arrangement Resolution

RESOLVED THAT:

1 The arrangement (the "**Arrangement**") under Section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**") involving Champion (the "**Corporation**"), pursuant to the arrangement agreement between the Corporation and Mamba Minerals Limited ("**Mamba**"), dated December 5, 2013 (the "**Arrangement Agreement**"), all as more particularly described and set forth in the management proxy circular of the Corporation, dated February 10, 2014 (the "**Circular**"), accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended), is approved.

2 The plan of arrangement (the "**Plan of Arrangement**") involving the Corporation and implementing the Arrangement, the full text of which is set out in Schedule B of the Arrangement Agreement (as the Plan of Arrangement may be, or may have been, modified or amended), is approved.

3 Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the securityholders of the Corporation, or that the Arrangement has been approved by the Court (as defined in the Circular), the directors of the Corporation are authorized without further notice to, or approval of, the securityholders of the Corporation (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, or (ii) not to proceed with the Arrangement.

4 Any officer or director of the Corporation is authorized to execute articles of arrangement and such other documents as are necessary or desirable and deliver same to the Director under the OBCA in accordance with the Arrangement Agreement for filing.

5 Any officer or director of the Corporation is authorized to execute and deliver all other documents and do all acts or things as may be necessary or desirable to give effect to this resolution.

APPENDIX D
Notice of Application for Final Order

CV-14-10442-00CL
Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, Ch. B.16 AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

AND IN THE MATTER OF a proposed arrangement of CHAMPION IRON MINES LIMITED involving MAMBA MINERALS LIMITED and 2401397 ONTARIO INC.

Applicant

NOTICE OF APPLICATION

TO: THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a judge presiding over the Commercial List on March 28, 2014, at 330 University Avenue, Toronto, Ontario.

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 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 days 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: February 5, 2014

Issued by

Address of Court Office: 330 University Avenue, Toronto, Ontario M5G 1R7

A. Anissimova
Registrar

TO: All shareholders of Champion Iron Mines Limited

AND TO: All optionholders of Champion Iron Mines Limited

AND TO: The Directors of Champion Iron Mines Limited

AND TO: The Auditor of Champion Iron Mines Limited

AND TO: Mamba Minerals Limited
c/o Stikeman Elliott LLP
199 Bay Street, Suite 5300
Toronto, Ontario M5L 1B9
Attention: Ellen Snow

APPLICATION

1. The Applicant, Champion Iron Mines Limited (the "**Company**"), makes an Application for:

   (a) an interim order for advice and directions with respect to:

      (i) a special meeting (the "**Meeting**") of holders of common shares and holders of options to purchase common shares (collectively, the "**Champion Securityholders**") of the Company to consider, among other things, the Arrangement (as defined below); and

      (ii) the approval of the Arrangement by the Champion Securityholders;

   (b) an order pursuant to s. 182(5) of the *Business Corporations Act*, R.S.O. 1990, c. B.16 (the "***OBCA***") approving a plan of arrangement (the "**Arrangement**") as contemplated by an arrangement agreement entered into between the Company and Mamba Minerals Limited ("**Mamba**") dated December 5, 2013, substantially in the form described in the Notice of Special Meeting and Management Information Circular (together, the "**Circular**") to be dated on or about February 11, 2014 and delivered to the Champion Securityholders and others, as specified in this Notice of Application; and

   (c) such other relief as counsel for the Applicant may request and this Honourable Court deems fit.

2. The grounds for the Application are:

   (a) the Company and 2401397 Ontario Inc. are corporations incorporated under, and governed by, the *OBCA*;

   (b) Mamba is a corporation incorporated under the laws of Australia;

   (c) the Arrangement is an "arrangement" within the meaning of s. 182(1) of the *OBCA*;

   (d) all pre-conditions to the approval of the Arrangement by the Court will have been satisfied prior to the hearing of the Application;

   (e) the Arrangement is put forward in good faith;

(f) all statutory requirements under the *OBCA* have been or will have been satisfied prior to the hearing of the Application;

(g) the Arrangement is fair and reasonable to the parties affected;

(h) if made, the final Order approving the Arrangement will constitute the basis for an exemption from the registration requirements of Section 3(a)(10) of the *Securities Act of 1933*, as amended, of the United States of America with respect to the shares to be exchanged and/or distributed in the United States of America pursuant to the Arrangement;

(i) in accordance with the Interim Order, as part of the Circular, this Notice of Application will be sent to all Champion Securityholders, as they appear on the books and records of the Applicant on the day fixed as the record date, namely January 28, 2014;

(j) section 182 of the *OBCA*;

(k) rules 1.04, 3.02, 14.05(2), 14.05(3), 37 and 38 of the *Rules of Civil Procedure*; and

(l) such further and other grounds as counsel for the Company may advise and this Honourable Court may permit.

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

(a) such Interim Order as may be granted by this Honourable Court;

(b) the Affidavit of Miles Nagamatsu to be sworn and the exhibits thereto;

(c) supplementary affidavit material reporting on the results of the Meeting and the exhibits thereto; and

(d) such further and other material as counsel for the Company may advise and this Honourable Court may permit.

February 5, 2014

NORTON ROSE FULBRIGHT CANADA LLP
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4

Robert Frank LSUC #: 35456F
Tel: 416.202.6741

Andrew McCoomb LSUC#: 61618B
Tel: 416.216.4039
Fax: 416.216.3930

Lawyers for the Applicant

IN THE MATTER OF AN APPLICATION UNDER SECTION 182, *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, Ch. B.16, as amended

AND IN THE MATTER OF a proposed arrangement of CHAMPION IRON MINES LIMITED involving MAMBA MINERALS LIMITED and 2401397 ONTARIO INC.

Applicant

Court File No:

CV-14-10442-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION

NORTON ROSE FULBRIGHT CANADA LLP
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4

Robert Frank LSUC #: 35456F
Tel: 416.202.6741

Andrew McCoomb LSUC#: 61618B
Tel: 416.216.4039
Fax: 416.216.3930

Lawyers for the Applicant

D-6

APPENDIX E
Interim Order

Court File No. CV-14-10442-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	FRIDAY, THE 7TH
	)	
JUSTICE N.J. WILTON-SIGGBR	)	DAY OF ~~JANUARY~~ FEBRUARY, 2014

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, Ch. B.16 AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

AND IN THE MATTER OF a proposed arrangement of CHAMPION IRON MINES LIMITED involving MAMBA MINERALS LIMITED and 2401397 ONTARIO INC.

Applicant

INTERIM ORDER

THIS MOTION made by the Applicant, Champion Iron Mines Limited (the "**Company**"), for an interim order for advice and directions pursuant to section 182(5) of the *Business Corporations Act*, 1990, c. B.16 (the "***OBCA***") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on February 5, 2014 and the Affidavit of Miles Nagamatsu sworn February 5, 2014 (the "**Nagamatsu Affidavit**"), including the Plan of Arrangement, which forms part of Appendix "B" to the draft Management Proxy Circular of the Company (the "**Circular**"), which is attached as Exhibit "A" to the Nagamatsu Affidavit, and on hearing the submissions of counsel for the Company, Mamba Minerals Limited ("**Mamba**") and 2401397 Ontario Inc. ("**Canco**"),

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the

meaning ascribed thereto in the Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that the Company is permitted to call, hold and conduct a special meeting (the "**Meeting**") of holders of common shares (the "**Champion Common Shares**") in the capital of the Company (the "**Champion Shareholders**") and holders of options to purchase Champion Common Shares (the "**Champion Options**") in the capital of the Company (the "**Champion Optionholders**") (collectively, the "**Champion Securityholders**") to be held at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario on March 27, 2014 at 10:00 a.m. (Toronto time) in order for the Champion Securityholders to consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "**Arrangement Resolution**").

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the *OBCA*, the notice of meeting of Champion Securityholders, which accompanies the Circular (the "**Notice of Meeting**") and the articles and by-laws of the Company, subject to what may be provided hereafter and subject to further order of this Court, provided that to the extent there is any inconsistency between this Interim Order and the articles and by-laws of the Company or the *OBCA*, this Interim Order shall govern.

4. **THIS COURT ORDERS** that the record date (the "**Record Date**") for determination of the Champion Securityholders entitled to notice of, and to vote at, the Meeting, as applicable, shall be the close of business on January 28, 2014.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

a) the registered Champion Securityholders or their respective proxyholders;

b) the officers, directors, auditors and advisors of the Company;

c) representatives and advisors of Mamba and Canco; and

d) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that the Company may transact such other business at the Meeting as is contemplated in the Circular, or as may otherwise be properly before the Meeting.

Chair and Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by the Company and that the quorum for the Meeting shall be at least two Champion Shareholders present in person holding in the aggregate at least 25% of the votes attached to all Champion Common Shares entitled to vote.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that the Company is authorized to make, subject to the terms of the Arrangement Agreement among the Company and Mamba, dated December 5, 2013, (the "**Arrangement Agreement**") and paragraph 9, below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Champion Securityholders, or others entitled to receive notice under paragraphs 12 and 13 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Champion Securityholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following

the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 8, above, would, if disclosed, reasonably be expected to affect a Champion Securityholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as the Company may determine.

Amendments to the Circular

10. **THIS COURT ORDERS** that the Company is authorized to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraphs 12 and 13.

Adjournments and Postponements

11. **THIS COURT ORDERS** that the Company, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Champion Securityholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as the Company may determine is appropriate in the circumstances, including by press release. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, the Company shall send the Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the forms of proxy and the letter of transmittal and election form, along with such amendments or additional documents as the Company may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "**Meeting Materials**"), to the following:

a) the registered Champion Shareholders and the Champion Optionholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

i) by pre-paid ordinary or first class mail at the addresses of the registered Champion Shareholders and the Champion Optionholders as they appear on the books and records of the Company, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of the Company;

ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

iii) by facsimile or electronic transmission, including email, to any Champion Securityholder, who is identified to the satisfaction of the Company, who requests such transmission in writing and, if required by the Company, who is prepared to pay the charges for such transmission;

b) non-registered Champion Shareholders by providing sufficient copies of the Meeting Materials either to the registrar and transfer agent for direct mailing or to intermediaries and registered nominees in a timely manner, in compliance with National Instrument 54-101 of the Canadian Securities Administrators; and

c) the respective directors and auditors of the Company by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, including email, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that, in the event that the Company elects to distribute the Meeting Materials, the Company is hereby directed to distribute the Circular (including the Notice of Application, and this Interim Order), and any other communications or documents determined by the Company to be necessary or desirable (collectively, the "**Court Materials**") to the holders of Company warrants and other security holders of the Company (as the Company deems fit) by any method permitted for notice to Champion Securityholders as set forth in paragraphs 12(a) or 12(b), above, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses (or email address) as they appear on the books and records of the Company or its registrar and transfer agent at the close of business on the Record Date.

14. **THIS COURT ORDERS** that accidental failure or omission by the Company to give notice of the meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of the Company, or the non-receipt of such

notice shall, subject to further order of this Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of the Company, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

15. **THIS COURT ORDERS** that the Company is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials as the Company may determine in accordance with the terms of the Arrangement Agreement ("**Additional Information**"), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as the Company may determine.

16. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraphs 12 and 13 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 12 and 13 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9, above.

Solicitation and Revocation of Proxies

17. **THIS COURT ORDERS** that the Company is authorized to use the proxies substantially in the form of the drafts accompanying the Circular, with such amendments and additional information as the Company may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. The Company is authorized, at its expense, to solicit

proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. The Company may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Champion Securityholders, if the Company deems it advisable to do so.

18. **THIS COURT ORDERS** that Champion Securityholders shall be entitled to revoke their proxies in accordance with section 110(4) of the *OBCA* provided that such Champion Securityholder has deposited an instrument in writing executed by him, her, or it or by his, hers or its attorney authorized in writing, at the registered office of the Company at any time up to and including the last day (other than a Saturday, Sunday or any other holiday in Toronto, Ontario) preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, or in any other manner permitted by law.

Voting

19. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting to be voted upon by the Champion Securityholders, as applicable, shall be those Champion Securityholders, as applicable, who hold any of the Champion Common Shares and/or Champion Options as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20. **THIS COURT ORDERS** that votes on the Arrangement Resolution shall be taken at the Meeting on the basis of one vote for each Champion Common Share or Champion Option held by such holder.

21. **THIS COURT ORDERS** that in order for the Plan of Arrangement to be implemented, subject to further Order of this Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by:

a) at least 66 2/3% of the votes cast at the Special Meeting by Champion Shareholders;

b) at least 66 2/3% of the votes cast at the Special Meeting by the Champion Shareholders and Champion Optionholders voting together as a single class; and

c) a majority of votes cast at the Special Meeting by all Champion Shareholders voting as a single class, excluding the votes cast in respect of Champion Common Shares held by (i) any "interested party" to the Arrangement within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Ontario Securities Commission and l'Autorité des marchés financiers (Québec) ("**MI 61-101**"), (ii) any "related party" of an interested party within the meaning of MI 61-101 (subject to exceptions set out therein), and (iii) any person that is a joint actor with any of the foregoing for the purposes of MI 61-101.

Such votes shall be sufficient to authorize the Company to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further

approval by the Champion Securityholders (subject only to final approval of the Arrangement by this Court).

22. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting the Company to be voted upon by the Champion Securityholders (other than in respect of the Arrangement Resolution), as applicable, each Champion Common Share entitles the holder of record thereof to one vote per Champion Common Share.

Dissent Rights

23. **THIS COURT ORDERS** that each registered Champion Shareholder shall be entitled to dissent ("**Dissent Rights**") in connection with the Arrangement Resolution in accordance with section 185 of the *OBCA* (except as the procedures of that section are varied by this Interim Order, the Final Order and the Plan of Arrangement) provided that notwithstanding Section 185(6) of the *OBCA*, the written objection to the Arrangement Resolution referred to in Section 185(6) of the *OBCA* must be received by the Company by 10:00 a.m. (Toronto time) on March 26, 2014, being the business day preceding the Meeting (or, if the Meeting is postponed or adjourned, the business day preceding the date of the postponed or adjourned Meeting) and has otherwise complied strictly with the dissent procedures described in the Circular.

24. **THIS COURT ORDERS** that, notwithstanding section 185(4) of the *OBCA*, Mamba, not Champion, shall be required to offer to pay fair value, as of the day prior to approval of the Arrangement Resolution, for voting common shares held by Champion Shareholders who duly exercise Dissent Rights, and to pay the amount to which such Champion Shareholders may be entitled pursuant to the terms of the Plan of Arrangement. In accordance with the Plan of Arrangement and the Circular, all references to the "corporation" in subsections 185(4) and

185(14) to 185(32), inclusive, except for the second reference to the "corporation" in subsection 185(15) of the *OBCA* shall be deemed to refer to "Mamba" in place of the "corporation", and Mamba shall have all of the rights, duties and obligations of the "corporation" under subsections 185(14) to 185(32), inclusive, of the *OBCA*.

25. **THIS COURT ORDERS** that Champion Securityholders who duly exercise such Dissent Rights set out in paragraph 23 above and who:

a) ultimately are determined to be entitled to be paid fair value for their Champion Common Shares shall be entitled to a payment in cash equal to such fair value, which fair value, notwithstanding anything to the contrary contained in Section 185 of the *OBCA*, shall be determined as of the Exchange Time and shall be deemed to have transferred those Champion Common Shares in respect of which Dissent Rights have been duly and validly exercised as of the Exchange Time at the fair value of the Champion Common Shares determined as of the Exchange Time, without any further act or formality and free and clear of all liens and claims, to Mamba; or

b) ultimately are determined not to be entitled, for any reason, to be paid fair value for their Champion Common Shares, shall be deemed to have participated in the Arrangement on the same basis as a holder of Champion Common Shares who has not exercised Dissent Rights and shall receive the consideration provided in Section 2.3(d) of the Arrangement, but in no case shall the Company, Mamba, Canco, the Depositary or any other person be required to recognize any such holder as a holder of Champion Common Shares on or after the Exchange Time and the names of each such holder shall be deleted

from the register of holders of Champion Common Shares at the Exchange Time.

26. **THIS COURT ORDERS** that in addition to any other restrictions in Section 185 of the *OBCA*, no Champion Securityholders who vote, or have or have been deemed to have instructed a proxyholder to vote, in favour of the Arrangement Resolution, shall be entitled to exercise rights of dissent.

Hearing of Application for Approval of the Arrangement

27. **THIS COURT ORDERS** that upon approval by the Champion Securityholders of the Plan of Arrangement in the manner set forth in this Interim Order, the Company may apply to this Court for final approval of the Arrangement.

28. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Circular, when sent in accordance with paragraphs 12 and 13 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 29.

29. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the lawyers for the Company, with a copy to counsel for Mamba, as soon as reasonably practicable, and, in any event, no less than 5 days before the hearing of this Application at the following addresses: Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario, Attention: Ms. Janet Howard, with a copy to counsel for Mamba and Canco at the following address: Stikeman Elliott LLP, 199 Bay Street, Suite 5300, Toronto, Ontario M5L 1B9, Attention: Ellen Snow.

30. **THIS COURT ORDERS** that, subject to further order of this Court, the only persons entitled to appear and be heard at the hearing of the within Application shall be:

i) the Company;

ii) Mamba;

iii) Canco; and

iv) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure.*

31. **THIS COURT ORDERS** that any materials to be filed by the Company in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Court.

32. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 29 shall be entitled to be given notice of the adjourned date.

33. **THIS COURT ORDERS** that the time for the service and filing of the motion materials herein is hereby abridged.

Precedence

34. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the Champion Common Shares, or the articles or by-laws of the Company, this Interim Order shall govern.

Extra-Territorial Assistance

35. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States, Australia or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

Variance

36. **THIS COURT ORDERS** that the Company shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.

A. Hoy - A.J.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

FEB 7 - 2014

NB

IN THE MATTER OF AN APPLICATION UNDER SECTION 182, *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, Ch. B.16, as amended

AND IN THE MATTER OF a proposed arrangement of CHAMPION IRON MINES LIMITED involving MAMBA MINERALS LIMITED and 2401397 ONTARIO INC.

Applicant

Court File No: CV-14-10442-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

INTERIM ORDER

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APPENDIX F
Fairness Opinion

CANACCORD GENUITY CORP.

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December 5, 2013

Special Committee of the Board of Directors Champion Iron Mines Limited
20 Adelaide Street East, Suite 301
Toronto, Ontario
Canada M5C 2T6

To the Special Committee of the Board of Directors of Champion Iron Mines Limited (the "**Special Committee**"):

Canaccord Genuity Corp. ("**Canaccord**") understands that Champion Iron Mines Limited ("**Champion**") has entered into a non-binding Letter Agreement (the "**Letter Agreement**") with Mamba Minerals Limited ("**Mamba**") regarding a possible merger or business combination, to be undertaken by way of a plan or scheme of arrangement, business combination, take-over bid or such other form of transaction which is acceptable to Champion and Mamba (the "**Transaction**"), to be effected by a share exchange in which holders of common shares of Champion ("**Champion Shares**") will be offered 11 common shares of Mamba ("**Mamba Shares**") in exchange for every 15 Champion Shares (the "**Consideration**"). Upon or prior to the closing of the Transaction, the resulting company will raise A$10 million through the issuance of 20 million common shares at a price of A$0.50 per share to third party investors, such third party investors to be senior institutional investors agreed to in advance by Champion and Mamba.

The final terms of the Transaction and, in particular, the aggregate consideration to be received by holders of Champion Shares ("**Champion Shareholders**"), will be determined through negotiations between the managements of Champion and Mamba and will be provided for in a definitive written agreement (the "**Acquisition Agreement**") containing all terms that are customary for transactions of this nature and to be approved by the boards of directors of Champion and Mamba, respectively. Canaccord will provide certain financial advisory services to Champion and its Special Committee with respect to the Transaction.

Canaccord Engagement

The Special Committee engaged Canaccord to act for Champion as a financial advisor (the "**Engagement**") by an engagement letter dated November 15, 2013 (the "**Engagement Letter**"). Under the Engagement Letter, Canaccord agreed to provide financial advice and assistance to Champion in relation to the Transaction and to prepare and deliver this opinion as to the fairness of the Consideration, from a financial point of view, to the Champion Shareholders (the "**Fairness Opinion**").

Under the Engagement Letter, Champion has agreed to pay Canaccord a cash fee for rendering this Fairness Opinion, no portion of which is conditional upon this Fairness Opinion being favourable, or that is contingent upon the consummation of the Transaction. Champion has also agreed to reimburse Canaccord for all

reasonable out-of-pocket expenses and to indemnify Canaccord in relation to certain claims or liabilities that may arise in connection with the services performed under the Engagement Letter.

This Fairness Opinion has been prepared in accordance with the disclosure standards for fairness opinions of the Investment Industry Regulatory Organization of Canada ("**IIROC**"), but IIROC has not been involved in the preparation or review of this Fairness Opinion.

Champion has acknowledged that this Fairness Opinion and all oral or written advice and materials provided by Canaccord to Champion (including, without limitation, the directors, management and legal counsel of Champion) in connection with the Engagement are intended solely for the benefit and internal use of the Special Committee (including, without limitation, the directors, management and legal counsel of Champion), subject to certain exceptions provided in the Engagement Letter.

Canaccord consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof, which summary shall be in a form acceptable to Canaccord, in an information circular to be mailed to the Champion Shareholders in connection with the Transaction, and to the filing thereof by Champion with the applicable Canadian securities regulatory authorities.

Canaccord Credentials

Canaccord is Canada's largest independently-owned investment banking firm with operations in two principal segments of the securities industry: wealth management and capital markets. Canaccord employs approximately 2,000 people with offices in 11 countries worldwide including Canada, the U.S., the U.K., France, Germany, Ireland, Hong Kong, China, Singapore, Australia and Barbados. Canaccord has approximately C$27.5 billion in assets under administration globally and is publicly traded with a market capitalization of approximately C$600 million. Canaccord provides a wide range of services, including corporate finance, mergers and acquisitions, financial advisory services, institutional and retail equity sales and trading and investment research. Canaccord and its principals have extensive knowledge of Canadian, U.S. and U.K. equity capital markets, have prepared numerous valuations and fairness opinions, and have led numerous transactions involving private and publicly traded companies.

This Fairness Opinion is the opinion of Canaccord and the form and content hereof has been approved for release by a committee of its officers and directors, who are experienced in the preparation of fairness opinions and in merger, acquisition, divestiture and valuation matters.

Canaccord Independence

Canaccord is not an insider, associate or affiliate (as such terms are defined in the Securities Act (Ontario)) of Champion, Mamba, or their respective associates or affiliates (collectively, the "**Interested Parties**"), and is not an advisor to any person or entity other than Champion and, the Special Committee.

Prior to the Engagement, Canaccord acted as lead underwriter in Champion's C$30 million bought deal private placement, which closed in February 2011. Over the last 24 months, Canaccord has not acted for Champion or Mamba as a financial advisor or as an agent or underwriter or in any other capacity.

Canaccord acts as a trader and dealer, both as principal and agent, in all Canadian and U.S. financial markets and, in such capacity, may have had, or in the future may have, positions in the securities of the Interested Parties and, from time to time, may have executed, or in the future may execute, transactions on behalf of the Interested Parties or other clients for which it received or may receive compensation. In addition, as an investment dealer, Canaccord conducts research on securities and may, in the ordinary course of business, be expected to provide research reports and investment advice to its clients on issues and investment matters, including research and advice on one or more of the Interested Parties or the Transaction.

Other than pursuant to the Engagement, Canaccord does not have any agreements, commitments or understandings in respect of any future business involving any of the Interested Parties. However, Canaccord may, from time to time in the future, seek or be provided with assignments from one or more of the Interested Parties.

Scope of Review

Canaccord has not been asked to, nor does Canaccord offer any opinion as to the terms of the Transaction (other than in respect of the fairness, from a financial point of view, of the Consideration to be received by Champion Shareholders) or the form of any agreement or documents related to the Transaction.

In preparing this Fairness Opinion, among other things, Canaccord reviewed and, where considered appropriate, in the exercise of its professional judgment, relied upon, without independently attempting to verify, among other things, the following:

- the Letter Agreement dated November 15, 2013;
- financial terms of certain other transactions considered by Canaccord to be relevant;
- certain correspondence with relevant Canadian tax authorities and other tax information;
- certain publicly available financial and other information concerning Champion and Mamba that Canaccord considered to be relevant for purposes of its analysis;
- certain press releases from Champion and Mamba that Canaccord considered to be relevant for purposes of its analysis;
- historical market prices and valuation multiples for the Champion Shares and Mamba Shares, and comparisons of such prices and multiples with publicly available financial data concerning certain publicly traded companies that Canaccord considered to be relevant for purposes of its analysis;
- certain published investment dealer research and the respective target prices on Champion;
- public information with respect to other transactions of a comparable nature that Canaccord considered to be relevant for purposes of its analysis; and
- certain other documents filed by Champion on the System for Electronic Document Analysis and Retrieval that Canaccord considered to be relevant for purposes of its analysis.

Canaccord has not, to the best of its knowledge, been denied access by Champion or any of its respective associates or affiliates to any information requested by Canaccord. Canaccord did not meet with the auditors of Champion and has assumed the accuracy and fair presentation of the audited and unaudited financial statements of Champion. With respect to Mamba, Canaccord has assumed the accuracy of any publicly available information related to Mamba that it has reviewed.

Assumptions and Limitations

With the approval of Champion and as provided for under the Engagement Letter, Canaccord has relied upon, and has assumed the completeness, accuracy and fair presentation of all financial information, business plans, forecasts, projections, estimates and budgets and other information, data, advice, opinions and representations obtained by it from public sources or provided to Canaccord by Champion, or their respective officers, associates, affiliates, consultants, advisors and representatives pursuant to the Engagement relating to Champion (the "**Information**"). This Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. In accordance with the terms of the Engagement, but subject to the exercise of its professional judgment, and except as expressly described herein, Canaccord has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior management of Champion has represented to Canaccord in a certificate provided in such capacity that, among other things: (i) the Information provided by Champion or any of its subsidiaries or affiliates (as such terms are defined in the Securities Act (Ontario)) or their respective directors, officers, consultants, advisors, representatives or agents, either orally or in writing, to Canaccord for purposes of preparing this Fairness Opinion was, at the date the Information was provided to Canaccord, complete, true and correct in all material

respects, and did not and does not contain any untrue statement of a material fact in respect of Champion, its subsidiaries, affiliates or the Transaction and did not and does not omit to state a material fact in respect of Champion, its subsidiaries, affiliates or the Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; (ii) since the dates on which the Information was provided to Canaccord, except as disclosed in writing to Canaccord, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Champion or any of its subsidiaries or affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on this Fairness Opinion; (iii) there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to Champion or any of its subsidiaries or affiliates or any of their respective material assets or liabilities which have been prepared as of a date within the two years preceding the date hereof and which have not been provided in writing to Canaccord; (iv) since the dates on which the Information was provided to Canaccord, no material transaction has been entered into by Champion or any of its subsidiaries or affiliates, or proposed to be entered into, other than the entering into of the Acquisition Agreement; (v) they have no knowledge of any facts not contained in or referred to in the Information provided to Canaccord by Champion which would reasonably be expected to affect this Fairness Opinion, including the assumptions used or the scope of the review undertaken; (vi) other than as disclosed in the Information, to the best of their knowledge, information and belief after reasonable inquiry, Champion does not have any material contingent liabilities and there are no actions, sits, proceedings or inquiries pending or threatened against or affecting Champion or any of its subsidiaries or affiliates at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, bureau, board, agency or instrumentality which may in any way materially adversely affect Champion and its subsidiaries taken as a whole; (vii) all financial material, documentation and other data concerning the Transaction, Champion and its subsidiaries or affiliates, including any projections or forecasts, provided to Canaccord were prepared on a basis consistent in all material respects with the accounting policies applied in the audited consolidated financial statements of Champion dated as at December 31, 2012, reflect the assumptions disclosed therein (which assumptions management of Champion believes to be reasonable) and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such financial material, documentation or data not misleading in light of the circumstances in which such financial material, documentation or data was provided to Canaccord; (viii) to their knowledge, after having made due inquiry, no verbal or written offers for all or a material part of the properties and assets owned by, or the securities of, Champion or any of its subsidiaries or affiliates have been received and no negotiations have occurred relating to any such offer within the 24 months preceding the date of the Engagement Letter which have not been disclosed in writing to Canaccord; and (ix) there are no agreements, undertakings, commitments or understandings (written or oral, formal or informal) relating to the Transaction, except as have been disclosed in writing to Canaccord.

Canaccord has assumed that the material terms of the Transaction, when set out in the definitive Acquisition Agreement, will be consistent in all material respects with the terms set out in the Letter Agreement dated November 15, 2013. Canaccord has also assumed that all conditions precedent to the completion of the Transaction can be satisfied or waived by the parties thereto in the time required and that all consents, permissions, exemptions or orders of third parties and relevant authorities will be obtained, without adverse condition or qualification, and that the Transaction can proceed as scheduled and without material additional cost to Champion or liability of Champion to third parties, that the procedures being followed to implement the Transaction are valid and effective and all required documents under applicable securities laws will be distributed to the Champion Shareholders in accordance with all applicable securities laws, and that the disclosure in such documents will be accurate and will comply in all material respects with the requirements of all applicable securities laws.

This Fairness Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of Champion as they were reflected in the information and documents, including, without limitation, the Information, reviewed by Canaccord and as it was represented to Canaccord in its discussions with representatives of Champion. In its analysis and in connection with the preparation of this Fairness Opinion, Canaccord has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Champion.

This Fairness Opinion has been provided exclusively for the use of the Special Committee of Champion for the purposes of negotiating the Acquisition Agreement, the Transaction and the Consideration. Canaccord disclaims

any undertaking or obligation to advise any person of any change in any fact or matter affecting this Fairness Opinion, which may arise or come to Canaccord's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter upon which this Fairness Opinion is based, Canaccord reserves the right to change, modify or withdraw this Fairness Opinion as of the date of such material change in any fact or matter affecting this Fairness Opinion.

With respect to all legal and tax matters related to the Transaction, Canaccord has relied upon the advice, opinions and representations provided to Canaccord by Champion's external legal and tax counsel and have relied upon the completeness and accuracy of such advice, opinions and representations, including the validity and efficacy of the procedures being followed to implement the Transaction, and do not express any opinion, thereon. Canaccord does not express any opinion with respect to the tax consequences to Champion or any Champion Shareholder that may arise as a result of the Transaction.

The disclosure by Champion of the retention of Canaccord and the contents of this Fairness Opinion in certain regulatory filings as required and in accordance with all applicable laws, rules or regulations of any governmental authority or stock exchange will be permitted subject to Canaccord's prior review and approval (acting reasonably) of such disclosure. Except as provided in this Fairness Opinion and in the Engagement Letter, or as may be required by applicable law or requirements of securities regulatory authorities or stock exchange in connection with the Transaction, this Fairness Opinion is not to be used, published or distributed in whole or in part, in any other way or to any other person without the prior written consent of Canaccord, such consent not to be unreasonably withheld or delayed.

Canaccord has not been engaged to provide and has not provided: (i) a formal valuation of Champion or its securities or any of its material assets pursuant to MI 61-101 or otherwise; or (ii) an opinion as to the fairness of the process underlying the Transaction; and, in each case, this Fairness Opinion should not be construed as such. This Fairness Opinion is not and should not be construed as a recommendation to any Champion Shareholder as to whether or how to vote in respect of the Transaction.

Approach to Fairness

The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant assumptions and methods of financial analysis and the application of these methods to the particular circumstances and, therefore, a fairness opinion is not necessarily susceptible to partial analysis or summary description. In particular, Canaccord has considered a number of methodologies in preparing this Fairness Opinion including, comparable company and comparable transaction analysis and investment dealer research. Qualitative judgments were made based upon Canaccord's assessment of the surrounding factual circumstances relating to the Transaction and Canaccord's analysis of such factual circumstances in its best judgment. Any attempt to select portions of Canaccord's analysis or of the factors considered, without considering all of the analysis employed and factors considered, would likely create an incomplete and misleading view of the process underlying this Fairness Opinion. This Fairness Opinion should be read in its entirety.

Canaccord is not expressing any opinion as to the value of the consideration to be received, if and when issued pursuant to or in connection with the Transaction, or the prices at which common shares of Mamba may trade after completion of the Transaction.

Conclusion

Based upon and subject to the foregoing, Canaccord is of the opinion that, as of the date hereof, the Consideration to be received by Champion Shareholders pursuant to the Transaction is fair, from a financial point of view, to the shareholders of Champion other than Mamba and its subsidiaries and affiliates.

Yours truly,

(signed) Canaccord Genuity Corp.

APPENDIX G
Section 185 of the OBCA Dissent Rights

Rights of dissenting shareholders

(1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent.

R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6).

R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

2006, c. 34, Sched. B, s. 53.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

R.S.O. 1990, c. B.16, s. 185 (11).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee.

R.S.O. 1990, c. B.16, s. 185 (14).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

R.S.O. 1990, c. B.16, s.185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22)(a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22)(a) and (b).

R.S.O. 1990, c. B.16, s.185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection(1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

1994, c. 27, s. 71 (24).

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.

1994, c. 27, s. 71 (24).

APPENDIX H
Comparison of Rights of Champion Shareholders and Mamba Shareholders

The rights of Champion Shareholders are governed by the OBCA and by Champion's articles and by-laws. Following the Arrangement, Champion Shareholders who receive Mamba Shares as part of the Arrangement (or who elect to receive Exchangeable Shares and who subsequently exchange such Exchangeable Shares for Mamba Shares) will become shareholders of Mamba and as such their rights will be governed by the Corporations Act 2001, the ASX Listing Rules and Mamba's Constitution. Eligible Holders who elect to receive Exchangeable Shares as consideration under the Arrangement will receive shares in a wholly-owned, Québec-based subsidiary of Mamba and voting rights via a Special Voting Share in Mamba that will together provide the holder with economic and voting rights equivalent to holding Mamba Shares.

The following is a summary of the material differences between the rights of Champion Shareholders and the rights of Mamba Shareholders as at the date of this document. This summary is not a complete comparison of rights that may be of interest and Champion Shareholders should therefore read the full text of the certificates of incorporation, articles and by-laws, as applicable, of Champion available at www.sedar.com under the Champion profile and the Constitution of Mamba available at www.sedar.com and www.asx.com.au under Mamba's profile.

	Champion Shareholder Rights	**Mamba Shareholder Rights**
Authorized Share Capital	An unlimited number of common shares.	Unlimited, as there is no concept of authorized share capital or other equivalent limitation on ordinary share capital for companies incorporated in Australia.
Voting Rights	At a meeting of Champion Shareholders each shareholder shall be entitled to one vote for each share held.	At a meeting of Mamba Shareholders, every person present who is a Mamba Shareholder or a proxy, attorney or representative of a Mamba Shareholder has on a show of hands, one vote; and on a poll, one vote for each fully paid share held.
Shareholder Approval of Business Combinations; Fundamental Changes	Fundamental changes may be approved by a shareholders special resolution. If such change affects a series or class of shares differently, then that series or class may vote their approval separately. Plans of arrangement for corporate actions listed in the *Business Corporations Act* (Ontario) (the "**Act**") including, but not limited to, a reorganization, amalgamation, liquidation, or dissolution of Champion may require court approval, but can bind the minority.	Fundamental changes may be approved by a resolution of shareholders in accordance with the ASX Listing Rules. The Corporations Act 2001 allows a compromise or arrangement between a company and its members to bind a dissenting minority of members if approved by members at a court-convened meeting and the court.
Special Vote Required for Combinations with Interested Shareholders	Any business combination requires the approval of at least two-thirds of the votes cast by the shareholders. Classes of shareholders that are affected differently may vote separately and any dissenting shareholders have a right to be paid fair value for their shares. Any insider of Champion must abide by the provisions of the Act and all other applicable laws.	The Corporations Act 2001 and the ASX Listing Rules prohibit a public company from giving a financial benefit to a related party except in certain specified circumstances. One of these circumstances is where non-interested shareholders of the company approve the transaction at a general meeting of shareholders.

	Champion Shareholder Rights	Mamba Shareholder Rights
Appraisal Rights; Rights to Dissent; Compulsory Acquisition	The Act allows for the compulsory acquisitions of the shares of a dissenting shareholder, if certain requirements are satisfied. If within 120 days after the date of a take-over bid or an issuer bid, the bid is accepted by the holders of not less than 90 per cent of the securities of any class of securities to which the bid relates, the offeror is entitled, upon complying with certain requirements of the Act, to acquire the securities held by the remaining holders.	The Corporations Act 2001 allows for the compulsory acquisition of shares in certain circumstances, such as if a person who makes a takeover bid (and their associates) have a relevant interest in at least 90% of the bid class securities, having acquired at least 75% of the securities they offered to acquire under the bid.
Shareholder Consent to Action Without a Meeting	A resolution in writing signed by all the shareholders is valid as if it had been passed at a meeting of the shareholders.	This concept would not be applicable to a public listed company such as Mamba.
Special Meetings of Shareholders	The board of directors, the chair of the board, the managing director or the president may call a special meeting of the shareholders at any time. Holders of not less than 5% may requisition the directors to call a special meeting.	The board of directors, or any single director, may call a meeting of shareholders at any time. The directors of Mamba must call and arrange to hold a general meeting on the request of: (a) members with at least 5% of the votes that may be cast at the general meeting; or (b) at least 100 members who are entitled to vote at the general meeting.
Distributions and Dividends; Repurchases and Redemptions	Subject to the Act, the board of directors may from time to time declare dividends payable to the shareholders according to their respective rights and interests in Champion. Dividends may be paid in money or property or by issuing fully paid shares of Champion or options or rights to acquire fully paid shares. A corporation may purchase or redeem any redeemable shares issued by it at prices not exceeding the redemption price thereof stated in the articles or calculated according to a formula stated in the articles.	Subject to the Corporations Act 2001, the Constitution and the terms of issue of any shares, the board of directors of Mamba may resolve to pay a dividend and fix the time for payment.
Number of Directors; Vacancies on the Board of Directors	The number of directors of Champion shall consist of the number of directors set out in the articles. A majority of the directors or a minimum number of directors required by the articles constitutes a quorum.	The number of directors of Mamba is not to be less than 3 nor more than 9. A quorum is two directors unless the board decides otherwise.
Constitution and Residency of Directors	Public companies must have at least three directors, one-third of which should not be officers or employees of the corporation or any of its affiliates. All directors must be natural persons who are capable, at least 18 years of age, and do not have the status of a bankrupt. At least one quarter of the directors must be Canadian residents.	Public companies must have at least three directors, two of whom must be ordinarily resident in Australia. A public company must also have at least one company secretary ordinarily resident in Australia. All directors and company secretaries must be natural persons who are at least 18 years of age. There is no requirement for any director or officer to be an Australian citizen.

	Champion Shareholder Rights	Mamba Shareholder Rights
Removal of Directors; Terms of Directors	Directors may be removed by ordinary resolution by the company's shareholders. Directors are not required to hold office for a specific term and may be re-elected, or, if no replacement is elected may remain incumbent.	Directors can be removed by resolution of the company's shareholders. All Mamba directors (excluding the Managing Director) must not hold office without re-election past the third annual general meeting following their appointment or last election or for more than three years.
Indemnification of Directors and Officers	Champion shall indemnify any individual who is or was a director against: (a) all costs, charges and expenses reasonably incurred by any such individual in respect of any proceeding arising from that association; and (b) any other action to which the Act applies. Champion shall not indemnify an individual, unless such individual acted: (a) honestly and in good faith with a view to the best interests of the company; and, (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that such individual's conduct was lawful.	Subject to the Corporations Act 2001, Mamba must indemnify any person who is a director or officer of Mamba or a subsidiary of Mamba, against any liability incurred by that person in that capacity, including legal costs. Mamba must not indemnify a person against any of the following liabilities incurred as an officer or auditor of Mamba: (a) a liability owed to Mamba or any of its related bodies corporate; (b) a liability for a pecuniary penalty order under the Corporations Act 2001 or a compensation order under the Corporations Act 2001; or (c) a liability owed to someone other than Mamba if it did not arise out of conduct in good faith.
Limited Liability of Directors	All directors and officers shall act honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would. Subject to the foregoing, and to the Act, no director shall be liable.	Directors and officers in Australia have duties to act in good faith in the best interests of the company, with due care and skill and without improper use of their position and will be personally liable if they breach those duties. Directors will also be personally liable in certain circumstances such as if they are aware or ought to be aware that Mamba is trading while insolvent, breaching the insider trading prohibitions in the Corporations Act 2001 or breaching certain other Australian legislation under which directors may be personally liable.
Shareholder Lawsuits	A shareholder may apply for a court order: (a) where the conduct of a company's affairs is oppressive, unfairly prejudicial or unfairly disregards the interests of any shareholder; and (b) for the prosecuting, defending or discontinuing of an action on behalf of the body corporate. Orders may be sought restraining or authorizing an action on behalf of the company as well as a variety of other circumstance as stipulated in the Act.	A shareholder may apply for a Court order where the conduct of a company's affairs, an act or proposed act by Mamba or a resolution or proposed resolution of Mamba is, among other things, oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a shareholder or shareholders. The orders that may be sought include winding up, amendment to the Constitution, orders regulating the conduct of a company's affairs, orders for the purchase of shares, orders that the company institute, defend or discontinue specified proceedings, and other similar orders
Advance Notification Requirements for Proposals of Shareholders	Champion is required to provide shareholders with not less than 21 and not more than 50 days' notice before the date of each meeting.	Mamba is required to provide shareholders with at least 28 clear days' notice of a general meeting.

	Champion Shareholder Rights	Mamba Shareholder Rights
Shareholder Rights Plans	The Champion Board adopted the Champion Shareholder Rights Plan to in order to ensure that Champion Shareholders are treated fairly in connection with any take-over bid and that the Champion Board is provided with sufficient time to evaluate unsolicited take-over bids and to explore and develop alternatives to maximize shareholder value. The rights under the Champion Shareholder Rights Plan are comparable to those contemplated under rights plans adopted by other major Canadian corporations. For a complete copy of the Champion Shareholder Rights Plan, see Champion's profile on www.sedar.com.	The ASX Listing Rules restrict the ability for Australian companies to have shareholder rights plans and Mamba does not currently have a shareholder rights plan in operation.
Inspection of Books and Records	Shareholders, beneficial owners of shares, creditors, and their agents or legal representatives may examine the records during the usual business hours of the company and may take extracts from those records free of charge.	Any person may inspect the books and records of Mamba, which are required under the Corporations Act 2001 to be available for inspection.
Amendment of Governing Documents	The Articles of the company may only be altered by special resolution passed by at least two thirds of the votes cast by the members entitled to vote on the resolution.	The Constitution may only be altered by special resolution, that is, a resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution, either in person, by proxy or attorney.

APPENDIX I
Unaudited Pro Forma Consolidated Financial Statements

Champion Iron Mines Limited
Pro Forma Consolidated Statement of Financial Position
As at September 30, 2013

(expressed in Canadian dollars)
(unaudited)

	Champion Iron Mines Limited $	Mamba Minerals Limited $	Note 3	Pro forma adjustments $	Pro forma consolidated $
Assets					
Current					
Cash and cash equivalents	11,912,422	3,217,777	a	(203,945)	19,767,799
			h	9,607,000	
			h	(480,350)	
			e	(4,285,105)	
Short-term investments	66,000	-		-	66,000
Receivables	601,468	867,527		-	1,468,996
Advance	6,000,000	-		-	6,000,000
Due from Cartier Iron Corporation	1,790,000	-		-	1,790,000
Prepaid expenses and deposits	364,435	-		-	364,435
	20,734,325	4,085,305		4,637,600	29,457,230
Investments	1,266,800	-		-	1,266,800
Property, plant and equipment	-	105,451		-	105,451
Exploration and evaluation	75,118,485	9,655,125		-	84,773,611
	97,119,610	13,845,881		4,637,600	115,603,092
Liabilities					
Current					
Accounts payable and accrued liabilities	1,101,247	1,092,698	b	(165,000)	2,028,946
Convertible notes	203,945	-	a	(203,945)	-
	1,305,192	1,092,698		(368,945)	2,028,946
Shareholders' equity					
Capital stock	124,958,896	16,194,780	b	165,000	169,868,274
			e	44,744,380	
			f	1,229,696	
			g	2,010,000	
			h	9,607,000	
			h	(480,350)	
			i	(28,561,127)	
Performance shares	-	1,229,696	f	(1,229,696)	-
Warrants	4,304,187	-		-	4,304,187
Contributed surplus	8,746,169	2,466,117	c	239,000	14,071,169
			e	5,086,000	
			i	(2,466,117)	
Foreign currency reserve	-	401,957	i	(401,957)	-
Deficit	(42,194,834)	(7,539,367)	c	(239,000)	(74,669,484)
			e	(41,362,302)	
			g	(2,010,000)	
			i	18,676,019	
	95,814,418	12,753,183		5,006,546	113,574,146
	97,119,610	13,845,881		4,637,601	115,603,092

Champion Iron Mines Limited
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
Year ended March 31, 2013

(expressed in Canadian dollars)
(unaudited)

	Champion Iron Mines Limited $	Mamba Minerals Limited $	Note 3	Pro forma adjustments $	Pro forma consolidated $
Revenue					
Interest	250,281	87,508		-	337,789
Other income	113,328	-		-	113,328
	363,609	87,508		-	451,117
Expenses					
Professional fees	627,394	-		-	627,394
Consulting fees	1,326,792	-	g	2,010,000	3,336,792
General and administrative	1,111,789	788,926		-	1,900,715
Investor relations	1,421,215	-		-	1,421,215
Travel	333,842	-		-	333,842
Interest	-	34,230		-	34,230
Acquisition costs	-	710,859		-	710,859
Unrealized loss on investments	3,446,910	-		-	3,446,910
Writedown of exploration and evaluation	-	4,294		-	4,294
Reverse acquisition transaction cost	-	-	e	41,362,302	41,362,302
Foreign exchange loss	-	26,954		-	26,954
	8,267,941	1,565,263		43,372,302	53,205,506
Loss and comprehensive loss	(7,904,333)	(1,477,755)		(43,372,302)	(52,754,389)
Loss per share - basic and diluted					(0.311)
Weighted average number of shares outstanding - basic and diluted					169,529,228

Champion Iron Mines Limited
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
6 months ended September 30, 2013

(expressed in Canadian dollars)
(unaudited)

	Champion Iron Mines Limited $	Mamba Minerals Limited $	Note 3	Pro forma adjustments $	Pro forma consolidated $
Revenue					
Interest	173,504	43,868		-	217,371
Expenses					
Professional fees	501,161	-		-	501,161
Consulting fees	1,031,125	-		-	1,031,125
Share-based compensation	406,577	-	c	239,000	645,577
General and administrative	693,087	551,958		-	1,245,045
Investor relations	229,226	-		-	229,226
Travel	3,945	-		-	3,945
Interest	-	32,567		-	32,567
Acquisition costs	-	15,146		-	15,146
Unrealized loss on investments	1,201,025	-		-	1,201,025
Foreign exchange loss	-	25,644		-	25,644
	4,066,145	625,315		239,000	4,930,460
Loss and comprehensive loss	(3,892,642)	(581,447)		(239,000)	(4,713,088)
Loss per share - basic and diluted					(0.024)
Weighted average number of shares outstanding - basic and diluted					198,405,417

Champion Iron Mines Limited
Notes to Pro Forma Consolidated Financial Statements
September 30, 2013

(expressed in Canadian dollars)
(unaudited)

1. Basis of presentation

The unaudited pro forma consolidated financial statements have been prepared by the management of Champion Iron Mines Limited ("Champion") in connection with the proposed acquisition by Mamba Minerals Limited, together with its wholly-owned subsidiary, Champion Exchange Limited. (collectively, "Mamba"), of all of the issued and outstanding common shares of Champion pursuant to the terms of an arrangement agreement between Champion and Mamba dated December 5, 2013 ("Arrangement").

The unaudited pro forma consolidated statement of financial position as at September 30, 2013, giving effect to Arrangement as if it occurred on September 30, 2013, was derived from:

a) the unaudited statement of financial position of Champion as at September 30, 2013; and
b) the unaudited consolidated statement of financial position of Mamba as at September 30, 2013, translated from Australian dollars to Canadian dollars using the noon exchange rate of 0.9706 on September 30, 2013.

The unaudited pro forma consolidated statement of loss and comprehensive loss for the 6 months ended September 30, 2013, giving effect to the Arrangement as if it occurred on April 1, 2012, was derived from:

a) the unaudited statement of net loss and comprehensive loss of Champion for the 6 months ended September 30, 2013; and
b) the unaudited consolidated statement of loss and comprehensive loss of Mamba for the 6 months ended June 30, 2013 derived by deducting the results of operations in the consolidated statement of loss and comprehensive loss for the 6 months ended December 31, 2012 from the results of operations in the consolidated statement of loss and comprehensive loss for the year ended June 30, 2013, translated from Australian dollars to Canadian dollars by using the average exchange rate of 0.9827 for the 6 months ended September 30, 2013.

The unaudited pro forma consolidated statement of loss and comprehensive loss for the year ended March 31, 2013 giving effect to the Arrangement as if it occurred on April 1, 2012, was derived from:

a) the audited statement of loss and comprehensive loss of Champion for the year ended March 31, 2013; and
b) the unaudited statement of loss and comprehensive loss of Mamba for the year ended June 30, 2013, translated from Australian dollars to Canadian dollars by using the average exchange rate of 1.0329 for the year ended March 31, 2013.

The unaudited pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards using the significant accounting policies as outlined in Champion's audited financial statements for the year ended March 31, 2013 and unaudited interim financial statements for the 6 months ended September 30, 2013. In preparing the pro forma consolidated financial statements, a review was undertaken by management to identify accounting policy differences where the impact was potentially material and could be reasonably estimated. None were identified. Differences may be identified after the completion of the Arrangement.

It is management's opinion that these unaudited pro forma consolidated financial statements include all adjustments necessary for the fair presentation of the Arrangement. The unaudited pro forma consolidated financial statements are not intended to reflect the financial position of Champion or the loss and comprehensive loss which would have actually resulted had the Arrangement been effected on the dates indicated, or not necessarily indicative of the loss and comprehensive loss that may be obtained in the future.

The unaudited pro forma consolidated financial statements should be read in conjunction with the audited financial statements of Champion for the year ended March 31, 2013, audited financial statements of Mamba for the year ended June 30, 2013, unaudited interim financial statements of Champion for the 6 months ended September 30, 2013 and unaudited interim financial statements of Mamba for the 3 months ended September 30, 2013.

2. Arrangement

Pursuant to the Arrangement, Mamba (a) acquires all of the issued and outstanding common shares of Champion on the basis of an exchange ratio of 0.733333 Mamba share and/or Exchangeable share(or combination thereof) for each Champion common share and (b) replaces each outstanding Champion warrant Champion stock option on the basis that the holder will be entitled to acquire, on the same terms and conditions, 0.733333 Mamba share ("Mamba Replacement Warrants" and "Mamba Replacement Stock Options").

Concurrently with the closing of the Arrangement, Mamba will complete an equity financing to raise gross proceeds of at least A$10,000,000 at a subscription price of no less than A$0.50 per share.

The obligation of Champion and Mamba to complete the Arrangement is subject to the satisfactory completion of the following conditions:

a) Approval of the Arrangement by the shareholders of Champion and Mamba.
b) Court approval of the Arrangement.
c) Receipt of all required regulatory approvals including TSX and ASX.
d) Mamba shares issuable pursuant to the Arrangement, common share purchase warrants and stock options have been approved for listing on the ASX.
e) Receipt of TSX conditional approval for listing of the Mamba shares.
f) Repayment of the Champion convertible note of $203,945.
g) Mamba completes an equity financing to raise gross proceeds of at least A$10,000,000 at a subscription price of no less than A$0.50 per share.
h) Mamba converts Mamba performance shares on the basis of an exchange ratio of 1 Mamba share for 10 Mamba performance shares, subject to a minimum acceptance by 77% of Mamba performance shareholders holding and tendering not less than 77% of the outstanding Mamba performance shares.

As a result of the Arrangement, the former shareholders of Champion will receive 50.8% of the voting rights in the combined entity and Champion will have the ability to appoint a majority of the members of the board of directors of the combined entity. Substantively, the Amalgamation is a reverse acquisition of a non-operating company; however, the Arrangement does not constitute a business combination, as Mamba does not meet the definition of a business under IFRS 3. As a result, for accounting purposes, Champion is identified as the acquirer, Mamba is identified as the acquiree and the consideration transferred by Champion is measured at fair value. Consolidated financial statements prepared following the reverse acquisition will be the continuation of the financial statements of Champion, with one adjustment, which is to adjust retroactively the legal capital of Champion to reflect the legal capital of Mamba.

3. Pro forma assumptions and adjustments

The unaudited pro forma consolidated financial statements reflect the adjustments to record capital transactions completed subsequent to September 30, 2013 and to give effect to the Arrangement as described in note 2:

Capital transactions completed subsequent to September 30, 2013:

a) Champion repays the convertible note of $203,935.
b) Champion issues 500,000 common shares with a fair value of $165,000 to settle outstanding accounts payable.
c) Champion grants 1,600,000 fully vested stock options entitling the holder to purchase one common share for $0.40 until December 20, 2016. The fair value of the stock options of $239,000 was calculated using the Black-Scholes option pricing model with the following assumptions:

Exercise price	$0.40
Share price	$0.31
Risk-free interest rate	1.84%
Expected volatility based on historical volatility	83%
Expected life of stock options	3 years
Expected dividend yield	0%
Forfeiture rate	0%

d) Mamba grants 3,300,000 stock options entitling the holder to purchase one common share for A$0.50 until November 29, 2018, of which, 50% will vest on November 11, 2016 and 50% will vest on November 29, 2017. The fair value of the stock options of $1,046,202 was calculated using the Black-Scholes option pricing model with the following assumptions:

Exercise price	A$0.50
Share price	A$0.50
Risk-free interest rate	2.5%
Expected volatility based on historical volatility	80%
Expected life of stock options	5 years
Expected dividend yield	0%
Forfeiture rate	0%

The fair value of the stock options will be recorded as share-based compensation over the vesting period. As the vesting period is outside the period subject to these pro forma consolidated financial statements, no pro forma adjustment has been recognized in the pro forma consolidated financial statements.

To give effect to the Arrangement:

e) For accounting purposes, Champion (a) acquires all of the issued and outstanding common shares of Mamba on the basis of an exchange ratio of 1.3054 Champion shares for each Mamba share issued and outstanding and (b) replaces each outstanding Mamba stock option on the basis that the holder will be entitled to acquire, on the same terms and conditions, 1.3054 Mamba shares ("Champion Replacement Stock Options"). The pro forma allocation of the purchase price is summarized as follows:

Consideration	**$**
Deemed fair value of 127,841,084 Champion common shares	44,744,380
Deemed fair value of 22,844,032Champion Replacement Stock Options	5,086,000
Estimated transaction costs to be paid in cash	4,285,105
	54,115,485

Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	3,217,777
Receivables	867,527
Property, plant and equipment	105,451
Exploration and evaluation	9,655,125
Accounts payable and accrued liabilities	(1,092,698)
Net assets acquired	12,753,183
Reverse acquisition transaction cost	41,362,302
	54,115,485

The number of Champion common shares is based on the number of common shares that Champion would have to issue to give Mamba the same percentage in the combined entity that results from the reverse acquisition. The fair value of $0.35 per Champion common share has been derived by applying the exchange ratio of 0.733333 Mamba share for each Champion common share to the price of the concurrent financing of Mamba shares at A$0.50 per Mamba share. Champion will value the common share consideration based on the closing price of its common shares on the date that the Arrangement is completed, which may result in an increase or decrease in the fair value of the consideration.

The fair value of the Champion Replacement Stock Options of $5,086,000 was calculated using the Black-Scholes option pricing model with the following weighted-average assumptions:

Exercise price	$0.1892
Share price	$0.3500
Risk-free interest rate	1.19%
Expected volatility based on historical volatility	78%
Expected life of stock options	1.9 years
Expected dividend yield	0%
Forfeiture rate	0%

The pro forma allocation of the purchase price is based upon management's preliminary estimates and certain assumptions with respect to the fair value associated with the assets to be acquired and the liabilities to be assumed. For the purpose of the pro forma consolidated financial statements, the fair value of the assets to be acquired and liabilities to be assumed has been assumed to be the book values as reported in the unaudited consolidated statement of financial position of Mamba as at September 30, 2013. Based on this assumption, as the consideration exceeds the deemed fair value of the assets acquired and the liabilities assumed, the excess has been recorded as a reverse acquisition transaction cost in the pro forma consolidated statement of loss and comprehensive loss.

The actual fair values of the assets and liabilities may differ materially from the amounts disclosed in the pro forma purchase price allocation as further analysis (including identification of intangible assets, if any, for which no amounts have been estimated and included in the preliminary amounts shown) is completed. Upon completion of the Arrangement, a detailed fair value assessment will be required to determine the fair value of the assets acquired and liabilities assumed and a reassessment of the reverse acquisition transaction cost, if any, will be undertaken. Consequently, the actual allocation of the purchase price is likely to result in different adjustments than those in the unaudited pro forma consolidated financial statements. Therefore, it is likely that the fair values of assets acquired and liabilities assumed and the reverse takeover transaction costs will vary from those shown and the differences may be material.

f) Mamba issues 3,200,000 Mamba shares in exchange for 32,000,000 Mamba performance shares outstanding.
g) Mamba issues 4,184,418 Mamba shares with a fair value of $2,010,000, based on a price of A$0.50 per Mamba share, to remove provisions from Champion consulting contracts regarding payments on termination in the event of a change of control subsequent to completion of the Arrangement.
h) Mamba completes a private placement consisting of 20,000,000 Mamba shares at a price of A$0.50 per Mamba share for gross proceeds of A$10,000,000, equivalent to $9,607,000. In connection with the financing, Mamba pays a financing fee of 5% of the gross proceeds equal to A$500,000, equivalent to $480,350.
i) Elimination of equity accounts of Mamba by a charge to deficit.

4. Pro forma share capital

	Number	$
Champion common shares		
Balance, September 30, 2013	137,395,609	124,958,896
Issued to settle accounts payable	500,000	165,000
Deemed fair value of Champion shares issued to Mamba shareholders	–	44,744,380
	137,895,609	169,868,276
Adjustment for Mamba/Champion share exchange ratio	(36,772,208)	–
	101,123,401	169,868,276
Mamba performance shares		
Balance, September 30, 2013	32,000,000	1,229,696
Converted to Mamba shares	(32,000,000)	(1,229,696)
	–	–
Mamba shares		
Balance, September 30, 2013	70,550,086	16,194,781
Private placement of common shares	20,000,000	9,607,000
Share issue costs	–	(480,350)
Issued on conversion of 32,000,000 performance shares on a 1 for 10 basis	3,200,000	1,229,696
Issued to remove provisions regarding a payment on termination in the event of a change of control from Champion consulting contracts based on a price of A$0.50 per share	4,184,418	2,010,000
	97,934,504	28,561,127
Adjustment to eliminate share capital	–	(28,561,127)
	97,934,504	–
Pro-forma balance, September 30, 2013 (includes Mamba Shares and Exchangeable shares)	199,057,905	169,868,274

Warrants

	Number of warrants	$
Champion		
Balance, September 30, 2013	22,000,000	4,304,187
Cancelled, to be replaced by Mamba Replacement Warrants	(22,000,000)	–
	–	4,304,187
Mamba		
Balance, September 30, 2013	–	–
Issue of Mamba Replacement Warrants	16,133,326	–
	16,133,326	–
Pro forma balance, September 30, 2013	16,133,326	4,304,187

The incremental fair value of the Mamba Replacement Warrants of $nil was calculated using the Black-Scholes option pricing model with the following weighted-average assumptions:

Exercise price	$1.5341
Share price	$0.35
Risk-free interest rate	1.19%
Expected volatility based on historical volatility	143%
Expected life of warrants	1.8 years
Expected dividend yield	0%
Forfeiture rate	0%

On a pro forma basis, the following warrants will be outstanding:

Exercise price	Expiry date	Number of warrants
$4.0909 exercisable between November 17, 2014 and May 17, 2015	May 17, 2015	5,133,331
$0.3409	July 31, 2015	10,999,995
		16,133,326

Stock options

	Number of stock options	Contributed surplus
Champion		
Balance, September 30, 2013	8,340,000	8,746,169
Granted (note 3c)	1,600,000	239,000
Expired	(70,000)	–
Cancelled	(200,000)	–
Deemed fair value of Champion Replacement Stock Options	–	5,086,000
Cancelled, to be replaced by Mamba Replacement Stock Options	(9,670,000)	–
	–	14,071,169
Mamba		
Balance, September 30, 2013	17,500,000	2,466,117
Granted (note 3e)	3,300,000	–
Fair value of Mamba Replacement Stock Options	7,091,330	–
Adjustment to eliminate contributed surplus	–	(2,466,117)
	27,891,330	–
Pro forma balance, September 30, 2013		14,071,169

The incremental fair value of the Mamba Replacement Stock Options of $nil was calculated using the Black-Scholes option pricing model with the following weighted-average assumptions:

Exercise price	$1.23
Share price	$0.35
Risk-free interest rate	1.23%
Expected volatility based on historical volatility	134%
Expected life of stock options	2.2 years
Expected dividend yield	0%
Forfeiture rate	0%

On a pro forma basis, the following stock options will be outstanding:

Exercise price	**Expiry date**	**Options outstanding**
$0.4091	September 16, 2014	839,666
$0.4500	September 24, 2014	111,833
$0.5523	November 9, 2014	36,667
$1.0909	January 14, 2015	1,008,333
$1.1591	February 2, 2015	36,667
$1.3636	March 2, 2015	256,667
A$0.25	August 8, 2015	17,000,000
$1.3636	October 3, 2015	1,539,999
$1.3636	October 4, 2015	183,333
$2.0455	October 4, 2015	366,667
A$0.50	December 15, 2015	500,000
$2.9591	January 10, 2016	110,000
$2.0455	September 9, 2016	751,666
$0.5455	December 20, 2016	1,173,333
$1.7727	December 23, 2016	676,500
A$0.50	November 29, 2018	3,300,000
		27,891,330

APPENDIX J
Information Relating to Mamba and Canco

TABLE OF CONTENTS

DEFINITIONS

Unless the context indicates otherwise, capitalized terms which are used in this Appendix J and not otherwise defined in this Appendix J have the meaning given to such terms under the heading "Glossary of Defined Terms" in Appendix A of the Circular.

Where the following capitalized terms are used in this Appendix J, they have the following meanings:

"**$**" means Australian dollars.

"**Acquisition Agreement**" means the agreement dated on or about 30 July, 2012 between the Company, CIP Mag, CIP Mag Australia and the CIP Mag shareholder which was completed on 31 July 2013.

"**Altius**" means Altius Resources Inc. a company incorporated pursuant to the laws of Newfoundland and Labrador, Canada, which is a wholly-owned subsidiary of Altius Minerals Corporation, a company incorporated pursuant to the laws of Alberta, Canada and listed on the Toronto Stock Exchange (TSX: ALS).

"**Altius Option**" means the option granted by Altius to CIP Mag to acquire 100% of the Project.

"**ASX**" means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange (as the context requires).

"**ASX Listing Rules**" means the Listing Rules of ASX and any other rules of ASX which are applicable while Mamba is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

"**Bankable Feasibility Study**" means a feasibility study that is of a standard suitable to be submitted to a financial institution as the basis for lending of funds for the development and operation of the mine contemplated in the study and is capable of supporting a decision to mine.

"**Board**" means the board of Directors of Mamba as constituted from time to time.

"**C$**" means Canadian Dollars.

"**Chua**" has the meaning given to it under the heading "Business of Mamba – Recent History of Mamba" in this Appendix J.

"**CIP**" means Capital Investment Partners Pty Ltd (ACN 110 468 589).

"**CIP Mag**" means CIP Magnetite Ltd (a company duly incorporated in British Columbia, Canada) which is a wholly-owned subsidiary of CIP Mag Australia.

"**CIP Mag Australia**" means CIP Magnetite Pty Ltd (ACN 156 313 727).

"**CIP Mag Option**" means the option granted by CIP Mag Australia to Mamba to acquire 100% of CIP Mag.

"**Company**" or "**Mamba**" means Mamba Minerals Limited (ACN 119 770 142), a corporation existing under the laws of Australia.

"**Constitution**" means the constitution of the Company.

"**Corporations Act**" means the *Corporations Act* 2001 (Cth) (Australia) as may be amended, modified or waived in relation to Mamba and/or re-enacted, amended or replaced from time to time.

"**Directors**" means the current directors of the Company as at the date of the Circular.

"**Ennuin Project**" has the meaning given to it under the heading "Business of Mamba – Recent History of Mamba" in this Appendix J.

"**Incentive Plan**" means Mamba's employee incentive plan.

"**Inferred Mineral Resource**" has the meaning given to it under the JORC Code, 2012 Edition.

"**JORC Code**" means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, prepared by the Australasian Joint Ore Reserves Committee.

"**Listing Rules**" or "**ASX Listing Rules**" means the official listing rules of the ASX.

"**Mambas Minerais**" means Mambas Minerais Limitada. Refer to the heading "Business of Mamba – Recent History of Mamba" in this Appendix J for further details.

"**Mozambique Project**" has the meaning given to such term under the heading "Business of Mamba – Recent History of Mamba" in this Appendix J.

"**Nhamucuarara**" has the meaning given to it the heading "Business of Mamba – Recent History of Mamba" in this Appendix J.

"**Option Agreement**" means the agreement between Altius and CIP Mag dated 11 May 2012, as amended on 25 July 2012 and 4 December 2013.

"**Options**" means options to acquire Ordinary Shares issued pursuant to Mamba's stock option plan.

"**Ordinary Shares**" means the ordinary shares of Mamba.

"**Ordinary Shareholder**" means a holder of Ordinary Shares.

"**Project**" or "**Snelgrove**" means the Snelgrove Lake Project located in Newfoundland, Canada comprised of five (5) exploration licenses of 424 claims, being licence numbers 017901M, 018328M, 018343M, 018333M and 018334M.

"**Securities**" means Shares and Options.

"**Share Appreciation Right**" means a right granted under the Incentive Plan to acquire such number of Ordinary Shares as determined in accordance with the Incentive Plan and on the terms set out in the invitation to participate in the Incentive Plan.

"**Share Registry**" means Security Transfer Registrars Pty Limited.

"**Share Right**" means a right, granted to a participant, to acquire one Ordinary Share, subject to the terms and conditions set out in the rules governing the operation of the Incentive Plan as amended from time to time.

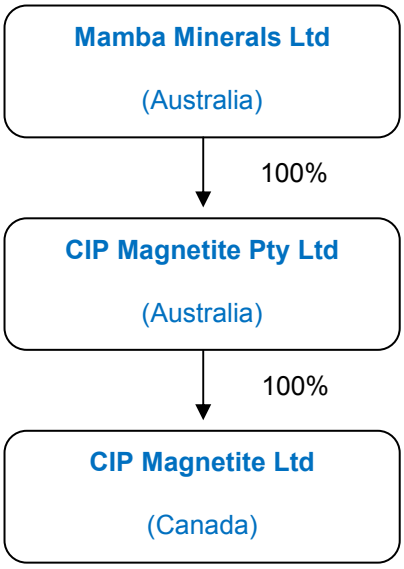
"**Sokoman Formation**" is the main iron formation of the Labrador Trough.

CORPORATE INFORMATION

Mamba Minerals Limited ("**Mamba**") is a company incorporated in Australia under the Corporations Act and limited by shares. The Company is based in Sydney, Australia and its principal activity is the exploration and development of iron ore projects in the Labrador Trough in Labrador, Canada. Mamba's shares are publicly traded on the Australian Securities Exchange ("**ASX**") under the symbol 'MAB' and its public disclosure documents are available on the ASX website or Mamba's website, which is located online at www.mamba.com.au. Information is also available upon request from Mamba's head and registered office, which is located at 91, Evans Street, Rozelle, NSW 2039. Mamba's Constitution was approved recently by shareholders at the Annual General Meeting held on 26th November 2013, with the changes bringing the Constitution into line with current law and corporate governance practices.

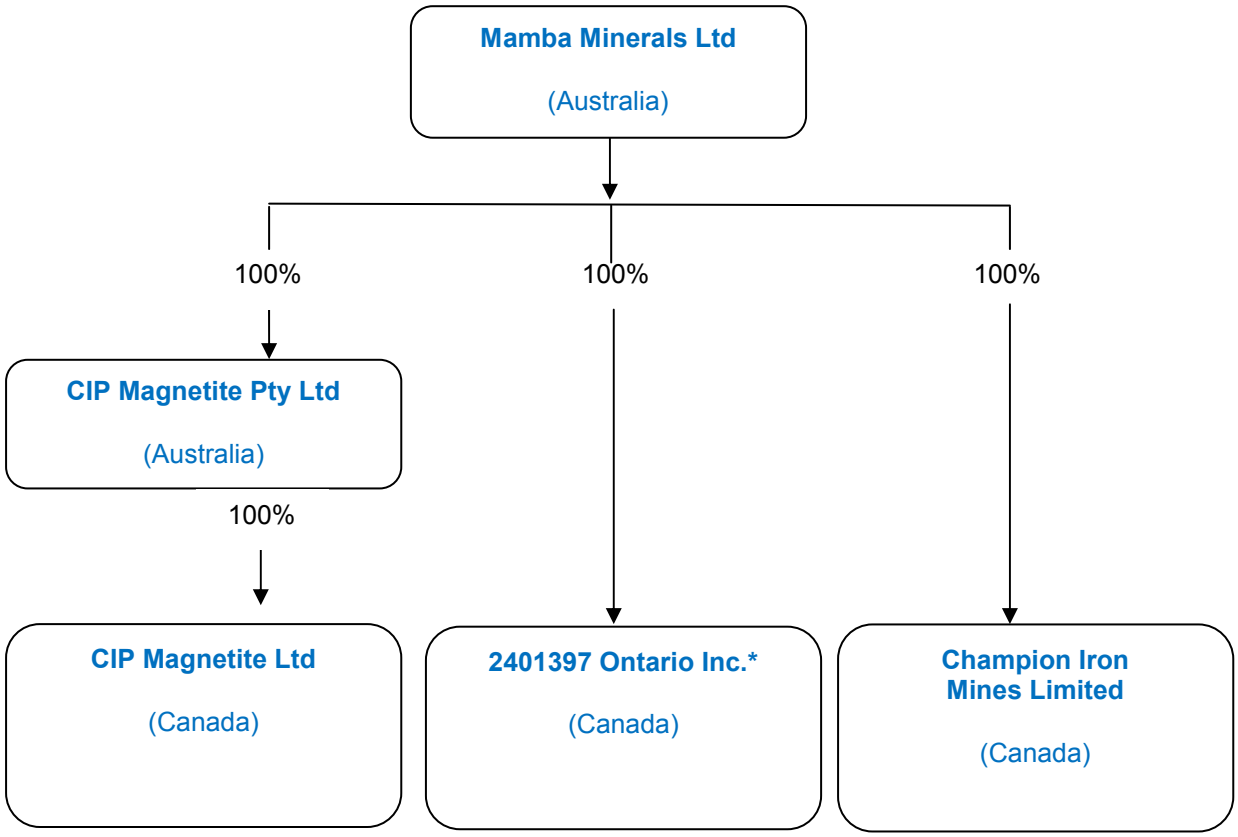
The following chart sets out the material subsidiaries of Mamba prior to completion of the Arrangement. The subsidiaries are established in Australia and Canada and hold Mamba's interest in the Snelgrove Lake Project in Labrador, Canada.

Figure 2-1 – Current Mamba Corporate structure



The following chart sets out the material subsidiaries of Mamba after completion of the Arrangement.

Figure 2-2: Mamba Corporate structure after completion of the Arrangement



* It is expected that articles of amendment will be filed prior to the Effective Time to change the name of 2401397 Ontario Inc. to Champion Exchange Limited.

BUSINESS OF MAMBA

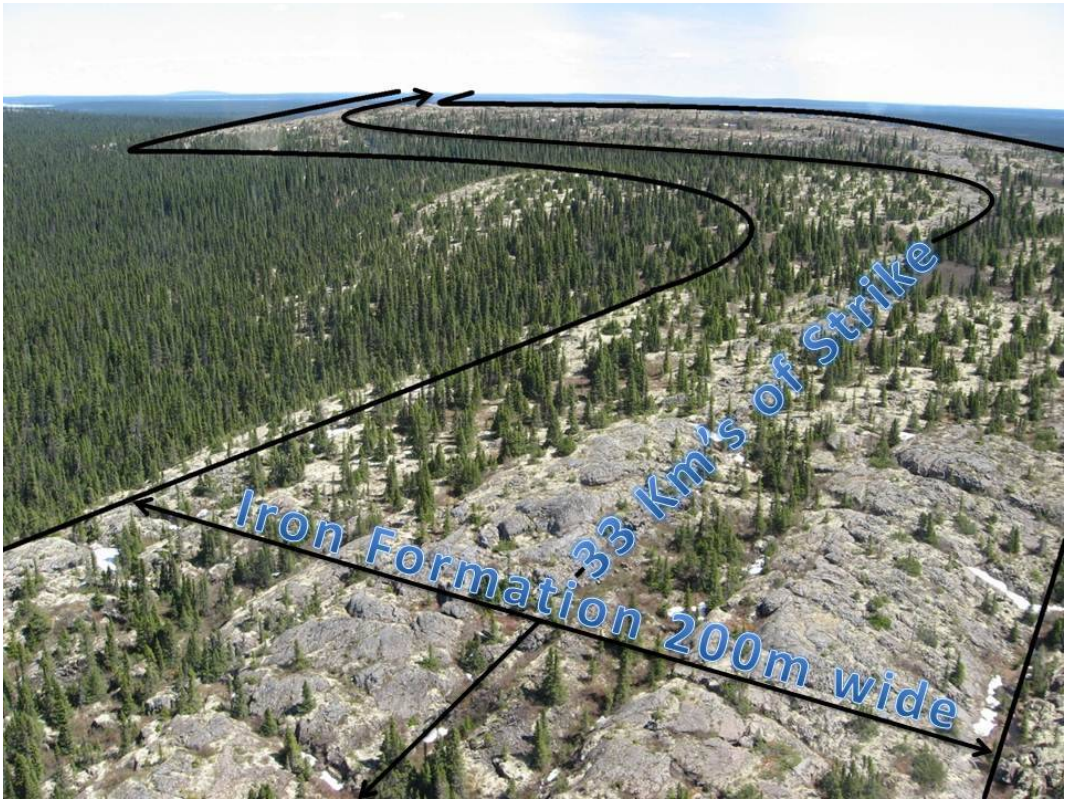
Mamba is a minerals exploration company with a focus on iron ore in Canada. Mamba's business is to select and acquire mineral exploration projects which in the opinion of the Directors have high-potential, with a focus on projects in regions with good mining infrastructure.

The Company's aim is to capitalise on opportunities to increase shareholder wealth, including the sourcing of company-making projects to add to the Company's existing portfolio. Mamba's ultimate goal is the development of world-class mineral deposits into profitable operating mines.

As at 30 June 2013, the Company did not have any full-time employees. Company activities were overseen by director Greg Burns, with the assistance of a number of external consultants. Barry Knight was appointed in a full-time role as technical director in August 2013.

Mamba is currently developing the Snelgrove Lake Project ("**Snelgrove**" or the "**Project**") located in Newfoundland & Labrador, Canada in Canada's premier iron ore district, the Labrador Trough. The Project focuses on a prominent iron formation 33km long, with potential for both hematite and magnetite. The project is located within 45km to power and 40km to heavy gauge rail with access to the Port of Sept-Îles which is currently undergoing an expansion adding capacity of 50 Mt per annum. The Project consists of five (5) granted exploration licenses, being 017901M, 018328M, 018343M, 018333M and 018334M covering 10,600 hectares (106km^2), located in Labrador, Canada. For more information on the Project, please see the section entitled "Mineral Properties of Mamba" in this Appendix J.

Figure 3-1: Aerial view of the Project



Recent History of Mamba

During 2011 Mamba was focused on two projects with gold and nickel potential, the Ennuin Project and the Mozambique Project.

The Ennuin Project was held by the Company's wholly-owned subsidiary, Mamba Goldfields Pty Ltd. It comprises of two (2) granted exploration licenses E77/1896 and E77/1897 and two (2) granted prospecting licenses P77/4041 and P77/4042, located 28 kilometres north and 32 kilometres northwest of Bullfinch, Western Australia, respectively. The Ennuin Project was considered prospective for gold and nickel due to its proximity to the Bullfinch Greenstone Belt.

The Mozambique Project was held by the Company's 98.5% owned Mozambique subsidiary, Mambas Minerais Limitada, ("**Mambas Minerais**"). Previously, Mambas Minerais held rights to both the Nhamucuarara concession ("**Nhamucuarara**") and the Chua concession ("**Chua**"). However, following the completion of an environmental impact study, Mambas Minerais allowed Nhamucuarara to lapse.

Chua (755c) is located in the south of Mozambique in the Manica Province and is within distance of an established population supporting local administration and markets. The Manica Province is home to an extension of the Archean Odzi-Mutare Greenstone belt, which is host to gold occurrences throughout. Chua is within close proximity to the active Munhena open cast mine with extensions of the Munhena mineralisation believed to extend into Chua.

Mambas Minerais, at various times, had entered into negotiations and agreements with local and regional parties in Mozambique with the objective of realising value from the Mozambique Project through joint-venturing and/or divestment. However, due to the ongoing non-performance of commercial terms, all discussions and negotiations in respect of these agreements have been terminated.

In March 2012, Mamba appointed Mr. Noel Sheppy an experienced senior geologist with significant experience in Mozambique to undertake a regulatory, geological, and economic review of Chua.

As part of this review process, a number of meetings were held with various stakeholder groups including relevant ministers to discuss the regulatory status of the Mozambique Project, a comprehensive review of the geological and economic merits of the Mozambique Project as well as environmental and community stakeholder considerations. During this process Mambas Minerais continued to retain local personnel in respect of the Mozambique Project.

While its other projects were under review in 2012, Mamba was focused on seeking out and reviewing new 'company' making projects that would have the capacity of building significant long-term shareholder value. On the 30 July 2012 Mamba announced that it had entered into an agreement to acquire the Snelgrove Lake Project ("**CIP Mag Option**"), by acquiring CIP Magnetite, the holder of the option over the Snelgrove Lake Project ("**Altius Option**"), a highly prospective Iron Ore project located in Canada's premier iron ore district, the Labrador Trough in Newfoundland. On 31 August 2012, the Company lodged a prospectus to raise $3,150,000 to provide funds towards exploration on the Snelgrove Lake Project. Shareholder approval to the proposed acquisition was received on 10 September 2012.

The Company commenced a drilling program at Snelgrove in February 2013 and 8 diamond holes were drilled for a total of 1,861 metres. The program identified hematite mineralisation at the CLC area, with a potential strike length of approximately 2 kilometres and a true width of 150 metres. The prospect has hematite mineralisation from between 15 metres to at least 240 metres below surface and remains open at depth. Assays indicate average Fe of 52% over mineralised intersections, with grades of up to 63% and 65% encountered.

With this success Mamba decided to withdraw from its involvement in the Ennuin Project in Western Australia and in the Chua concession in Mozambique.

In July 2013, the Company confirmed that it had exercised an option to acquire CIP Magnetite with 32 million performance shares to be issued in August 2013. Through the 2013 summer Mamba completed extensive airborne and ground gravity surveys as well as an eight hole 814 metre diamond drilling program at the Snelgrove Lake Project in Labrador, Canada. This work confirmed strike potential of hematite mineralization up

to 4km with potential for another 1.5km. Drilling from the summer program has confirmed hematite mineralisation along the strike length tested with the remaining ~1.5km untested.

On 6th of December 2013, the Company announced that it had entered into a definitive arrangement agreement to effect a merger of Mamba and Champion Iron Mines Limited ("**Champion**"), a Canadian iron ore developer. Under the terms of the Arrangement, Champion shareholders will receive 11 Mamba Ordinary Shares for every 15 common shares of Champion ("**Champion Shares**") they hold.

The merger, once completed, will create a new iron ore company having a significant holding in one of the world's leading iron ore regions and a team of management and directors with a track record for attracting strategic investment into major resource projects. Subject to Ordinary Shareholder approval, the Company will change its name to "Champion Iron Limited" following the merger. The merged company will remain listed on ASX. The Arrangement is conditional, among other things, on the Company being conditionally listed on the TSX (in addition to its listing on the ASX), a matter which will require some amendments being made to the Constitution.

MINERAL PROPERTIES OF MAMBA

Snelgrove consists of five (5) granted exploration licenses, being 017901M, 018328M, 018343M, 018333M and 018334M covering 10,600 hectares (106km^2), located in the Province of Newfoundland and Labrador, Canada.

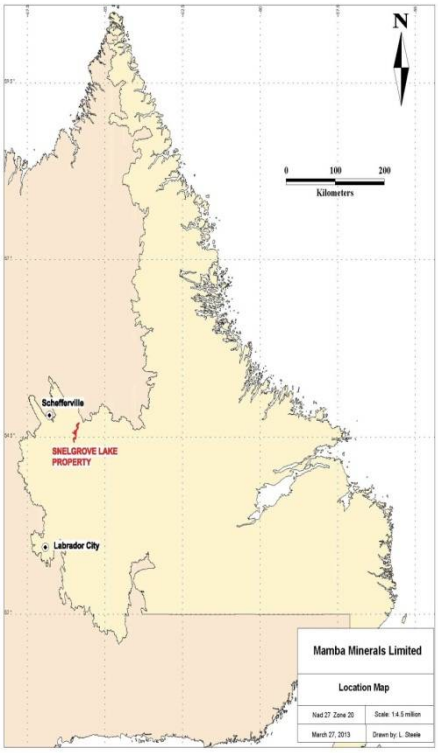
The information in this section is included based on, and in some cases extracted from, the technical report titled, Technical Report Of Phase 1 And 2 Exploration Programs The Snelgrove Lake Property, Newfoundland And Labrador" with an effective date of 20 December 2013, prepared by Edward Lyons, P. Geo. and Murray Brown, P.Eng., each of whom is an independent qualified person for purposes of NI 43-101.

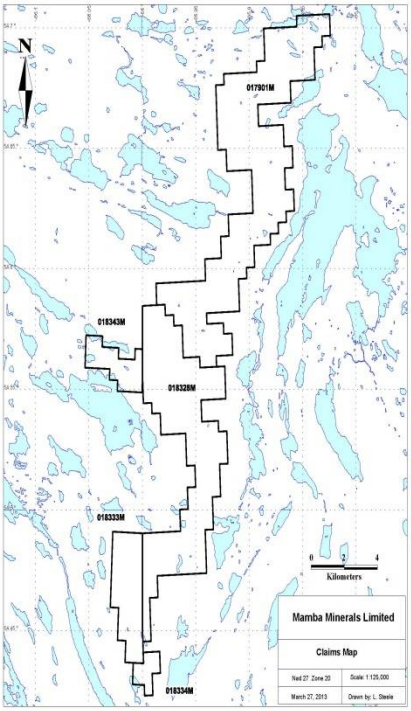
Snelgrove Project

Mamba's only material mineral project is the Snelgrove Project. The project does not have any mineral resources or reserves and is at an earlier stage of exploration and development.

Project Description Location

The Snelgrove Project is located in western Labrador and is approximately 55 kilometres south east of the community of Schefferville, Quebec and approximately 200 kilometres north of Labrador City, Labrador. The project consists of five contiguous map-staked licences totaling 424 mineral claims of 10,600 hectares. The claims are located on NTS map sheets 23J08, 23J09, 23I15 and 23I/12 and overlap UTM zones 19 and 20. The claims are in good standing to 2017 with the majority up to 2024 where more assessment work has been filed.





Mamba's wholly-owned Canadian subsidiary, CIP Magnetite Ltd., has an option with Altius Minerals Inc. to acquire 100% of the Snelgrove Project for certain expenditures within three years after the initiation of the Option Agreement on May 2012 with a 3% gross revenue royalty afterwards. In July 2013, the Issuer and Altius agreed to a modification of the Option Agreement that extends the final date two years to May 2017.

Mamba has met commitments and undertaken exploration since late 2012 in relation to the
Project with the initial $3.25 million and $2.8 of the second $3.25 million expenditure commitments with Altius having already been reached.

Snelgrove Project List of Claims

Owner	Licence Number	Number of Claims	Hectares	Issuance Date	Renewal Date	Expenditure Due Date	Expenditures Required
CIP Magnetite Ltd	17901M	207	5175	17-Jul-08	17-Jul-18	17-Jul-23	$186,300.00
CIP Magnetite Ltd	18328M	150	3750	7-Jan-11	7-Jan-16	7-Jan-24	$135,000.00
CIP Magnetite Ltd	18333M	39	975	7-Jan-11	7-Jan-16	7-Jan-18	$20,952.37
CIP Magnetite Ltd	18334M	8	200	7-Jan-11	7-Jan-16	7-Jan-24	$7,200.00
CIP Magnetite Ltd	18343M	20	500	7-Jan-11	7-Jan-16	7-Jan-15	$979.35
Total	5	424	10600				$350,431.72

In Labrador, a mineral exploration licence is issued for a term of five years. A mineral exploration licence may be held for a maximum of twenty years provided the required annual assessment work is completed and reported upon and the mineral exploration licence is renewed every five years. The minimum annual assessment work required to be done on a licence are:

$200/claim in the first year
$250/claim in the second year
$300/claim in the third year
$350/claim in the fourth year
$400/claim in the fifth year
$600/claim/year for years six to ten, inclusive
$900/claim/year for years eleven to fifteen, inclusive
$1200/claim/year for years sixteen to twenty, inclusive.

The renewal fees are:

for Year five $25/claim
for Year ten $50/claim
for Year fifteen $100/claim.

The minimum annual assessment work must be completed on or before the anniversary date. The assessment report must then be submitted within 60 days after the anniversary date. The Project is now in its 5th year. Total expenditures on the 424 claims to date accepted by the Department of Mines and Energy total $5,511,334.11, which does not reflect all the expenditures actually disbursed by CIP Mag/Mamba for the purposes of the Option Agreement. These include $6.1 million of the committed $6.5 million total.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The project is situated 60 km by air southeast of the town of Schefferville, Québec, the nearest commercial centre. It can only be accessed via float plane or helicopter, due to the locally steep terrain, cut by numerous lakes and rivers, and covered by thick vegetation. The towns of Schefferville and Labrador City are the closest communities that provide airports with scheduled service. The terrain is conducive to ground traversing, though steep hills, thick vegetation, lakes and rivers provide some obstacles.

The climate in the region is typical of north-central Quebec/western Labrador. Daily average temperatures exceed 0°C for only five months of the year. Winters are harsh, lasting six to seven months, with heavy snow from November until April. The daily mean temperature in Schefferville in January averages -24.1°C. Precipitation in the Schefferville area includes more than 50 cm of snowfall per month for November, December and January. Summers are generally cool and wet with the wettest month of summer being July with an average rainfall of 106.8mm. Early and late winter conditions are acceptable for ground geophysical surveys and drilling.

The town of Schefferville is an incorporated municipality in the Province of Québec, and has a number of new buildings, including medical clinics, a recreation centre, churches, and houses. The population of the town is approximately 213 people. The nearby Matimekush community has approximately 750 members of the Nation Innu Matimekush-Lac John. The economy in Schefferville relies on hunting, fishing, tourism and public service administration. The town contains a motel, store and flying service operators. A skilled labour force is available from other parts of Newfoundland and Labrador and Québec.

The Schefferville airport has a 2,000 metre runway, capable of handling jet aircrafts. Scheduled flights are available to Montreal, Wabush and Sept-Îles, Quebec. Rail service is provided by Tshiuetin Rail Transportation Inc., which is owned in equal parts by the Naskapi Nation of Kawawachikamach, the Nation Innu Matimekush – Lac John and Innu Takuaikan Uashat mak Mani. Freight and passenger rail service from Schefferville to Sept-Îles runs twice weekly. The railroad lies about 40 air-km west of the project area.

History

The first significant exploration in the Labrador Trough commenced in the late 1930's when Labrador Mining and Exploration Company Limited ("**LM&E**") acquired a large land package to explore for base and precious metals.

In 1945, Hollinger Gold Mines bought control of LM&E and formed Hollinger North Shore Exploration Company Limited. M.A. Hanna Company of Cleveland joined Hollinger and Hanna along with other steel companies formed the Iron Ore Company of Canada ("**IOCC**").

Under the management of IOCC, the mining and shipping of iron ore began in 1954. The exploration and mining of direct shipping ore ("DSO") within the Schefferville area ceased in 1982, after the production of approximately 250 million tons of ore. Although the focus of IOCC was DSO deposits, exploration of taconite mineralization in the Howells River area also occurred. With the recent increase in demand for iron and steel around the world, iron prices have increased and exploration and development activity in the Schefferville area has also steadily increased.

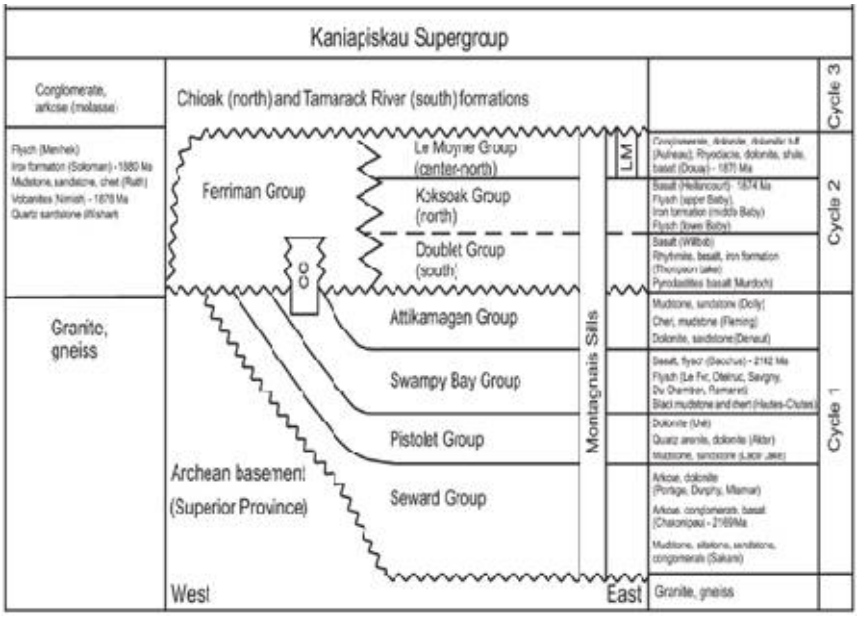
There are no known historic resources at the Snelgrove Project.

Geological Setting

The project is situated near the eastern margin of the Labrador Trough, a 1,100 kilometre-long geosyncline that extends from the Ungava Bay in the north, through western Labrador and back into southeastern Québec as part of the Grenville Orogeny. The belt is about 100 km wide in its central part and narrows considerably to the north and south. The Labrador Trough, like the Michigan-Minnesota Marquette Range complex, is the sedimentary basin-dominant portions of the Circum-Superior Craton accretionary complex that includes both sedimentary and mafic/ultramafic components that envelop the Superior Craton and is the host of a wide variety of metal deposits, including over 95% of Canada and US iron production.

The trough comprises a sequence of Proterozoic sedimentary rocks, including iron formation, mafic intrusions and volcanics, and felsic volcanic and carbonatite rocks. The southern part of the trough is crossed by the Grenville Front representing a metamorphic fold-thrust belt in which Archean basement and Early Proterozoic platformal cover were thrust north-westwards across the southern portion of the southern margin of the North American Craton during the 1.1 – 1.0 Ga Grenvillian Orogeny.

The project is underlain by Lower Proterozoic rocks sedimentary and volcanic rocks of the Kaniapiskau Supergroup. The Kaniapiskau Supergroup is subdivided into the Cycle 2 sedimentary sequence known as the Ferriman Group and a laterally equivalent mafic volcanic dominated succession called the Doublet Group. The Attikamagen Group (Cycle 1) Denault, Dolly, and Fleming Formations underlie the Ferriman Group (Cycle 2) formations, which include the Wishart, Sokoman, Nimish and Menihek Formations (from oldest to youngest). The Sokoman Formation is the "iron formation". This part of the Labrador Trough was deformed during the Hudsonian Orogeny. These lithotectonic zones are defined by consistent lithologic assemblages and/or structure styles traceable over large areas.

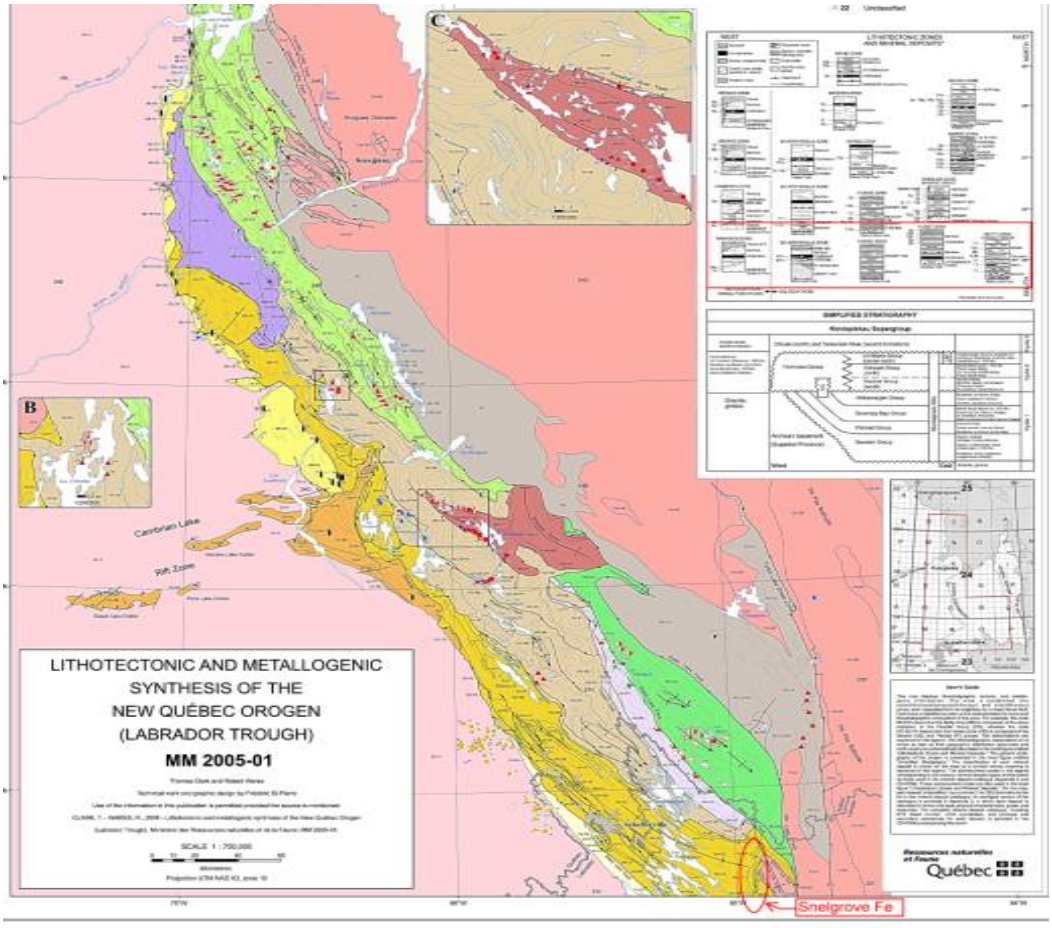


The Labrador Trough is structurally complex with several periods of ductile deformation overprinted with later brittle thrust faulting reactivating axial planes and slide faults of the earlier events. The principal and oldest deformation is the D1 from the northeast related to the Trans Hudsonian event. This compressed and faulted the trough basin(s) into southwest verging asymmetrical to overturned nappe-type folds. This event formed the boundaries of the lithotectonic zones into several blocks. While the basin(s) were shortened by the folds, the major thrust faults likely caused the majority of the basinal foreshortening. Foreshortening of about 35% has been cited, but the lack of stratigraphic markers, combined with brittle thrust faults from the same general direction, make this determination likely a minimum estimation.

The second major deformation, D2, makes less an impression on the Labrador Trough sediments, except near the eastern margins, and likely is post-induration. It compressed the rocks from the east to east-northeast. The areas most affected lie along the eastern margin of the trough, such as the Snelgrove Project. The compression appears to have been simple compression switching to dextral transpression. The effect was to refold the D1 structures upward and superimpose a second set of thrust and normal faults in it.

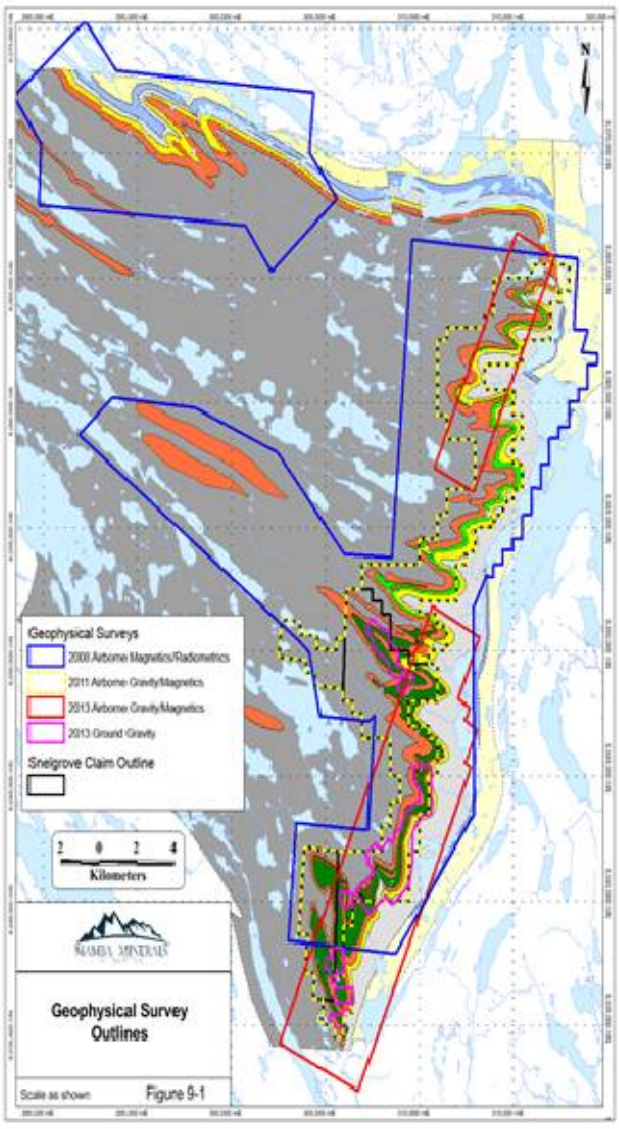
The structural processes show both D1 and D2 influences and results in one of the few iron projects in the region to show such a high degree of structural interplay. This means that, besides the older D1 folds and related thrust faults, the D2 folds and faults are superimposed on them by flipping up almost vertically. The resultant pattern requires careful geological interpretation to follow the original taconite and later alteration and weathering loci, which are likely structurally related.

The property geology reflects the results of the interplay between initial deposition, several periods of folding and faulting and one or more periods of post-taconite alteration and/or weathering. The Sokoman Formation “iron formation” horizon, if unfolded at a simple 1:1 ratio, would contain over 40 km of basin width. The property contains the high-magnetite taconites with a variable overprint of later hematization over this length. The critical stratigraphy is the Sokoman Formation with variable co-deposition of Nimish basalt volcaniclastic and volcanic flows in the middle.



Exploration

The 2013 exploration program was completed in two phases, the first of which was aimed at drill testing taconite and direct shipping ore (DSO) targets outlined in previous programs. The second phase of exploration focused on testing and discovering new DSO targets. The second phase of exploration was designed to follow up on and discover new DSO targets and hematite targets. The program began in May and consisted of ground gravity and magnetics, a 965 line kilometre airborne gravity gradiometer survey, geological mapping, prospecting, and 815 metres of diamond drilling in 8 holes.



The CLC area and other zones along the lower part of the Sokoman Formation show significant areas of enriched oxidized hematite replacing taconite and were the focus of drilling in 2013. The CLC section with the best developed data shows the Sokoman Formation true width of approximately 150 m which has been tested to a vertical depth of at least 240 m. Drilling along the trend is on the order of 800-m spaced single drillholes across approximately 4km, with all holes showing mineralization of enriched oxidized hematite replacing taconite. This area appears to be a significant target for further exploration. Mineral processing testwork is needed to determine the recovery parameters of the material. The Issuer has already commenced this work.

Drilling

Phase 1 drilling was carried out from February to May by Innu Cartwright Drilling of Happy Valley-Goose Bay, NL. Helicopter services were provided by Heli-Nation operated by Heli-Excel of Sept-Iles, Québec. Drilling took place on a two shifts per day basis, 24 hours per day, 7 days a week. Employees were based in Schefferville and accessed the property by helicopter. Core logging and sampling was completed in Schefferville. A total of 1,862 metres in 8 holes was drilled during the winter program. The average drillhole length was 232 metres, with dips ranging from -45° to -55° at NQ core size.

A total of 377 samples were sent to the SGS Lakefield for analysis.

The winter drilling program resulted in a better understanding of the geology and mineralogy of the area. The northern half of the property appears to contain more magnetite rich iron ore and mixed ore (hematite and magnetite) and the CLC area returned higher percentages of hematite.

Phase 1 Collar Locations

Hole ID	Easting	Northing	Elevation	Depth	Azimuth	Dip	Core Size	Licence
MM-13-01	315634	6064431	564	154	345	-45	NQ	017901M
MM-13-02	315955	6064517	605	262.1	345	-45	NQ	017901M
MM-13-03	316237	6064616	587	300.2	345	-45	NQ	017901M
MM-13-04	315308	6063370	596	165.8	360	-45	NQ	017901M
MM-13-05	308932	6040523	578	318.2	330	-50	NQ	018328M
MM-13-06	308815	6040516	584	141.4	150	-50	NQ	018328M
MM-13-07	308325	6041710	501	257.6	200	-55	NQ	018328M
MM-13-08	308777	6040772	594	263	150	-55	NQ	018328M

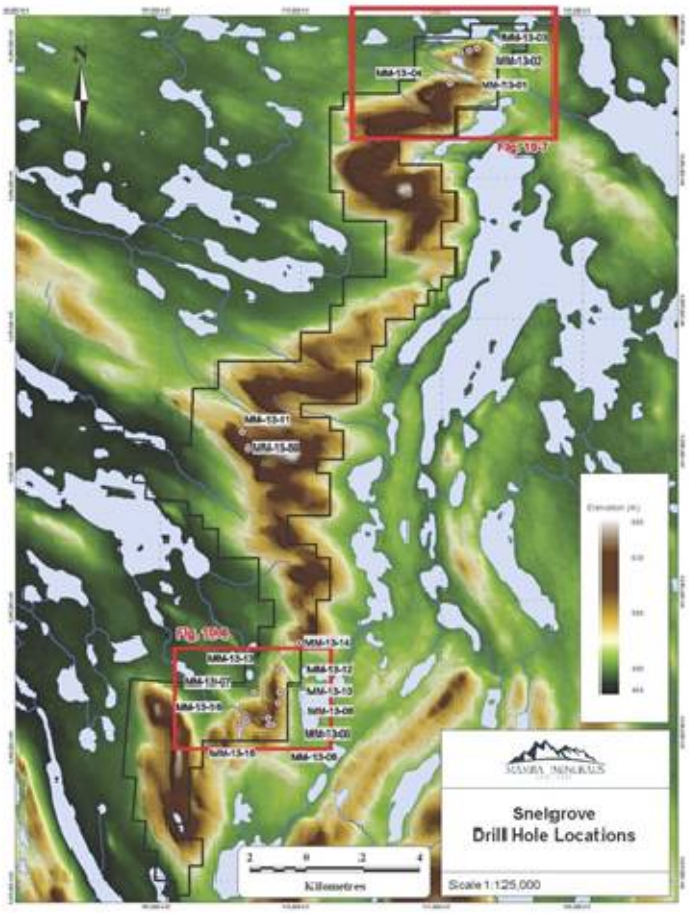
A total of 815 metres of diamond drilling in 8 holes was completed during the second phase of the 2013 exploration program. Major Drilling of Winnipeg, Manitoba completed the drill program. Two drill rigs were mobilized to site late August-early September with drilling running from September 4 to 23, 2013.

No samples were assayed during the second phase of drilling, because Mamba wanted geometallurgical testwork on the samples (ore microscopy and results of metallurgical test results from SGS-Lakefield) before sampling the core. Mineralogy was estimated using a combination of XRF measurements and visual inspection and was recorded on drill logs as trace, minor or major for the iron minerals of interest.

Phase 2 Collar Locations

Hole ID	Easting	Northing	Elevation	Depth	Azimuth	Dip	Core Size	Licence
MM-13-09	308112	6050400	612	99	225	-75	NQ	017901M
MM-13-10	309160	6041327	574	114	270	-75	NQ	018328M
MM-13-11	307901	6050952	582	80	0	-90	NQ	017901M
MM-13-12	309207	6041722	560	116	270	-75	NQ	018328M
MM-13-13	309198	6042482	549	99	270	-75	NQ	018328M
MM-13-14	309935	6043490	550	99	0	-90	NQ	018328M
MM-13-15	307835	6040570	546	100	90	-45	NQ	018328M
MM-13-16	308050	6040692	543	108	0	-90	NQ	018328M

The below figure shows the location of the total drilling conducted in 2013.



Mineralization

Three major types of mineralization occur on the Snelgrove Project. One is the "original" taconite, the weakly metamorphosed equivalent of the original chemical and volcanic sediments. It is magnetite-dominant with little original hematite. It forms an integral part of the original sedimentation. The grade distribution in the Kenty Lake (magnetic taconite) target area in the north part of the project area shows that the Fe grade in magnetite taconite is generally in the range of 25-35% with some additional later earthy hematite.

The second type is defined by hard, steel-blue hematite in quartz. IOCC named this "steel-rail ore" when they encountered it mainly in the Malcom-Houston deposits southeast of Schefferville. The Fe grades are typically 58-67% Fe in hematite only, making it a direct shipping ore. The Sawyer Lake deposit (Labrador Iron Mines) lies immediately southeast of the southern part of the Snelgrove Project and about four km SSW of the CLC area. The examples in the 2013 drilling (MM-13-05 through -08 and others) show the steel rail type to be intermixed with the more pulverant Fe oxides related to weathering below. This pattern is also seen in the Malcolm-Houston pits (LIM) and at Rainy Lake (Century Iron Mines).

The origin is thought to be hydrothermal fluids arising from late basinal dewatering or during diagenesis and compression with heat coming from deep-water circulation. Similar DSO hematite has been documented in Australia and Brazil with studies showing the hydrothermal association. The Newfoundland and Labrador Geology Survey Branch is actively researching the origins of this iron oxide type under the aegis of Dr. James Conliffe.

The third oxide type is the mixture of earthy hematite-limonite-goethite. It is generally porous with much of the original iron oxides replaced by these iron hydroxides. The steel rail type remains as remnant bands to several metres wide in this matrix. The grade distribution of iron as both magnetite and hematite for analyses in the CLC

target area in the south-central part of the Property includes the two non-taconite oxide types. Grades can range from 25 to +63% and have been selectively mined by IOCC for decades and now by LIM and Tata Mining.

The origin of the earthy hydroxides is believed to be caused by deep weathering associated with a global Cretaceous oxidation event; Cretaceous plant and insect fossils have been documented in several of the original IOCC mines west of Schefferville in the rubble of deeply oxidized taconite.

On the Snelgrove Project, the taconite type was drilled in the north near Kenty Lake. This style is likely to be common across the project area. The mixture of the two later hematitic types was drilled around the CLC area on targets defined by detailed gravity and magnetic interpretations. This type appears more prevalent in the southern half of the Project, preferentially associated with the lower units of the Sokoman Formation. The current program demonstrated that the CLC targets cover a substantial area of similar geology and Fe oxides. Other targets remain to be tested in the area.

Sampling and Analysis; Security of Samples

Drill core samples collected and prepared by the qualified persons were submitted to SGS Minerals Services at Lakefield, Ontario, which is an accredited laboratory. The qualified persons have taken reasonable precautions to review laboratory reports and the routine analytical and testwork results provided by SGS. As such, the qualified persons at King and Bay ("**KBW**") believe that the assaying have been performed in conformity with applicable industry standards and procedures. They have also reviewed the core logging and sampling procedures in the field and is satisfied that these were done to applicable industry standards, and know of no issues that would affect the quality of the results presented.

The description and discussions for core logging and sampling were in place for the 2013 drilling campaigns executed by the qualified persons for Mamba.

KBW managed the drilling and core logging from January through May, and again from August through mid-October, 2013. The drill core boxes were securely closed by the drillers and conveyed by helicopter and truck to the core logging and storage facility located in Schefferville, Québec. The core was received, organised, and verified for drill length marker placement before initiating the logging process. The core is rotated so that the maximum inclination of banding is displayed. The geotechnicians and geologists checked the core for metrage blocks placement and continuity of core pieces. The geotechnical logging was done by measuring the core for recovery and rock quality designation ("**RQD**"). The logging was done on a metrage block to block (drill run) basis, generally at nominal three metre intervals. Core recovery and rock quality data were measured for all holes. Drill core recovery in most cases was close to 90% but could be less than 20% in strongly oxidized rock, locally. The RQD was generally higher than 92%. Lower values were observed and measured for the first 3 to 5 m of some holes where the core is slightly broken and in intervals with strong weathering/alteration. Additional geotechnical data for fractures, joints, and shears was collected. All data were entered in the AcQuire database on site and the data was uploaded automatically daily to an off-site file server on a daily basis.

The core was logged for lithology, structure, and mineralization with data entered directly into laptop computers using the AcQuire system using logging codes and parameters designed for the specific observations of the project core. Drillhole locations, sample tables, and geotechnical tables were recorded in AcQuire as separate data tables and are able to be merged with the geological tables.

Prior to sample cutting, the core was photographed wet and dry. Generally, each photo included four NQ core boxes. A small white dry-erase board with a label is placed at the top of each photo and provides the drillhole number, box numbers and from-to in metres for the group of trays. The core box was labelled with an aluminum tag containing the drillhole number, box number and from-to in metres stapled on their left (starting) end. Once the core logging and the sampling mark-up was completed, the boxes were placed in core racks inside the core facility. After sampling, the core trays containing the remaining half core and the un-split parts of the drillholes were stored in sequence on steel core racks with metal roof located just outside the core facility.

The core was brought in daily at shift changes to KBW's core facility in a building in Schefferville, Québec to reduce the possibility of access by the public. Only KBW or its contractor's employees or Mamba, in the presence of KBW personnel, were allowed to handle core boxes or to visit the logging or sampling areas inside the facility. All sample cutting, preparation, and packaging were handled by KBW personnel only. Split core

samples were packed in plastic bags and placed in a wooden crate constructed on a robust pallet. The crate is screwed shut with steel strapping securing the walls and top cover. The pallets were picked up at the core facility with a fork-lift, taken to the nearby train station at Schefferville where it was loaded into a closed van and sent in the care of Greyrock Mining, as expediters, with their freight to Labrador City, NL. Greyrock delivered the shipment to TST Transport in Labrador City for truck transportation to SGS-Lakefield, via Baie-Comeau, Québec and Montréal.

The sampling approach was to take most samples at the metrage blocks at 3.0 m intervals, with variation in sample limits adapted to changes in lithology and mineralization governed by a written protocol. Samples were therefore generally 3.0 m long and minimum sample length was set at 1.0 m. Zones of unusual gangue, abnormally high carbonate, or rapid changes in the type and quantity of iron oxide minerals were treated as separate lithologies for sampling purposes. Sampling between metrage blocks allows for the most accurate assignment of core recovery in the data.

The bracket or shoulder sampling of all apparently “ore grade” mineralization by low grade or waste material was routinely done. The written protocol developed for the program also stated that silicate and silicate iron formation intervals within the zones of oxide iron formation should generally all be sampled unless exceeding 20 m in intersection length. In the abnormal case, where core lengths for these waste intervals were greater than 20 m, then only the low/nil grade waste intervals marginal to iron oxide rocks were to be sampled as bracket samples. In practice, these probable waste zones would be sampled completely if the potentially economic mineralization was extensive in the core.

Field quality control materials, consisting of blanks, certified reference standard, and quarter core duplicates, were inserted into the sample stream with the routine sequential sample numbers at a frequency of one per 10 routine samples.

The sampling practice used Tyvek three-tag sample books with a uniquely coded number sequence keyed to the project.. The geologists marked the Quality Control (“**QC**”) sample identifiers in the sample books prior to starting any sampling. The sample intervals and sample identifiers are marked by the geologist onto the core with an arrow with a wax china marker. The sample limits and sample identifiers are also marked on the core tray.

The book-retained sample tags are marked with the sampling date, drillhole number, the From and To of the sample and the sample type (sawn half core, blank, duplicate or standard) and, if standard, then also record the identity of the standard, as well as the lithology code for that sample length. The first detachable ticket recording the From and To of the sample was stapled into the core tray at the start of the sample interval. QC sample tags were are also stapled into the core tray at proper location. Quarter core duplicate and blank samples were flagged with flagging tape to alert the core cutters.

The core cutters saw the samples coaxially to the core and perpendicularly to the foliation/banding orientation, as indicated by the markings, then placed both halves of the core back into the core tray in the original order. The sampling technicians complete the sampling procedure which involves bagging the samples.

The second detachable sample tags are placed in the plastic sample bags. These tags do not record the sample location or any other written information. As an extra precaution against damage, the sample number on these tags was covered over with small piece of clear packing tape. The sample identifiers were also marked with indelible marker on the sample bags. The bags were then closed with a cable tie or stapled and placed in numerical order in the sampling area to facilitate shipping. The samplers inserted the samples designated as field blanks before shipping. All samples were weighed and recorded in the sample database before packing.

Samples were cross-checked by two samplers and were packed into wooden crates on pallets for shipping. All were individually labelled with the laboratory address and the samples in each shipping container are recorded. Upon shipment, the laboratory request list that was in the container was also emailed to the lab after being assigned a unique shipment/dispatch number.

The qualified persons believe that the sampling and logging procedures are reasonably done and is unaware of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

Quality Assurance / Quality Control

For the initial 2013 drill program, which included holes MM-13-01 through to MM-13-08, the sample and assay quality controls for the drilling programs included in-field and in-laboratory components. The in-field component was operated by KBW and involved the insertion of quality control materials into the sample stream going to the lab. The assay laboratory also operated its own, internal QA/QC programs. These programs included the insertion of various quality control materials, certified reference standards, blanks and preparation and analytical duplicates.

Mamba's 2013 in-field QA/QC program implemented during core sampling consisted of core duplicate sampling, called Field Duplicate ("**FDUP**"). The core duplicates were quarter-sawn drill core cut along the axis of the core, and the corresponding original samples were also quarter core. The Duplicates were taken from all drillholes at a frequency of no greater than one every 30 routine samples and at least one FDUP per borehole. A total of 21 samples were Field Duplicates. In the original core logs, these Duplicates are labelled with "dupl." and the sample identifier for the sample for which they are the duplicate. These FDUPs were sent to the primary assay laboratory with a different sample number. The link between the original and duplicate sample is recorded and managed within the AcQuire database. The project database provides the information necessary to match the samples to their duplicates.

SGS-Lakefield carries out in-house QA/QC during the preparation and assaying of their clients samples. Analytical and preparation blanks, certified reference standards and preparation and analytical duplicates are inserted into the sample stream in the lab and analysed along with the samples received.

No one related to Mamba as an employee, officer, director, or associate was involved with the samples at any time during sampling, transportation, sample preparation, or assaying.

Mamba has no relationship with SGS Mineral Services (SGS-Lakefield) and is independent of the company.

The samples were selected, cut, packed, and shipped in a secure manner within a closed and locked building. The sample tracking and notifications among the field lab, database manager, and analytical lab were close with no reported discrepancies in sample numbers and expected quantities. Samples were shipped and arrived at the laboratory in sealed and strapped pallets with no reports of signs of tampering or damage. Only KBW personnel handled the samples during the field process. The QAQC procedures indicated that there were no unexpected sample data that was not immediately checked with the laboratory to KBW satisfaction prior to release to the Issuer.

The qualified person is of the opinion that the opportunity for manipulation of the iron oxide samples under these conditions to be negligible and no evidence of such manipulation was observed by several independent checks.

Data Verification

A quailed person visited the Snelgrove Project twice during the drilling program to verify that all aspects of the technical data collection, sampling, and security protocols were being followed, and, as QP for KBW on the Issuer's behalf, he conferred frequently with the field team responsible for the daily execution of the works described herein. The QP observed and monitored the field data collection procedures described above and is satisfied that these are acceptable industry practice. The qualified person knows of no known limitations regarding the field data and considers these to be adequate for the purposes of the technical report.

Mineral Resource and Mineral Reserve Estimates

There are no mineral resources or mineral reserves at the Snelgrove Project.

Exploration

Based on past expenditures and unit costs, the proposed program for the next phase of work includes 5,000 metres of core drilling, significant metallurgical testwork to develop geometallurgical criteria, and associated analytical, field, office, overhead costs plus a contingency factor. The total budget is $5,460,000 and is based on a summer-fall timeframe for execution.

DIVIDENDS OR DISTRIBUTIONS

Up until the date hereof, no cash dividend has ever been declared or paid by Mamba and Mamba has not established a dividend policy. Legally, there are no known restrictions to the payment of dividends, except that they must be paid out of profits and that the conditions of Section 254T of the Corporations Act must be met. Section 254T requires generally that the excess of Mamba's assets over its liabilities be sufficient to pay the dividend, that the payment of the dividend be fair and reasonable to Mamba's shareholders as a whole, and that the payment of the dividend does not materially prejudice Mamba's ability to pay its creditors. The Mamba Board may declare dividends at such times and in such amounts as determined by them and in accordance with the Corporations Act.

SHARE CAPITAL OF MAMBA

Mamba is a company incorporated under the Corporations Act and is limited by shares. Mamba currently has two classes of shares on issue, being fully paid shares ("**Ordinary Shares**") and Performance Shares ("**Performance Shares**"). At the date of this Circular, there are 70,550,086 Ordinary Shares and 32,000,000 Performance Shares on issue. Performance Shares can be converted into Ordinary Shares upon achievement of certain performance hurdles. There are no partly paid shares on issue.

Mamba does not have an authorised share capital as the requirement for a company to state an authorised share capital was repealed in Australia in 1998. Subject to compliance with the Corporations Act and the ASX Listing Rules, the legal ability of Mamba to raise capital and the number of Ordinary Shares that it may issue is unlimited. The rights attaching to Ordinary Shares in Mamba are set out in the Constitution of Mamba (the "**Constitution**") and are regulated by the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and laws of general application.

The rights attaching to Ordinary Shares are summarized below. This summary is not exhaustive and does not constitute a definitive statement of the rights attaching to the holders of Ordinary Shares (the "**Ordinary Shareholders**").

Issue of Ordinary Shares

Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Mamba Board may issue and allot Ordinary Shares for such issue prices and on such terms as they determine (including shares with preferential, deferred or special rights, privileges or conditions, or which are liable to be redeemed or are bonus shares). This includes the power to grant options over unissued Ordinary Shares. The Ordinary Shares may be issued to existing Ordinary Shareholders, whether in proportion to their existing shareholdings or otherwise, or to such persons as the Mamba Directors may determine.

Transfer of Ordinary Shares

Ordinary Shareholders may transfer Ordinary Shares by way of a written transfer instrument in any usual or common form (or any other form approved by the Mamba Directors), or by way of a transfer effected under a computerised or electronic system in accordance with the ASX Settlement Operating Rules and requirements of the ASX Listing Rules. The Mamba Directors may in their discretion refuse to register a transfer of Ordinary Shares in circumstances permitted by the ASX Listing Rules. The Mamba Directors must refuse to register a transfer of Ordinary Shares where required to do so by the ASX Listing Rules.

Conversion of Ordinary Shares

Under the Corporations Act, Ordinary Shares may be converted to preference shares provided certain conditions are met. As the Constitution does not prescribe the rights that would attach to preference shares, a conversion of Ordinary Shares to preference shares would, under the Corporations Act, be permitted only if the Ordinary Shareholder's rights with respect to the following matters are first approved by special resolution: repayment of capital, participation in surplus assets and profits, cumulative and non-cumulative dividends, voting, and priority of payment of capital and dividends in relation to other shares or classes of preference shares.

The requirements as to variation of rights, set out immediately below, would apply to the conversion.

Variation of Rights

The rights attached to Ordinary Shares or Performance Shares may be varied in accordance with the Corporations Act. Under the Corporations Act, rights attached to shares in a class of shares may be varied or cancelled only by both a special resolution of the Company and either a special resolution of the relevant class or with written consent of shareholders with at least 75% of the votes in the class.

If the shareholders in the class do not all agree to the variation or the cancellation (whether by resolution or written consent), the holders of not less than 10% of the votes in the class may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

Dividends

The holders of Ordinary Shares on which any dividend is declared or paid by Mamba are entitled to participate in that dividend equally, in proportion to the number of Ordinary Shares held. The holder of a partly paid Ordinary Share (of which none are currently on issue) would be permitted to receive a fraction of the dividend declared or paid on a fully paid Ordinary Share (equivalent to the proportion which the amount paid on the share bears to the issue price.). These dividend entitlements are subject to the rights of persons holding shares with special rights as to dividends (of which none are currently on issue).

The Mamba Board may from time to time by resolution either declare a dividend, or determine that a dividend is payable, out of the profits of Mamba. The Mamba Board may fix the amount, time and method of payment of the dividend. In the case of a determination that a dividend is payable, the resolution may be amended or revoked until the time fixed for paying the dividend arrives. The payment of a dividend does not require any confirmation by a general meeting, subject to compliance with the Corporations Act.

Before declaring or determining to pay a dividend, the Mamba Board may resolve to set aside out of the profits of Mamba such amounts by way of reserves as they think appropriate. They may also resolve to carry forward any undistributed profits without transferring them to a reserve. The Mamba Board may resolve that a dividend will be paid wholly or partly by the transfer or distribution of specific assets, in which case the Mamba Board may deal as they consider expedient with any difficulty which arises in making the transfer or distribution (for example to deal with fractional entitlements), subject to compliance with the Corporations Act.

Winding Up

Subject to the rights of holders of Ordinary Shares issued on special terms and conditions, upon a winding up of Mamba, the Ordinary Shareholders would be entitled to participate equally in the distribution of any surplus assets in proportion to the number of and amounts paid on the shares held.

A liquidator may, with the sanction of a special resolution, divide among the Ordinary Shareholders in kind all or any of Mamba's assets, and, if there are any different classes of shares on issue, may for that purpose determine how the division is to be carried out between the different classes.

Voting

Subject to any rights or restrictions attaching to any class of shares, every Ordinary Shareholder may vote at a general meeting in person or by proxy, attorney, or, in the case of an Ordinary Shareholder that is a body corporate, by the individual appointed as its representative. On a show of hands, an Ordinary Shareholder is entitled to one vote. Upon a poll, an Ordinary Shareholder has for each fully paid Ordinary Share held, one vote, and for each partly paid Ordinary Share held, a fraction of a vote equivalent to the proportion which the amount paid on the Ordinary Share bears to the total issue price.

In the case of jointly held Ordinary Shares, if two or more joint holders purport to vote, then the vote of the joint holder whose name appears first in the register of Ordinary Shareholders will be accepted to the exclusion of the other joint holder or holders.

A resolution put to the vote at a general meeting is decided on a show of hands, unless a poll is demanded by at least five Ordinary Shareholders entitled to vote on the resolution, or Ordinary Shareholders with at least 5% of the votes that may be cast on the resolution on a poll, or the chairperson of the meeting. A poll may be demanded before a vote is taken, or immediately before or after the result of a vote by show of hands is declared.

In the case of equality of votes on a resolution (by show of hands or poll), the chairperson has a casting vote.

Buy-back of Ordinary Shares and Reduction of Capital

Pursuant to procedures regulated by the Corporations Act, Mamba may, with the agreement of Ordinary Shareholders, buy-back Ordinary Shares from that Ordinary Shareholder. In certain circumstances (for example, where specified buy-back limits are to be exceeded, or the buy-back is selective), the buy-back would be subject to the approval of the Ordinary Shareholders at a general meeting. Upon registration of the transfer of the Ordinary Shares acquired by Mamba in a buy-back, the Ordinary Shares would be deemed to be cancelled.

Pursuant to procedures regulated by the Corporations Act, Mamba may also be permitted to carry out a reduction of capital (such as a return of capital to shareholders, or a cancellation of uncalled capital), provided the reduction is fair and reasonable to the Ordinary Shareholders as a whole, does not materially prejudice the ability to pay creditors, and the approval of shareholders is obtained (by way of ordinary resolution in the case of an equal reduction, or special resolution in the case of a selective reduction).

Sale of Non-Marketable Parcels

Mamba may sell the Ordinary Shares of any Ordinary Shareholder who has less than a marketable parcel of those Ordinary Shares, provided procedures and conditions prescribed by the Constitution, ASX Listing Rules and ASX Settlement Operating Rules are followed. A "marketable parcel" in relation to Ordinary Shares is a parcel of Ordinary Shares of not less than $500 based on the closing price on a trading platform. Notice is required to be given by Mamba to the Ordinary Shareholder of its intention to sell the Ordinary Shares. During this notice period, the Ordinary Shareholder has the opportunity to advise Mamba that the Ordinary Shareholder wishes to retain its Ordinary Shares (and, if such notification is given by the shareholder, Mamba is not permitted to sell the shareholding).

Performance Shares

Mamba has 32,000,000 Performance Shares on issue. The Performance Shares were approved by shareholders at a general meeting on 10 September 2012 and were issued on 29 August 2013 to shareholders of CIP Magnetite Pty Ltd ("**CIP Mag**") following its acquisition by Mamba. Each Performance Share converts into one Ordinary Share in Mamba upon achievement of certain milestones. The milestones relate to the delineation of Inferred Mineral Resources and completion of a Bankable Feasibility Study at the Snelgrove Lake Project in the Labrador Trough in Canada.

The Performance Shares do not vote or entitle the holder to participate in dividends or surplus assets on a winding up and are not transferrable.

In connection with the Arrangement, and subject to requisite regulatory and shareholder approvals, it is proposed that Mamba will convert the existing 32 million Performance Shares into Ordinary Shares at a rate of 1 for 10.

CONSOLIDATED CAPITALIZATION

There has been no material change in the share and loan capital of Mamba, on a consolidated basis, since the date of Mamba's financial statements for its most recently completed financial year to 30 June 2013 included in the Circular, except for the following:

- Issue of 6,311,451 Ordinary Shares on 4 July 2013 pursuant to exercise of options at 25 cents each;
- Issue of 2,898,592 Ordinary Shares on 12 July 2013 pursuant to exercise of options at 25 cents each;

- Issue of 32,000,000 Performance Shares on 29 August 2013 pursuant to acquisition of CIP Magnetite Pty Ltd, holder of the option to acquire the Snelgrove Lake Project; and

- Issue of 3,300,000 options over Ordinary Shares on 29 November 2013 pursuant to grant to directors and management under the Mamba Incentive Plan.

OPTIONS TO PURCHASE ORDINARY SHARES

On 26 November 2013, shareholders of Mamba adopted the Mamba Incentive Plan ("**Incentive Plan**"). Under the Incentive Plan, employees of Mamba and its subsidiaries (including any Mamba Director or officer employed in an executive capacity) may be offered Options, Share Rights and Share Appreciation Rights in the Company. The intent of the Incentive Plan is to reward and provide incentive to eligible employees whom the Mamba Board from time to time determines are deserving. Any offer of Options, Share Rights and Share Appreciation Rights is at the discretion of the Mamba Board, which (subject to requirements prescribed in the Incentive Plan) may determine the number and terms of securities offered for issue and the terms and conditions upon which they are offered.

The following is a summary of the terms of the Incentive Plan

Purpose

The purpose of the Incentive Plan is to reward, retain and encourage eligible employees by giving those eligible employees an opportunity to be granted Options, Share Rights or Share Appreciation Rights which entitle them to be issued shares in the Company upon satisfaction of certain performance conditions and, in the case of Share Options, the payment of the exercise price.

Term

The Incentive Plan was approved by the Board on 26 September 2013 and may be terminated at any time by resolution of the Board. If the Board exercises its discretion to terminate the Incentive Plan, any Options, Share Rights or Share Appreciation Rights already on issue will not be affected.

Participation and terms of grants

The Board may in its absolute discretion offer an Eligible Employee the opportunity to participate in the Incentive Plan. On acceptance of that offer, the Eligible Employee becomes a participant under the Incentive Plan (subject to shareholder approval in the case of a Director). Options, Share Rights and Share Appreciation Rights are issued unvested and vesting is subject to any performance condition imposed by the Board.

Participants are not required to pay or give consideration for the issue of Options, Share Rights or Share Appreciation Rights (although, in the case of Options, exercise is subject to payment of the exercise price).

None of the Share Options, Share Rights or Share Appreciation Rights will be quoted on the ASX, nor are they transferrable.

Rights to acquire Shares

Each of the Options, Share Rights and Share Appreciation Rights provide the participant the right to acquire Ordinary Shares as follows.

Share Options

Once vested, each Option entitles the participant to subscribe for one Ordinary Share at the applicable exercise price. The exercise price is determined by the Board and set out in the invitation letter.

Share Rights

Once vested, each Share Right entitles the participant to subscribe for one Ordinary Share for nil consideration.

Share Appreciation Rights

Once vested, each Share Appreciation Right entitles the participant to acquire a number of Ordinary Shares which is calculated by multiplying the number of vested Share Appreciation Rights in an award by the Entitlement Number of Shares for nil consideration. The Entitlement Number of Shares represents the increase in the market value of an Ordinary Share between the grant date of the Ordinary Share and the vesting date of the Ordinary Share.

In all cases

Ordinary Shares issued under the Incentive Plan will rank equally with other Ordinary Shares of the Company and will be listed.

The rights of each Participant will be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Options, Share Rights and Share Appreciation Rights do not entitle the Eligible Employee to participate in new issues without first exercising the Option, Share Right or Share Appreciation Right (as applicable).

Vesting and exercise

Options, Share Rights and Share Appreciation Rights only vest, and Options may only be exercised, if certain performance conditions (as set out in the plan invitation) have been satisfied before a date determined by the Board, being a date not exceeding 5 years from the date they are granted or 6 months after the date on which the performance conditions are tested.

As soon as possible after the expiry of a performance period, the Board will determine if and to what extent the relevant performance condition has been satisfied and the number of Options, Share Rights or Share Appreciation Rights (if any) to vest in each participant.

Upon the vesting of a Share Right or Share Appreciation Right, or the exercise of an Option after it has vested (but before it otherwise lapses), the Company must, within the time determined by the Board, issue or transfer to the participant the applicable number of Ordinary Shares.

Forfeiture

Options, Share Rights and Share Appreciation Rights issued under the Incentive Plan will automatically lapse and be forfeited if:

(a) the Board determines the participant has committed or is intending to commit any acts of dishonesty or fraud or the participant has breached the rules of the Incentive Plan or provided incorrect information to the Company;

(b) a participant engages in a "Restrained Activity" (including a business or activity which is competitive in a material respect with the business of the Company);

(c) the performance conditions are not satisfied prior to their expiry; or

(d) a participant ceases employment with the Company as a result of an "Uncontrollable Event", such as death or serious injury or for cause or ceases employment with the Company for any other reason and the Board determines that the Options, Share Rights or Share Appreciation Rights will not vest. However, the Board has a discretion under the Incentive Plan rules to allow Options to vest and Share Rights and Share Appreciation Rights to vest and be exercised if employment ceases due to an Uncontrollable Event.

Takeovers

If there is a "Control Event" (such as a takeover bid or scheme of arrangement by which more than 50% of the Ordinary Shares in the Company change ownership), then the Board may (at its absolute discretion) accelerate the vesting of participants' unvested Options, Share Rights or Share Appreciation Rights, whether or not the performance conditions have been satisfied.

Dividends, voting rights and entitlement offers

Options, Share Rights and Share Appreciation Rights issued under the Incentive Plan have no dividend or voting rights. If the Company undertakes a pro-rata issue of Ordinary Shares, a participant when exercising an Option, Share Right or Share Appreciation Right is entitled to additional Ordinary Shares to make up for the dilutionary effect of the entitlement offer on the value of the Share Rights or Options.

Administration of the Incentive Plan

The Board is responsible for administering the Plan in accordance with the Incentive Plan rules.

On 18 December 2013, Mamba had on issue 20,800,000 Options to acquire Ordinary Shares in the Company, as set out in the following table:

Option Holders	Number of Options	Designation of Securities Under Option	Grant Date	Expiry Date	Exercise Price per Ordinary Share	Market Value of Ordinary Shares on Grant Date	Market Value of Ordinary Shares as of Date of This Circular
Executive officers and past executive officers of Mamba (1 person)	500,000	Ordinary Shares	29 Nov 13	29 Nov 18	0.50	0.50	A$0.565
Directors and past directors of Mamba, who are not also executive officers (3 persons)	2,500,000	Ordinary Shares	29 Nov 13	29 Nov 18	0.50	0.50	A$0.565
Executive officers and past executive officers of all subsidiaries of Mamba	-	-					
Directors and past directors of all subsidiaries of Mamba, who are not also executive officers of a subsidiary of Mamba	-	-					
Employees and past employees of Mamba	300,000	Ordinary Shares	29 Nov 13	29 Nov 18	0.50	0.50	A$0.565
Employees and past employees of all subsidiaries of Mamba (2 persons)	-	-					
Consultants of Mamba	-	-					
All other persons or companies (2 persons and 1 Company)	17,000,000 500,000	Ordinary Shares Ordinary Shares	7 Nov 12 30 Nov 12	21 Aug 15 15 Dec 15	0.25 0.50	A$0.28 A$0.28	A$0.565 A$0.565
Total	20,800,000	Ordinary Shares					

PRIOR SALES

The following table summarizes the Ordinary Shares and Options issued by Mamba during the past 12 months preceding the date of this Circular.

Date	Distribution Details	Distribution Price per Ordinary Share/Option (AUS$)	Number of Ordinary Shares /Options Distributed
27/2/2013	Exercise of options	25c	2,000
15/3/2013	Exercise of options	25c	61,000
26/3/2013	Exercise of options	25c	50,000
2/4/2013	Exercise of options	25c	20,000
12/4/2013	Exercise of options	25c	50,000
15/4/2013	Exercise of options	25c	37,213
18/4/2013	Exercise of options	25c	126,750
23/4/2013	Exercise of options	25c	805,250
26/4/2013	Exercise of options	25c	84,500
3/5/2013	Exercise of options	25c	96,554
7/5/2013	Exercise of options	25c	550,199
9/5/2013	Exercise of options	25c	28,000
16/5/2013	Exercise of options	25c	16,000
22/5/2013	Exercise of options	25c	1,250
28/5/2013	Exercise of options	25c	118,400
31/5/2013	Exercise of options	25c	157,320
11/6/2013	Exercise of options	25c	1,000
13/6/2013	Exercise of options	25c	730,148
19/6/2013	Exercise of options	25c	75,250
21/6/2013	Exercise of options	25c	6,030,084
26/6/2013	Exercise of options	25c	2,410,623
4/7/2013	Exercise of options	25c	6,311,451
12/7/2013	Exercise of options	25c	2,898,592
30/8/2013	Issue of 32,000,000 Performance Shares following acquisition of CIP Magnetite Pty Ltd (exchangeable into Mamba shares on a 1 for 1 basis upon achievement of certain milestones)	N/A	N/A
29/11/2013	Issue of Options to Michael O'Keeffe	50c	1,000,000
29/11/2013	Issue of Options to Niall Lenahan	50c	1,000,000
29/11/2013	Issue of Options to Richard Wright	50c	500,000
29/11/2013	Issue of Options to employees under Mamba Incentive Plan	50c	800,000

PRICE RANGE AND TRADING VOLUME OF ORDINARY SHARES

The Ordinary Shares are listed on the ASX under the symbol "MAB", which constitutes the principal trading market for the Ordinary Shares. There are 70,550,086 Ordinary Shares on issue.

The following table sets forth the high and low closing prices and volumes of the Ordinary Shares traded on the ASX for the periods indicated:

ASX: MAB	Price Range (in AUS$)		
	High	Low	Total Volume
January 2014	0.62	0.55	1,117,630
December 2013	0.69	0.53	1,750,000
November 2013	0.60	0.47	961,300
October 2013	0.56	0.46	709,100
September 2013	0.57	0.47	982,700
August 2013	0.57	0.40	1,579,100
July 2013	0.40	0.31	834,300
June 2013	0.42	0.27	1,078,300
May 2013	0.70	0.41	1,734,600
April 2013	0.98	0.52	4,708,300
March 2013	0.55	0.48	1,104,900
February 2013	0.55	0.40	1,489,100
January 2013	0.54	0.32	2,547,607
December 2012	0.38	0.25	4,430,747

PRINCIPAL MAMBA SHAREHOLDERS

As of the date of the Circular, Mr. Gavin John Argyle beneficially owns, or exercises control or direction over, directly or indirectly, a total of 14.35% of Mamba's Ordinary Shares.

Altius Resources Inc. is the holder of 17,000,000 options over Ordinary Shares. In the event all such options were converted into Ordinary Shares, Altius would control 19.4% of Mamba's issued share capital (prior to any other share issue or exercise of options). For more information on the Altius Option, please see the section entitled "Material Contracts" in this Exhibit J.

DIRECTORS AND EXECUTIVE OFFICERS

The following table lists the names of the Directors of Mamba, their state and country of residence, their principal occupations during the past five years, the number of Ordinary Shares and Options each director beneficially owns, or exercises control or direction over, directly or indirectly and the date of their appointment.

Name and Place of Residence	Principal Occupation for Past Five Years	Number of Securities Beneficially Owned or Controlled, Directly or Indirectly	Date of Appointment
Michael O'Keeffe *Sydney, NSW, Australia*	Chairman & Director of Mamba Minerals Limited from August 2013. Chairman & Director of Riversdale Resources Limited from April 2011. Executive Chairman of Riversdale Mining Limited from September 2004 to July 2011	4,128,212 Ordinary Shares 4,000,005 Performance Shares 1,000,000 Options exercisable at 50c	13 August 2013
Niall Lenahan *Sydney, NSW, Australia*	Director of Mamba Minerals Limited from August 2013. Director of Discovery Metals Limited from April 2012 to November 2013. Finance Director, CFO, & Company Secretary of Riversdale Mining Limited between April 2006 and May 2011.	200,000 Ordinary Shares 1,000,000 Options exercisable at 50c	13 August 2013
Richard Wright *Perth, Western Australia, Australia*	Director of Mamba Minerals Limited from August 2013. Chairman of Tempo Australia Limited from September 2011. Project Director for Hancock Prospecting Pty Ltd from May 2009 to February 2011. Executive Chairman & Managing Director of Novacoat (Decmil) from May 2005 to May 2009.	631,923 Ordinary Shares 500,000 Options exercisable at 50c	13 August 2013

Mamba has established an Audit Committee and a Nomination and Remuneration Committee. These committees are comprised of the 3 directors of the Company.

Expiry of Term of Office

Rule 3.6 of Mamba's Constitution ("Retirement of Directors") provides that at each annual general meeting, one-third of the Mamba Directors or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the Mamba Directors, must retire. The Mamba Directors to retire by rotation at an annual general meeting are those who have been longest in office since their last election. Mamba Directors elected on the same day may agree among themselves or determine by lot which of them must retire.

Executive Officers of Mamba

The table below lists the names of the executive officers of Mamba, their state and country of residence, their principal occupations during the past five years, and the number of Ordinary Shares and Options each executive officer beneficially owns, or exercises control or direction over, directly or indirectly. Mamba's executive officers are appointed by, and serve at the discretion of, the Mamba Board.

Name and Place of Residence	Principal Occupation for Past Five Years	Number of Securities Beneficially Owned or Controlled, Directly or Indirectly	Date of Appointment
Barry Knight *Perth, Western Australia, Australia*	Technical Director of Mamba Minerals Limited from August 2013. Technical executive with Fortescue Metals Group Limited from August 2003 to September 2012	2000 Ordinary Shares 500,000 Options exercisable at 50c	19 August 2013

As at the date of this Circular, Mamba's Directors and executive officers as a group beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 4,962,135 Ordinary Shares and 4,000,005 Performance Shares of Mamba, representing 7.03% of the issued and outstanding Ordinary Shares.

Biographies of Mamba Directors

Michael O'Keeffe: Chairman

Michael O'Keeffe is a metallurgist with over 35 years experience in the mining industry, including operating at the executive level in large resource companies. Recent roles include Executive Chairman of Riversdale Mining Limited between 2004 and 2011, prior to its takeover by Rio Tinto at a value approaching USD3.9 billion. Prior to this, he served as Managing Director of Glencore Australia Pty Ltd between 1995 and 2004, during which time Glencore significantly increased its market share in Australia and Asia. He also spent a number of years with Mount Isa Mines, rising to the executive management level in commercial activities. He is currently Chairman of Riversdale Resources Limited, a public non-listed company involved in developing coking coal projects in Canada and the USA.

Niall Lenahan: Director & Company Secretary

Niall Lenahan is a Chartered Accountant with extensive experience in the resources sector in Australia and overseas. His most recent role was as Finance Director, CFO and Company Secretary of Riversdale Mining Limited between 2006 and 2011. Prior to this, he held the role as CFO of Kingsgate Consolidated Limited, a gold miner in Thailand, for 3 years. He also spent eleven years with the Goldfields/Auriongold group, prior to its takeover by Placer Dome in 2002. He recently served as a non-executive director of Discovery Metals Limited. He holds a B.Comm and an MBA and is a member of the Institute of Chartered Accountants in Australia and Ireland.

Richard Wright: Non-Executive Director

Richard Wright is an engineer with a long involvement in the mining sector. He has extensive expertise in the development and delivery of multi-billion dollar resource projects. His most recent role was as Project Director for Hancock Prospecting Pty Ltd, which is developing the Roy Hill prospect in Western Australia. He has served as Managing Director of Fluor Daniel in Australia and prior to that has held various roles in large resource companies. Projects with which he has been involved in include the Darwin to Alice Springs railway and large resource projects for BHP and Rio Tinto.

Biographies of Mamba Executive Officers

Barry Knight: Technical Director

Barry Knight is a qualified geologist with an MBA. He has extensive experience across the full spectrum of resource identification and development. His most recent role was over ten years at Fortescue Metals Group, a large iron ore exporter located in the Pilbara in Western Australia. He led the team that identified the initial iron ore resource and compiled technical and financial reports complying with Western Australian State Agreements obligations. He also assembled the team responsible for integrating the delivery of the first ore through the production chain. He managed technical marketing internationally, driving the product design and managed successful joint venture arrangements.

CEASE TRADE ORDERS, BANKRUPTCIES AND PENALTIES AND SANCTIONS

To the knowledge of management, no director or executive officer of Mamba is, as of the date of this Circular, or was, within the ten (10) years before the date hereof, a director, chief executive officer or chief financial officer of any company, (including Mamba) that was the subject of a cease order, an order similar to a cease order or an order that denied the relevant company (including Mamba) access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued (i) while such person was acting in that capacity, or (ii) after such person was acting in such capacity and which resulted from an event that occurred while that person was acting in that capacity.

To the knowledge of management, no director or executive officer of Mamba, or shareholder holding a sufficient number of securities to affect materially the control of Mamba is, as of the date of this circular, or has been, within ten (10) years before the date hereof, a director or executive officer of any company that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management, no director or executive officer of Mamba, or shareholder holding a sufficient number of securities to affect materially the control of Mamba has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the director, executive officer or shareholder.

To the knowledge of management, no director or executive officer of Mamba, or shareholder holding a sufficient number of securities to affect materially the control of Mamba has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

To the knowledge of management, there are no known existing potential conflicts of interest among Mamba, its Directors or officers as a result of their outside business interests as at the date hereof, other than as disclosed in the Circular or in this Appendix J. However, certain of the Directors and officers are, or may become, directors or officers of other public resource companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of Mamba.

Mamba Directors and officers are required to exercise their powers and discharge their duties with care and diligence, in good faith in the best interests of Mamba and for a proper purpose. They must not improperly use their position, or information obtained by virtue of their position, to gain personal advantages or to cause detriment to Mamba.

Mamba Directors should seek to avoid placing themselves in a position whereby a conflict of interest or duty conflicts with their duty to Mamba. A Mamba Director who has a material personal interest in a matter that relates to the affairs of Mamba is required (subject to specified exemptions in the Corporations Act) to give the other Mamba Directors notice of the interest, and is required to keep these disclosures up to date. The notice must give details of the nature and extent of the interest, and the relation of the interest to the affairs of Mamba.

A Mamba Director who has a material personal interest in a matter that is being considered at a Mamba Board meeting must not (subject to specified exemptions in the Corporations Act) be present while the matter is being considered at the meeting, and must not vote on the matter.

In the event that there is, or may be, a conflict of interest between the personal or other interests of a Mamba Director, then the Mamba Director with an actual or potential conflict of interest in relation to a matter before the Mamba Board does not receive the Board papers relating to that matter. When the matter comes before the

Mamba Board for discussion, the Mamba Director withdraws from the meeting for the period the matter is considered and takes no part in the discussion or decision making process.

Mamba Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards. The Mamba Directors are required to gain the approval of the Mamba Board before being appointed to any new directorships.

The Corporations Act permits standing notice of a material personal interest to be given by a Mamba Director. A standing agenda item is included in all Mamba Board papers to confirm the Mamba Directors' material personal interests and the Mamba Directors are required to advise the Chairman and Company Secretary prior to the meeting of any potential change to a material personal interest.

Subject to compliance with the Corporations Act and the Constitution, a Mamba Director or a body or entity in which a Mamba Director has a direct or indirect interest is not automatically restricted from entering into agreements or arrangements with Mamba, or holding office in, or acting in a professional capacity for, Mamba (other than as an auditor), and would be entitled to retain remuneration or profits received as a result. In certain circumstances, the Corporations Act would require that such arrangements be on arm's length terms, or otherwise approved by the shareholders of Mamba.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former executive officer, director or employee of Mamba or of any of its subsidiaries is, or at any time since the beginning of the most recently completed financial year has been, indebted: (i) to Mamba or any of its subsidiaries; or (ii) to another entity, where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Mamba or any of its subsidiaries.

AUDIT COMMITTEE INFORMATION

Mamba's current Audit Committee is compliant with ASX requirements. Following completion of the Arrangement, the Company's Audit Committee will be reconstituted in order to meet the requirements of the TSX and Canadian securities laws such that all of the Audit Committee members will be independent and financially literate within the meanings provided to such terms in NI 52-110. Upon the Effective Time, the Audit Committee will be comprised of Niall Lenahan, Donald A. Sheldon and Paul R. Ankcorn.

Provided below is information relating to the Company's current Audit Committee:

The Audit Committee's Charter

Chairman

The Audit Committee has appointed an independent Director, other than the Chairman of the Board, to be the Chairman of the Audit Committee.

Secretary

The Company Secretary is the Secretary of the Audit Committee.

Other Attendees

The Executive Director as well as other members of senior management may be invited to be present at all or part of the meetings of the Audit Committee, but will not be members of the Audit Committee.

Representatives of the external auditor are expected to attend each meeting of the Audit Committee and at least once a year the Audit Committee shall meet with the external auditors without any management staff or executives present.

Quorum

A quorum will be two members.

Meetings

Audit Committee meetings will be held not less than two times a year so as to enable the Committee to undertake its role effectively. In addition, the Chairman is required to call a meeting of the Audit Committee if requested to do so by any member of the Audit Committee, the Executive Director, or the external auditor.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its charter. The Audit Committee will have access to management and auditors with or without management present and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Audit Committee.

The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit Committee is required to make recommendations to the Board on all matters within the Audit Committee's charter.

Reporting Procedures

The Audit Committee will keep minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Audit Committee to all members of the Audit Committee for comment and change before being signed by the Chairman of the Audit Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Audit Committee meeting along with any recommendations of the Audit Committee.

Responsibilities of the Audit Committee

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. In particular, the Audit Committee has the following duties:

(a) Financial Statements

(i) To review the audited annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:

- Any changes in accounting policies and practices;
- Major judgmental areas;
- Significant adjustments, accounting and financial reporting issues resulting from the internal and external audit;
- Compliance with accounting policies and standards; and
- Compliance with legal requirements.

(ii) To review the evaluation by management of factors related to the independence of the Company's public accountant and to assist them in the preservation of such independence.

(iii) To oversee management's appointment of the Company's public accountant.

Related Party Transactions:

(iv) To monitor and review the propriety of any related party transactions.

External Audit Function:

(v) To recommend to the Board the appointment of the external auditor.

(vi) Each year, to review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

(vii) To discuss with the external auditor before the audit commences the nature and scope of the audit, To meet privately with the external auditor on at least an annual basis.

(viii) To determine that no management restrictions are being placed upon the external auditor.

(ix) To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).

(x) To review the external auditor's management letter and management's response.

(xi) To review any regulatory reports on the Company's operations and management's response.

(xii) Communication - Providing, through regular meetings, a forum for communication between the Board, senior financial management, staff involved in internal control procedures and the external auditors.

(xiii) Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the general public.

(xiv) Establishing procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports including the ability to submit them anonymously.

(xv) Assessment of Effectiveness - To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management and the external auditors.

(b) Oversight of the Risk Management System

(i) To oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the Company. This system will include the Company's internal compliance and control systems.

(ii) To review at least annually the Company's risk management systems to ensure the exposure to the various categories of risk are minimised prior to endorsement by the Board.

(iii) To evaluate the Company's exposure to fraud.

(iv) To take an active interest in ethical considerations regarding the Company's policies and practices.

(v) To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.

(vi) To identify and direct any special projects or investigations deemed necessary.

(vii) To ensure the appropriate engagement, employment and deployment of all employees under statutory obligations.

(viii) To ensure a safe working culture is sustained in the workforce.

(ix) To determine the Company's risk profile describing the material risks, including both financial and non-financial matters, facing the Company.

(x) To regularly review and update the risk profile.

Composition of the Audit Committee

The Company's current Audit Committee comprises the full Board of the Company and is chaired by Niall Lenahan.

Relevant Education and Experience

Niall Lenahan (Director and Company Secretary, appointed 13 August 2013)

Mr. Lenahan has extensive experience in the mining industry. He has served as a CFO and Company Secretary of Riversdale Mining Limited from 2006 – 2011, including a period as Finance Director. During this period, Riversdale Mining Limited was listed on the ASX.

Mr. Lenahan is a Chartered Accountant and a member of the Institute of Chartered Accountants in Australia and Ireland.

Michael O'Keeffe (Chairman, appointed 13 August 2013)

Mr. O'Keeffe was on the Board of Riversdale Mining Limited at the time of its inception in 2004 and was appointed Executive Chairman in 2006. He held these positions at the time Rio Tinto completed its acquisition of Riversdale Mining Limited for approximately $4 billion in 2011. Prior to his involvement with Riversdale Mining Limited, Mr. O'Keeffe was Managing Director of Glencore Australia. He is currently Chairman of Riversdale Resources Limited, an emerging coal development company in North America.

Richard Wright (Non-Executive Director, appointed 13 August 2013)

Mr. Wright has held various executive and director level roles for both private and publicly listed companies in Australia, Europe and United States. This includes being Project Director of Roy Hill at Hancock Prospecting, Managing Director of Fluor Daniel and Executive Chairman of Adrail and Paladio Ltd. Mr. Wright has significant expertise in the development of strategy, implementation and delivery of multi-billion dollar resource projects including iron ore processing.

Audit Committee Oversight

At no time since the commencement of Mamba's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board**.**

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies in relation to the engagement of non-audit services**.**

External Auditor Service Fees (By Category)

The following table provides information about the fees billed to Mamba for professional services rendered by Somes Cooke during the years ended June 30, 2013 and 2012:

	2013	2012
Audit and review of financial statements	$31,500	$23,000
Other professional services	$10,800	-
Total[(5)] Auditor's Remuneration	$42,300	$23,000

(1) Audit fees were for professional services rendered by the auditors for the audit of Mamba's annual financial statements.
(2) All other fees for services relate to the preparation of an Investigating Accountants Report.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Mamba have adhered to the principles of corporate governance. A description of the main corporate governance practices is set out below. A more detailed description of the Company's corporate governance policies can be found on the Company's website. Unless otherwise stated, the practices were in place for the entire year.

Board of Directors

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for oversight of the management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The current Board comprising of Mr. Michael O'Keeffe, Mr. Niall Lenahan and Mr. Richard Wright was appointed on 13th August 2013.

The Company considers its current corporate governance policies to be sufficient for its size and stage of development. Following completion of the Arrangement, Mr. Michael O'Keeffe will continue as Executive Chairman, Mr. Thomas Larsen will be appointed as CEO and the Board will be expanded and the Corporate Governance policies as outlined further below will be implemented in full.

The Board is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

As the Board acts on behalf of shareholders, it seeks to identify the expectations of shareholders, as well as other ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The primary responsibilities of the Board include:

- formulation and approval of strategic direction, objectives and goals of the Company;
- monitoring the financial performance of the Company, including approval of the Company's financial statements and material contracts;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- Ensuring the health, safety and well-being of employees in conjunction with the senior management team, including developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees;
- the review of performance and remuneration of Executive Directors; and

- the establishment and maintenance of appropriate ethical standards.

Due to the minimal nature of the Company's operations, Mamba did not engage full time management personnel during the year ended 30 June 2013. Following the appointment of the current Board, the role of Chief Executive Officer and the associated responsibilities of the operations and administration of the Company have been carried out by Mr. Michael O'Keeffe, the Chairman, at the direction of the Board. The Company's operational performance is assessed on an ongoing basis by the Board to ensure that the operation and administration of the Company are being performed in alignment with expectations and risks identified by the Board.

Meetings of the Board of Directors and its Committees

Since the appointment of the current Board, there have been 4 (four) Board meetings which were chaired by Mr. Michael O'Keeffe and attended by all the Directors, and one meeting for each of the Audit Committee and the Nomination and Remuneration Committee. Attendance at these meetings by the relevant Mamba Board members is set out below:

	Board	Audit and Risk Committee	Nomination and Remuneration Committee
Michael O'Keeffe	4/4	1/1	1/1
Niall Lenahan	4/4	1/1	1/1
Richard Wright	4/4	1/1	1/1

Position Descriptions

The Board has developed a written role description for the Chairman and Executive of the Company. These role descriptions are part of the Board Charter and are as follows:

Role of the Chairman

- To providing the necessary direction required for an effective Board.
- To ensure that all the Directors receive timely and accurate information so that they can make informed decisions on matters of the Company.
- To ensure that the Board collectively and individual directors' performance is assessed annually.
- To encourage active engagement from all members of the Board

Role of the CEO

- To be responsible for the executive management of the Company.
- To provide policy direction of the operations of the Company.
- To be responsible for the efficient and effective operation of the Company.
- To ensure that all material matters affecting the Company are brought to the Board's attention.

In addition, the letters of appointment for each director outlines the roles and responsibilities.

The Board from time to time establishes committees to assist in carrying out its responsibilities and adopts charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.

The Board has decided that due to the size, composition and structure of the Board, there is no current requirement for the formation of any committees outside the Board forum.

As such, the roles of an Audit, Remuneration and Nomination Committee are performed by the Board, as and when necessary. The Board has developed a written description for roles and responsibilities of these committees which is posted to the corporate governance section of Company's website. The requirements for these committees will be reviewed annually based on the size, composition and structure of the Board and management.

Orientation and Continuing Education

It is the policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified and to receive continuing education concerning key developments in the Company and in the industry and environment within which the Company operates.

Assessments

It is a policy of the Company that annual performance reviews be undertaken to examine the impact of the effectiveness of its Directors, Board, and Board Committees to improve on the quality and performance of the entire Board and committee structure.

The evaluation process is focused on objective and tangible criteria such as:

- Performance of the Company.
- Accomplishment of long term strategic objectives.
- Development of management.
- Growth in shareholder value.

The performance evaluation is to be conducted in such manner as the Board deems appropriate.

Other Directorships

Name	Issuer
Michael O'Keeffe	Riversdale Resources Limited
Richard Wright	Tempo Australia Limited

Independent Directors

In accordance with ASX Guidelines, it is considered that all of the Directors of the Company during the year ended 30 June 2013 meet the criteria of an Independent Director. On the 13th August 2013 a new Board was appointed, with Mr. Niall Lenahan and Richard Wright considered to be Independent Directors.

Communication to Market & Shareholders

The Board aims to ensure that shareholders, on behalf of whom they act, are informed on a timely basis of all material information necessary to assess the performance of the Directors and the Company. Information is communicated to shareholders and the market through:

- the Annual Report which is distributed to all shareholders;
- the periodic reports which are lodged with ASX and available for shareholder scrutiny;
- other announcements made in accordance with ASX Listing Rules;
- special purpose information memoranda issued to shareholders as appropriate; and
- the Annual General Meeting and other meetings called to obtain approval for Board action as appropriate.

Board Composition

When the need for a new director is identified, selection is based on the skills and experience of prospective directors, having regard to the present and future needs of the Company. Any director so appointed must then stand for election at the next Annual General Meeting of the Company.

Terms of Appointment as a Director

The Constitution provides that a Director may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

Workplace Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. Accordingly, the Company has established a diversity policy which is available on the Company's website.

The Board has a commitment to promoting a corporate culture that is supportive of diversity and encourages the transparency of Board processes, review and appointment of directors. The Board is responsible for developing policies in relation to the achievement of measurable diversity objectives and the extent to which they will be linked to the key performance indicators for the Board and senior executives.

The Company's strategies may include:

- recruiting from a diverse range of candidates for all positions, including senior executive roles and Board positions;
- reviewing pre-existing succession plans to ensure that there is a focus on diversity;
- encourage female participation across a range of roles across the Company;
- review and report on the relative proportion of women and men in the workforce at all levels of the Company;
- articulate a corporate culture which supports workplace diversity and in particular, recognizes that employees at all levels of the Company may have domestic responsibilities;
- develop programs to encourage a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
- any other strategies that the Board or the Nomination Committee develops from time to time.

Board Committee

In view of the current size of the Company and the nature of its activities, the audit, nomination and remuneration committees currently comprise all members of the Board. Therefore effectively audit matters, the nomination of new directors and the setting, or review, of remuneration levels of Directors and senior executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions for relevant Directors where there is a conflict of interest). Where the Board considers that particular expertise or information is required, which is not available from within the Board, appropriate external advice may be taken and received prior to a final decision being made by the Board.

Remuneration

The Constitution provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting. The current aggregate maximum is $150,000. A Director may be paid fees or other amounts as the Directors may determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Independent Professional Advice

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required, which will not be unreasonably withheld.

Share Trading

The Board has adopted a Securities Trading Policy, which complies with the requirements of Listing Rule 12.12, which regulates dealings by Directors, officers and employees in securities issued by the Company.

The policy, which is available on the Company's website, includes the Company's closed periods, restrictions on trading that apply to the Company's key management personnel, trading that is not subject to the policy, exceptional circumstances in which key management personnel may be permitted to trade during a prohibited period with prior written clearance and the procedure for obtaining written clearance. The policy provides that employees, directors and officers must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Board.

Code of Conduct

In view of the size of the Company and the nature of its activities, the Board has considered that an informal code of conduct is appropriate to guide executives, management and employees in carrying out their duties and responsibilities. Amongst other matters, the Board will have regard to compliance with laws and ethics, managing conflicts of interest and related party transactions and maintaining the confidentiality of commercially sensitive information.

EXECUTIVE COMPENSATION

The Company was not a reporting issuer at any time during its most recently completed financial year ended 30 June 2013. Provided below are the significant elements of the compensation to be awarded to, earned by, paid to, or payable to the Company's Executive Directors and other senior executives on a prospective basis once it becomes a reporting issuer following completion of the Arrangement.

In common with many companies at a similar stage of development, Mamba has a competitive approach to executive remuneration. The total remuneration for the Executive Directors and other senior executives consists of three main elements since the appointment of new directors on 13th August 2013. These elements are summarized in the following chart and further described below:

Element	Objective	Performance Period	Performance Conditions
Base Salary	Reflects competitive market, level role and individual contribution	Not applicable	Normally reviewed every year taking into account pay for similar positions in similar companies, individual performance and Mamba's overall approach to pay
Performance Bonus	Motivates achievement of financial, operating and strategic goals, as well as individual performance goals	Annually	Subject to achievement of targets against key performance indicators, as well as personal performance
Share Option Incentive Plan	Options align executive compensation with shareholder wealth	3/4 Years	Service period

Named Directors and Executive Officers Compensation

The Company did not have any executives during the year ended June 30, 2013 and the executive activities were fulfilled by the directors at that time. Barry Knight was appointed as Technical Director on 1 August 2013. Mr. Knight's current remuneration is $275,000 per annum plus 9.25% superannuation.

Summary Compensation Table

The compensation payable to the directors and executives since the appointment of new directors on 13th August 2013 is disclosed in the following table:

Name and Principal Position	Salary (AU$)	Option-Based Awards[1] (AU$)	Non-Equity Incentive Plan Compensation (AU$)		Pension Value (AU$)	All Other Compensation (AU$)	Total Compensation (AU$)
			Annual Incentive Plans	Long-Term Incentive Plans			
Michael O'Keeffe, Chairman & CEO	100,000	310,000	0	0	N/A	0	410,000
Niall Lenahan, Director & Company Secretary	60,000	310,000	0	0	N/A	0	370,000
Richard Wright, Director	60,000	155,000	0	0	N/A	0	215,000
Barry Knight, Technical Director	275,000	155,000	0	0	N/A	0	430,000

(1) The "grant date fair value" of options granted during the year was determined by using the Black-Scholes model for valuing options. The following weighted average assumptions were used for the purposes of valuing the Options: (i) expected life =5 years; (ii) risk-free rate = 2.5%; (iii) exercise price = AUD 50 cents; and (iv) volatility of share price =80%.

Outstanding Share-Based Awards and Option-Based Awards

On 29th November 2013, Options were issued to directors and executives subject to performance hurdles and remain outstanding. Of these, 1,000,000 were issued to each of Micheal O'Keefe and Nial Lenahan and 500,000 to each of Richard Wright and Barry Knight. Options were issued for nil consideration, with an exercise price of 50 cents per Option and expiry date of 29 November 2018. 50% of the Options vest on 29 November 2016 and 50% vest on 29 November 2017 and are subject to continued employment with Mamba.

COMPENSATION OF DIRECTORS

Mr. Michael O'Keeffe, Mr. Niall Lenahan and Mr. Richard Wright were appointed to the Board on 13 August 2013. Compensation to these Directors is as follows:

- Michael O'Keeffe: $100,000 per annum plus statutory superannuation of 9.25%,
- Niall Lenahan: $60,000 per annum plus statutory superannuation of 9.25%,
- Richard Wright: $60,000 per annum plus statutory superannuation of 9.25%.

Outstanding Share and Option-Based Awards

The following table sets forth details of all option awards outstanding for each Director who was not also a Named Executive Officer at the date of this Circular.

	Option-Based Awards			
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price (AU$)**	**Option expiration date**	**Value of unexercised in-the-money options (AU$)**
Michael O'Keeffe	1,000,000	0.50	29/11/2018	N/A
Niall Lenahan	1,000,000	0.50	29/11/2018	N/A
Richard Wright	500,000	0.50	29/11/2018	N/A

50% of the Options vest on 29 November 2016 and 50% vest on 29 November 2017, subject to the Director's continued service with Mamba.

RISK FACTORS

Introduction

There are a number of risks, including risks specific to Mamba, risks that apply to the mining industry and risks of a general nature that may, either individually or in combination, affect the future operating and financial performance and/or financial position of Mamba, its prospects, and/or the value of the Ordinary Shares.

This section describes risks that Mamba believes are the key risks associated with an investment in Mamba which, if realised, may substantially impact Mamba's future financial performance and/or financial position, and the value of the Ordinary Shares.

Champion Securityholders should note that the occurrence or consequences of many of these risks are beyond the control of Mamba, the Directors, and Mamba's management. Further, Champion Securityholders should note that this section does not contain an exhaustive list of the risks faced by the Company or by Champion Securityholders. The below factors, and others not specifically referred to below may, in the future, materially affect the financial performance of the Company and the value of the Company's securities. The information set out here should be considered in conjunction with other information disclosed in the Circular. Champion Securityholders should have regard to their own investment objectives and financial circumstances, and should consider seeking professional guidance from their accountant, stockbroker, lawyer or other independent professional adviser.

General risks

Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect of the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Government policy changes

Government action or policy change, both in Australia and Canada, particularly in relation to lands and infrastructure, compliance with environmental regulations, taxation and royalties, may adversely affect the Company's operations and financial performance.

Regulatory risk

The Company's proposed exploration and development activities at the Project will be subject to extensive laws and regulations relating to numerous matters, including various resource licence consent conditions pertaining to environmental compliance and rehabilitation, taxation, social and labour relations, health and worker safety, waste disposal, water use, protection of the environment, successful land claims and heritage matters, protection of endangered and protected species and other matters. The Company will regularly require permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company may not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a reserve. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of resource licences.

Potential acquisitions

As part of its business strategy, the Company intends to make acquisitions of, or significant investments in, complementary companies or projects. Any such future transactions would be accompanied by the risks commonly encountered in making such acquisitions.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Market risk

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) commodity price fluctuations;

(v) changes in investor sentiment toward particular market sectors;

(vi) the demand for, and supply of, capital; and

(vii) terrorism and other hostilities.

General economic risks

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operating costs, possible future revenues and future profitability can be affected by these factors, which are beyond the control of the Company.

International operations

International sales and operations are subject to a number of risks, including:

(i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;

(ii) potential difficulties in protecting intellectual property;

(iii) increases in costs for transportation and shipping; and

(iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

Joint venture Parties, agents and contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any earn-in agreement or joint venture to which the Company may become a party or the insolvency or managerial failure by which any of the contractors to be used in the future by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers to be used in the future by the Company for any activity.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's securities.

Risks associated with the Snelgrove Lake Project;

Counterparty and contractual risk

Pursuant to the Acquisition Agreement, the Company has agreed to acquire 100% of CIP Mag subject to the fulfilment of certain conditions precedent. Upon Settlement of the CIP Mag Acquisition, the Company will be required to procure CIP Mag to fulfil its obligations under the Option Agreement, in order for CIP Mag to exercise the Altius Option and subsequently acquire the Project.

The ability of the Company to achieve its stated objectives will depend on the performance by Altius of its obligations under the Option Agreement. If Altius or any other counterparty defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action instituted in Australia or overseas can be costly.

In addition, the Altius Option may not be exercised for a period of up to three (3) years. There is the risk that due to unforeseen circumstances the Altius Option may not be exercised. In the event the Altius Option is not exercised, the Company will not acquire (via CIP Mag) a 100% interest in the Project.

Title risk

CIP Mag does not currently hold the Project. Instead, it has a contractual right with Altius to require the transfer of the licences which comprise the Project to CIP Mag pursuant to the Option Agreement. The Option Agreement has been registered with the Registry of the Mineral Claims Recorder for Newfoundland and Labrador in Canada.

Given that CIP Mag's interest is contractual, there is a risk that CIP Mag will be unable to obtain an interest in the Project except by enforcing its contractual rights against Altius pursuant to the Option Agreement. The key terms of the Option Agreement are summarised under the Heading "Material Contracts" of this Appendix J to the Circular.

Additional requirements for capital

The funds available to the Company are considered sufficient to meet the exploration and evaluation objectives of the Company in respect of Exploration Spend 2. Additional funding may also be required to effectively implement its business and operations plans in the future, or to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, or to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay, or a reduction in the scope of the Company's operations, or require the Company to scale back its exploration program, or indefinite postponement of exploration or development on the Company's projects, which may adversely affect the business and financial condition of the Company and its performance. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

Foreign exchange rate risk

The Company will also be exposed to the volatility and fluctuations of the exchange rate between the United States dollar, the Canadian and the Australian dollar. Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities together with the ability to fund those plans and activities.

In addition, the Company is raising funds under the Offer in Australia dollars. However, the Company's exploration expenditure, being Exploration Spend 1, on the Project will be incurred principally in Canadian dollars.

Movements in the Canadian dollar/Australian dollar exchange rate may adversely or beneficially affect the Company's cash flows in respect of converting the Australian dollars to Canadian dollars. If adverse movements in the Canadian dollar/Australian dollar exchange rate are such that the Company receives less Canadian dollars upon conversion from Australian dollars, this may affect the Company's exploration budget for Exploration Spend 1. As a result, this may result in delay, or a reduction in the scope of the Company's operations, or require the Company to scale back its exploration program, or indefinite postponement of exploration or development on the Project, which may adversely affect the business and financial condition of the Company and its performance. Alternatively, the Company may need to seek additional capital (refer to risk factor "Additional requirements of capital" for further details).

The Company intends to convert the funds raised in Australian dollars under the Offer for Exploration Spend 1 into Canadian dollars immediately after completion of the Offer to minimise foreign exchange rate risk.

Limited exploration

The Project has potential for both taconite and hematite. Only limited metallurgical test work has been completed and the Independent Geologist recommends that further tests are undertaken to ensure that upgrading of the mineralized material is cost effective and technically viable from all areas considered for exploitation.

For further information please refer to the technical report titled, Technical Report Of Phase 1 And 2 Exploration Programs The Snelgrove Lake Property, Newfoundland And Labrador" with an effective date of 20 December 2013, prepared in accordance with NI 43-101.

General project risks

The Project is located in Canada. The Company will be subject to the risks associated with operating in Canada. Such risks can include economic instability or change, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to Canadian mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

Exploration and development risks

The business of iron ore exploration and magnetite exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

(i) the discovery and/or acquisition of economically recoverable reserves;

(ii) access to adequate capital for project development;

(iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;

(iv) access to infrastructure as there is currently no direct road access to the project from existing infrastructure, the capacity of the Tshiuetin Railway near the Project may require upgrading in the future, and the use of the railway and port facilities at Sept-Îles and Pointe Noire require access agreements to be entered into with the owner-operators. For further information please refer to the technical report titled, Technical Report Of Phase 1 And 2 Exploration Programs The Snelgrove Lake Property, Newfoundland And Labrador" with an effective date of 20 December 2013, prepared in accordance with NI 43-101;

(v) securing and maintaining title to interests;

(vi) obtaining consents and approvals necessary for the conduct of iron ore exploration, development and production; and

(vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of iron ore. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

Native title and Aboriginal heritage risk

There may be some areas of the Project over which a number of First Nations or aboriginal groups may assert land claims. The Innu Nation of Labrador is currently in advanced negotiation stages of its land claim agreement with the Government of Newfoundland and Labrador. The Project area is located in the Western Economic Major Development Impacts and Benefits Area, where the Labrador Innu have the right to negotiate impact and benefit agreements (IBA's) for major projects.

Altius has already commenced discussions with the relevant First Nations and aboriginal groups to identify their concerns and establish a mutually beneficial working relationship to facilitate future approvals and the permitting processes. This is part of an overall stakeholder engagement strategy and plan for the project which is initially focused on the exploration and feasibility study phases. The Company intends to continue with these discussions and the strategy and plan implemented by Altius.

The Directors will closely monitor the potential effect of native title claims involving the Project.

The area covered by the Project may also be subject to other various Aboriginal rights and claims. These claims have not been formally recognised to date in Labrador and the Company is not aware of any lands claim negotiations.

The existence of the Aboriginal rights and claims within the Project area may lead to restrictions on the areas that the Company will be able to explore and mine.

Resource estimates

The Company does not presently have any JORC Code compliant resources on the tenements comprising the Project in which it is obtaining an interest. In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

Risks relating to the Company's operations

Lack of executive management

The Company's management currently consists of three (3) non-executive Directors, one full time and one part time employee. To this end, the Company has identified positions that the Board is currently looking to fill at the operational and executive levels when and where appropriate to ensure proper management of the Company's projects. There is a risk that the Company may not be able to secure personnel with the relevant experience at

the appropriate time which may impact on the Company's ability to complete all of its preferred exploration programs within its preferred timetable.

Operating risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors.

The Project will be subject to climatic conditions which restrict the period within which exploration, appraisal and possibly production activities may take place and may also place Company personnel at risk if exposed to these conditions.

A summary of factors that may affect the operations of the Company, include:

(i) geological conditions;

(ii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;

(iii) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;

(iv) industrial action, disputation or disruptions;

(v) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;

(vi) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;

(vii) prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals;

(viii) current exploration operations and future mine development of the tenements are subject to the Company's ability to obtain a wide range of permits, licences, and approvals and there is no guarantee that such permits, licences and approvals will be granted or will be granted in a timely matter; and

(ix) advancement of the exploration operations to mine development can be a lengthy process taking a number of years where the Company's projects may be subject to new laws, regulations, and taxes which may have a material impact on the Company.

Exploration success

There can be no assurance that exploration of the Project will result in the discovery of economic iron ore deposits. Even if an apparently viable deposit is identified, there is no guarantee it can be economically exploited.

Environmental risks

The operations and proposed activities of the Project are subject to Canadian laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws

and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Potential acquisitions

As part of its business strategy, the Company intends to make acquisitions of, or significant investments in, complementary companies or projects. Any such future transactions would be accompanied by the risks commonly encountered in making such acquisitions.

Regulatory

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

Risks relating to the Exchangeable Shares

Holders of the Exchangeable Shares will only be able to obtain Canadian tax deferral for as long as they hold the Exchangeable Shares, which holding period could be shorter than anticipated.

The Arrangement provides the opportunity for a tax deferral to certain eligible Canadian Champion Shareholders who receive Exchangeable Shares pursuant to the Arrangement and file the appropriate election. However, (unless the relevant Canadian tax legislation is amended) such shareholders will generally only be able to obtain Canadian tax deferral for as long as they hold the Exchangeable Shares.

In certain events, including earlier redemption rights arising if there are less than two million Exchangeable Shares outstanding or if there is a change of control of Mamba, and in any event on the Redemption Date, all but not less than all of the then outstanding Exchangeable Shares will be redeemed for Ordinary Shares. Moreover, if the Call Rights are not exercised on redemption of the Exchangeable Shares by Mamba, a holder of Exchangeable Shares may realize a dividend for Canadian tax purposes that may exceed the holder's economic gain. See the section entitled "Certain Canadian Federal Income Tax Considerations for Champion Shareholders" of the Circular.

The trading market for the Exchangeable Shares could be limited and the Exchangeable Shares may not have a market value identical or similar to the market value of the Ordinary Shares.

Holders of Exchangeable Shares will have dividend, liquidation and voting rights that are economically equivalent to the rights of holders of Ordinary Shares. Although the economic value of the Exchangeable Shares is expected to be closely linked to the trading value of the Ordinary Shares due to the right to exchange at any time Exchangeable Shares for Ordinary Shares, there can be no assurance that an active trading market in the Exchangeable Shares as these shares will not be listed.

Holders of Exchangeable Shares who later request to exchange such shares for Ordinary Shares will not receive Ordinary Shares for a few business days after such request is received.

Champion Shareholders who receive Exchangeable Shares in the arrangement and later request to receive Ordinary Shares in exchange for their Exchangeable Shares will not receive Ordinary Shares for a few business days after the applicable request is received. During this period, the market price of Mamba Shares may increase or decrease. Any such increase or decrease would affect the value of the consideration to be received by the holder of Exchangeable Shares on the effective date of the exchange.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Mamba is not currently involved in any material legal proceedings, nor is it aware of any pending or threatened proceedings, that it believes would have a material adverse effect upon its financial condition or results of operations.

To the knowledge of management, no penalties or sanctions have been imposed against Mamba by a court relating to provincial and territorial securities legislation by a securities regulatory authority within the three years immediately preceding the date hereof.

To the knowledge of management, no penalties or sanctions have been imposed by a court or regulatory body against Mamba necessary for this Circular to contain full, true and plain disclosure of all material facts relating to the securities being distributed.

To the knowledge of management, there have been no settlement agreements entered into by Mamba before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Circular.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As of the date of the Circular, Michael O'Keeffe indirectly held 4,128,212 million Ordinary Shares, 4,000,005 Performance Shares and 1,000,000 Options.

Except as disclosed herein, Mamba is not aware of any material interest of any Director or officer of Mamba, or any Mamba shareholder who beneficially owns more than 10% of the Ordinary Shares or any known associate or affiliate of these persons, in any transaction or proposed transaction within the three years prior to the date hereof that has materially affected or would materially affect Mamba.

AUDITOR, REGISTRAR AND TRANSFER AGENT

Mamba's auditor.

Ernst & Young (Appointed 26 November 2013)
680 George Street
Sydney NSW 2000
Somes Cooke (Resigned 26 November 2013)
1304 Hay Street
West Perth WA 6005

Mamba's share register

Security Transfer Registrars Pty Ltd
Suite 1, Alexandria House
770 Canning Highway
Applecross WA 6153

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which Mamba has entered into since the beginning of the last financial year before the date of the Circular, entered into prior to such date but which contract is still in effect, or to which Mamba is or will become a party on or prior to the closing of the Arrangement.

Altius Option Agreement and Acquisition of CIP Mag by Mamba

On the 11th May 2012, CIP Mag entered into an option agreement with Altius whereby Altius granted CIP Mag the Altius Option with a gross sales royalty of 3% of revenue to Altius.

Mamba acquired CIP Mag under the terms and conditions of the Acquisition Agreement and has the rights under the Option Agreement to exercise the Altius Option and acquire the Snelgrove Lake asset. The combined effect of these agreements is that Mamba is required to undertake the following in order to exercise the Altius Option:

(a) Exploration expenditure of no less than C$3,250,000 on or before 11/03/2014. To date Mamba has spent C$3,250,000. Any shortfall in exploration expenditure is to be paid to Altius;

(b) Further exploration expenditure of no less than C$3,250,000 on or before 10/09/2015;

(c) Make a payment of C$5,750,000 by 90 days after the completion of the Altius Option being 09/12/2015 at the latest; and

(d) Pay a royalty in perpetuity to Altius equal to 3% of the gross sales of product extracted from the Project, any property within a 10 kilometre area outside of the Project boundaries which is staked by Mamba or if staked by Altius, it is offered to and taken by Mamba.

On the 3rd December 2013, Mamba and Altius agreed to a variation to the Option Agreement, effectively allowing Mamba to an additional 2 year extension to the Option Agreement.

Agreement with CIP Corporate Advisory

The Company has entered into an agreement with Capital Investment Partners (CIP) pursuant to which CIP will provide Corporate Advisory Services to the Company. The services include general corporate advice, merger advice and capital raising of up to $10,000,000.

CIP will be paid a monthly retainer of $30,000 for services rendered. In addition, CIP Partners will be paid a fee on the successful completion of the merger of Mamba and Champion and the raising of capital. The fee in respect of the merger of Mamba and Champion is equal to 1.25% of the transaction value and is payable on completion of the transaction. The fee in respect of the capital raising is equal to 5% of the funds raised and is payable on completion of the raising.

EXPERTS

Information of a scientific or technical nature regarding the Snelgrove Lake Project is included in this circular based on the Technical Report regarding the Snelgrove Lake Project, dated December 20, 2013. The Technical Report was prepared by Edward Lyons P.Geo. and Murray Brown, Eng., both “qualified persons” within the meaning of N1 43-101. The authors of the Technical Report do not have an interest in the Snelgrove Lake Project or in Mamba.

INFORMATION ABOUT CANCO

Canco, a direct wholly-owned subsidiary of Mamba, is a corporation incorporated under the laws of the Province of Ontario. Canco was incorporated on 24 December 2013 as 2401397 Ontario Inc. It is expected that articles of amendment will be filed prior to the Effective Time to change the name of 2401397 Ontario Inc. to Champion Exchange Limited. The board of directors of Canco is comprised of Niall Lenahan, Michael O’Keeffe and Anthony Jackson. To date, Canco has not carried on any business except in connection with its role in the Arrangement.

The authorized capital of the Corporation consists of an unlimited number of common shares and an unlimited number of Exchangeable Shares.

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Chartered Accountants
Business Consultants
Financial Advisors

AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Mamba Minerals Limited

As auditor for the audit of Mamba Minerals Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

a) No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) No contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Perth
28 September 2012

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Chartered Accountants
Business Consultants
Financial Advisors

Independent Auditor's Report
To the members of Mamba Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Mamba Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mamba Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Mamba Minerals Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 9 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Mamba Minerals Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
28 September 2012
Perth

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
Interest received	2	48,307	16,335
Exploration costs written off		(28,583)	(39,839)
Occupancy expenses		(18,000)	(26,315)
Administration expenses	3	(220,330)	(379,572)
Foreign exchange losses		(900)	(402)
(Loss) from ordinary activities before related income tax expense		(219,506)	(429,793)
Income tax attributable to operating loss	4	-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the year		(219,506)	(429,793)
Loss per share			
Basic (cents per share)	15	(0.1684)	(0.4887)
Diluted (cents per share)	15	(0.1684)	(0.4887)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2012 $	2011 $
Current Assets			
Cash and cash equivalents	5	1,080,208	897,901
Trade and other receivables	6	9,770	16,950
Total Current Assets		1,089,978	914,851
Non-Current Assets			
Plant and equipment	7	724	9,562
Capitalised tenement acquisition costs	8	-	-
Exploration and evaluation	9	26,151	13,025
Total Non-Current Assets		26,875	22,587
Total Assets		1,116,853	937,438
Current Liabilities			
Trade and other payables	10	41,812	110,510
Total Current Liabilities		41,812	110,510
Total Liabilities		41,812	110,510
Net Assets		1,075,041	826,928
Equity			
Issued capital	11	6,904,372	6,436,752
Accumulated losses	12	(5,829,330)	(5,609,824)
Total Equity		1,075,042	826,928

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
Operating activities			
Interest received		48,307	16,335
Payments to suppliers and employees		(243,494)	(510,441)
Net cash flows (used in) operating activities		(195,187)	(494,106)
Investing activities			
Payments for exploration costs		(13,126)	-
Net cash flows (used in) investing activities		(13,126)	-
Financing activities			
Proceeds from issue of shares and options	9, 11	398,000	1,127,001
Payments for cost of share issue		(7,380)	(46,821)
Net cash flows from financing activities		390,620	1,080,180
Net increase in cash held		182,307	586,074
Cash at beginning of year		897,901	311,827
Cash at the end of the year	5	1,080,208	897,901

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Issued Capital	Accumulated Losses	Total Equity
		$	$	$
Balance at 1 July 2010		5,433,573	(5,180,031)	253,542
Total comprehensive income		-	(429,793)	(429,793)
Issue of share capital		1,050,000	-	1,050,000
Capital raising costs		(46,821)	-	(46,821)
Balance at 30 June 2011		6,436,752	(5,609,824)	826,928
Balance at 1 July 2011		6,436,752	(5,609,824)	826,928
Total comprehensive income		-	(219,506)	(219,506)
Issue of shares and options	11	475,000	-	475,000
Capital raising costs	11	(7,380)	-	(7,380)
Balance at 30 June 2012		6,904,372	(5,829,330)	1,075,042

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

CORPORATE INFORMATION

The consolidated financial statements of Mamba Minerals Ltd and controlled entities (the Group) for the year ended 30 June 2012 were approved and authorised for issue in accordance with a resolution of the Directors on 27 September 2012.

The nature of the operations and principal activities of the Group are described in the Directors Report.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs.

Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Going Concern

The directors have prepared the financial statements of the Group on the going concern basis

Accounting policies

(a) Basis on Consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 30 June 2012. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where realised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from effective date of acquisition, or up to the effective date of disposal, as applicable.

(b) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	20 – 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to the retained earnings.

(d) Exploration and evaluation costs

Exploration costs in relation to each separate area of interest are recognised as an asset in the year in which they are incurred where the following conditions are satisfied:

- Exploration expenditure is expected to be recouped through the successful development and exploration of the area, or alternatively, by its sale; or
- Exploration activities in the area of interest have not, at the balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and, active and significant operations in, or in relation to the area of interest are continuing.

(e) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

(f) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Provisions

Provisions are recognised when the group as a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(i) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(k) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Impairment of Assets

At each reporting date the group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Capitalised Tenement Acquisition costs

The Groups capitalised capital tenement acquisition costs are reviewed annually by the directors. The Director's in 2009 were of the belief that due to the global financial crisis and the group's financial position, it would be prudent to impair the capital tenement value to nil. The director's agreed that the carrying value should remain nil as at 30 June 2012.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by the Australian Taxation Office.

(p) Segment Reporting

Segments are identified and segment information disclosed on the basis of internal reports that are provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in this financial report have been included.

(q) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(r) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(s) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Group.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009–11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the Group.

AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Group.

AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

(i) for an offer that may be withdrawn – when the employee accepts;

(ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and

(iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

	2012 $	2011 $
NOTE 2. REVENUES		
Interest Received	48,307	16,335
	48,307	16,335
NOTE 3. EXPENSES		
Administration expenses:		
Depreciation	(8,838)	(9,831)
Directors remuneration	(108,000)	(208,070)
Other administration expenses	(103,492)	(161,671)
Total administration expenses	(220,330)	(379,572)
NOTE 4. INCOME TAX EXPENSE		
(a) Income tax expense / (benefit)	-	-
(b) Numerical reconciliation between tax-expense and pre-tax net loss		
Profit/(Loss) before income tax benefit	(219,506)	(429,793)
Income tax using the Company's domestic tax rate of 30% (2011: 30%)	(65,852)	(128,938)
Deductible exploration expenditure	(3,938)	(3,908)
Other non-deductible expenses/(deductible tax adjustments)	755	(20,654)
Current year losses for which no deferred tax asset was recognised	69,035	153,500
Income tax benefit (expense) attributable to entity	-	-
(c) Income tax recognised directly in equity		
Capital raising costs	(6,827)	(21,373)
Current year losses for which no deferred tax asset was recognised	6,287	21,373
Total Income tax recognised directly in equity	-	-

(d) Unrecognised temporary differences

Net deferred tax assets (calculated at 30%) have not been recognised in respect of the following items:

	2012 $	2011 $
Deferred Tax Liabilities (at 30%)		
Prepayments	-	(1,805)
Exploration expenditure	(7,845)	(3,908)
	(7,845)	(5,713)
Deferred Tax Asset (at 30%)		
Capital raising costs recognised directly in equity	13,143	17,216
Accrued expenses	3,150	4,200
	16,293	21,416
Unrecognised net deferred tax assets relating to the above temporary differences	8,448	15,703

Estimated unused tax losses of $2,555,315 (2011:$2,304,246) have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the relevant regulatory authorities in each of the jurisdictions in which the Company operates. The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 5. CASH AND CASH EQUIVALENTS

Cash at Bank	1,080,208	897,901
	1,080,208	897,901

NOTE 6. TRADE AND OTHER RECEIVABLES

GST Receivable	5,061	5,957
Prepaid Expenses	4,709	10,727
Other Receivables	-	266
	9,770	16,950

NOTE 7. PLANT AND EQUIPMENT

Plant and equipment	50,295	50,295
Less: accumulated depreciation	(49,571)	(40,733)
	724	9,562
Movements were as follows:		
Opening balance at beginning of financial year	9,562	19,728
Disposals	-	(335)
Depreciation	(8,838)	(9,831)
Written down balance at end of financial year	724	9,562

	2012 $	2011 $
NOTE 8. CAPITALISED TENEMENT ACQUISITION COSTS		
Capitalised tenement acquisition **(i)**	2,000,000	2,000,000
Impairment expense	(2,000,000)	(2,000,000)
	-	-

(i) Capitalised tenement acquisition costs relate to the Chua (755c) and Nhamocuarara (201c) concessions in the Manica Province (Mozambique). Previously, Mambas Minerais held rights to both the Nhamucuarara concession (**Nhamucuarara**) and the Chua concession (**Chua**). However, following the completion of an environmental impact study, Mambas Minerais allowed Nhamucuarara to lapse.

NOTE 9. EXPLORATION AND EVALUATION

Movements were as follows:		
Opening balance at beginning of financial year	13,025	-
Exploration and evaluation costs incurred	13,126	13,025
Balance at end of financial year	26,151	13,025

NOTE 10. TRADE AND OTHER PAYABLES

Trade and other payables **(i)**	31,312	96,510
Accruals	10,500	14,000
	41,812	110,510

(i) Trade and other payables at 30 June 2011 include $77,001 of share applications money received in advance.

NOTE 11. ISSUED CAPITAL	2012 $	2011 $
Issued Capital		
130,916,674 Fully Paid Ordinary Shares (2011: 118,416,674)	6,904,372	6,436,752
	6,904,372	6,436,752

Movements in ordinary share capital	No.	$
Opening balance at 1 July 2011	118,416,674	6,436,752
Issue of 12.5 Million ordinary shares at $0.03 in July 2011 **(i)**	12,500,000	375,000
Less capital raising costs		(7,380)
Balance at 30 June 2012	130,916,674	6,804,372

	2012	2011
Movements in options over ordinary shares	**No.**	**$**
Opening balance at 1 July 2011	71,833,346	-
Issue of 12.5 million free attaching options in July 2011 exercisable at $0.05 expiring 30 June 2013 **(i)**	12,500,000	-
20 million listed options for $0.005 per option, exercisable at $0.05 expiring 30 June 2013 **(ii)**	20,000,000	100,000
Balance at 30 June 2012	104,333,346	100,000
Total at 30 June 2012		6,904,372

(i) In July 2011, the Company issued 12.5 million fully paid ordinary shares at $0.03 with 12.5 million free attached options exercisable at $0.05 and expiring on 30 June 2013 to professional 708 investors, which raised $375,000.

(ii) In July 2011, the Company issued 20 million Listed Options for $0.005 each, expiring on 30 June 2013, which raised $100,000.

	2012	2011
	$	$
NOTE 12. ACCUMULATED LOSSES		
Accumulated losses at beginning of year	(5,609,824)	(5,180,031)
Total comprehensive income for the year	(219,506)	(429,793)
Accumulated losses at end of year	(5,829,330)	(5,609,824)

NOTE 13: RECONCILIATION OF OPERATING LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Operating (loss) after tax	(219,506)	(429,793)
Non-cash items:		
Depreciation and amortisation	8,838	9,831
Loss on sale of fixed assets	-	335
Changes in assets and liabilities:		
Decrease / (increase) in receivables	7,180	(4,124)
Increase in payables, excl. receipts from share application in advance	8,301	16,794
(Decrease) in employee benefits	-	(74,124)
Other	-	(13,025)
Net cash flows (used in) operating activities	(195,187)	(494,106)

NOTE 14. RELATED PARTY DISCLOSURE

(a) Key Management Personnel:

Gary Castledine	Non-Executive Chairman (appointed 13 August 2010)
Neville Bassett	Non-Executive Director (appointed 13 August 2010)
Terrence Robert Hyndes	Non-Executive Director and Company Secretary (appointed 13 August 2010)

The Company has no other executive personnel.

Summarised Remuneration of Key Management Personnel

Summary of key management personnel remuneration in the following categories are as follows:

Short-term employee benefits	108,000	200,070
Post employment benefits	-	8,000
	108,000	208,070

Refer to the Remuneration Report in the Director's Report for detailed compensation disclosure on key management personnel.

(b) Key Management Personnel Equity Holdings

Ordinary Shares Held by:	Balance at 30 June 2011	Additions / (disposals)	Balance at 30 June 2012
Gary Castledine	6,099,699	-	6,099,699
Neville Bassett	3,425,000	-	3,425,000
Terrence Robert Hyndes	900,000	-	900,000
	10,424,699	-	10,424,699

Options Over Ordinary Shares Held by:	Balance at 30 June 2011	Additions / (disposals)	Balance at 30 June 2012
Gary Castledine	3,705,252	-	3,705,252
Neville Bassett	2,000,000	-	2,000,000
Terrence Robert Hyndes	900,000	-	900,000
	6,605,252	-	6,605,252

Ordinary Shares Held by:	Balance at 30 June 2010	Bal. at date of appointment	Additions	Bal. at date of resignation	Balance at 30 June 2011
Gary Castledine (i)	N/A	2,700,858	3,398,841	N/A	6,099,699
Neville Bassett (i)	N/A	1,425,000	2,000,000	N/A	3,425,000
Terrence Robert Hyndes (i)	N/A	N/A	900,000	N/A	900,000
Gregg Freemantle (ii)	4,452,813	N/A	-	4,452,813	N/A
James Brett (ii)	4,452,813	N/A	-	4,452,813	N/A
Mark Freemantle (ii)	4,452,813	N/A	-	4,452,813	N/A
Graham Anderson (ii)	-	N/A	-	-	N/A
	13,358,439	4,125,858	6,298,841	13,358,439	10,424,699

Options Over Ordinary Shares Held by:	Balance at 30 June 2010	Bal. at date of appointment	Additions	Bal. at date of resignation	Balance at 30 June 2011
Gary Castledine (i)	N/A	306,411	3,398,841	N/A	3,705,252
Neville Bassett (i)	N/A	-	2,000,000	N/A	2,000,000
Terrence Robert Hyndes (i)	N/A	-	900,000	N/A	900,000
Gregg Freemantle (ii)	742,136	N/A	-	742,136	N/A
James Brett (ii)	742,136	N/A	-	742,136	N/A
Mark Freemantle (ii)	742,136	N/A	-	742,136	N/A
Graham Anderson (ii)	-	N/A	-	-	N/A
	2,226,408	306,411	6,298,841	2,226,408	6,605,252

(i) Placement approved by shareholders on 19 November 2010.

(ii) Gregg Freemantle, James Brett, Mark Freemantle and Graham Anderson resigned on 13 August 2010

(c) Related Party Transactions

During the financial year, fees of $25,616 (2011: $43,020) were paid to Atlas Partners Pty Ltd, of which Mr Hyndes is the principal, for accounting, secretarial and tenement administration. Atlas Partners Pty Ltd also received $21,000 (2011: $5,201) for rent and office running costs. All transactions were at market rates.

NOTE 15. EARNINGS PER SHARE	**2012** No	**2011** No
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	130,334,482	87,950,921
Consolidated net loss for the financial year	219,506	429,793

As at 30 June 2012, 104,333,346 options were outstanding. These were not considered to have a dilutive effect on loss from continuing ordinary operations.

NOTE 16. FINANCIAL RISK MANAGEMENT & INSTRUMENTS

Overview

The Group has an exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information and quantitative disclosures about the Group exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables and cash and cash equivalents. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

Exposures to credit risk

The carrying amount of the Group financial assets represents the maximum credit exposure and was as follows at the reporting date:

	2012 $	2011 $
Current financial assets		
Cash and cash equivalents	1,080,208	897,901
Trade and other receivables	9,770	16,950
Total financial assets	1,089,978	914,851

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount $	Contractual cash flows $	Within 1 year $
Consolidated			
2012			
Trade and other payables	41,812	41,812	41,812
2011			
Trade and other payables	110,510	110,510	110,510

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on purchases and bank balances that are denominated in a currency other than the Group's functional currency of Australia dollar (AUD), namely the Mozambican dollar (MZN) and US dollar (USD).

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency. The Group's investment in its controlled entity is not hedged as this currency position is considered to be long term in nature.

Exposure to currency risk

The Group's exposure to foreign currency risk at balance sheet date was as follows (in AUD).

	USD
2012	
Cash and cash equivalents	3,070
2011	
Cash and cash equivalents	968

Currency risk sensitivity analysis

A 10.00% strengthening of the AUD against the following currencies at 30 June 2012 would have decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2011.

	Equity	Profit or loss
2012		
USD	307	307
2011		
USD	97	97

A 10.00% weakening of AUD against the above currencies at 30 June 2012 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group does not have any external borrowings at statement of financial position date. Hence the board is of the opinion that the Group's exposure to interest rate risk is limited.

At the reporting date the interest rate profile of the Group and Company's interest bearing financial instruments was:

	Carrying amount	
	2012	2011
	$	$
Fixed rate instruments		
Cash and cash equivalents	-	-
Variable rate instruments		
Cash and cash equivalents	1,080,208	897,901

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 1.00% in interest rates at the reporting date would have an immaterial impact on the equity and profit or loss of the Group and Company.

Equity price risk

The Group is not exposed to equity price risk as it has had no equity security investments.

(iv) Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Group monitors capital on the basis of the gearing ratio; however there are no external borrowings as at balance date.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting. The Group is not subject to externally imposed capital requirements.

(v) Fair value

The fair value of financial assets and liabilities equates to the carrying values shown in the Consolidated Statement of Financial Position.

NOTE 17. SEGMENT INFORMATION

The Group operates in one business segment being mineral exploration. The Group operates in two geographical locations being Australia and Mozambique. As the Group is focused on exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. The internal reporting framework is the most relevant to assist the Board with making decisions regarding this Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

		2012 $	2011 $
Revenue from external sources		-	-
Reportable segment loss	Mozambique	(28,583)	(39,355)
	Australia	-	(484)
		(28,583)	(39,839)
Reconciliation of reportable segment loss to group loss before tax			
Reportable segment loss		(28,583)	(39,839)
Unallocated interest		48,307	16,335
Unallocated corporate expenses		(239,230)	(406,289)
Loss before tax		**(219,506)**	**(429,793)**
Reportable segment assets			
	Australia	1,109,074	927,876
	Mozambique	7,779	9,562
		1,116,853	**937,438**

Basis of accounting for purposes of reporting by operating segments

1. Accounting Policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

2. Inter-segment transaction

Corporate charges are allocated to reporting segments based on an estimation of likely consumption of certain head office expenditure that should be used in assessing segment performance.

3. Segment Assets

Segment assets are clearly identifiable on the basis of their nature and physical location.

NOTE 18. CONTINGENT LIABILITIES

The Directors are of the opinion that there are no contingent liabilities as at 30 June 2012.

	2012 $	2011 $
NOTE 19. AUDITOR'S REMUNERATION		
Audit and review of financial statements	23,000	22,000
Other professional services	-	-
Total Auditor's Remuneration	23,000	22,000
Remuneration of other auditors of subsidiaries for:		
Audit services	-	-
Other professional services	-	-
Total Other Auditors' Remuneration	-	-

NOTE 20. OPERATING COMMITMENTS

Joint Venture Sale Agreement of Mining Concession 755C, Manica, Mozambique

The Mozambique Project is held by the Company's 98.5% owned Mozambique subsidiary, Mambas Minerais Limitada, (Mambas Minerais). Previously, Mambas Minerais held rights to both the Nhamucuarara concession (Nhamucuarara) and the Chua concession (Chua). However, following the completion of an environmental impact study, Mambas Minerais allowed Nhamucuarara to lapse.

Chua (755c) is located in the south of Mozambique in the Manica Province and is within distance of an established population supporting local administration and markets. The Manica Province is home to an extension of the Archean Odzi-Mutare Greenstone belt, which is host to gold occurrences throughout. Chua is within close proximity to the active Munhena open cast mine with extensions of the Munhena mineralisation believed to extend into Chua.

Mambas Minerais, at various times, has entered into negotiations and agreements with local and regional parties in Mozambique with the objective of realising value from the Mozambique Project through jointventuring and/or divestment. However, due to the ongoing nonperformance of commercial terms, all discussions and negotiations in respect of these agreements have been terminated.

In March 2012, Mamba appointed Mr Noel Sheppy an experienced senior geologist with significant experience in Mozambique to undertake a regulatory, geological, and economic review of Chua.

As part of this review process, a number of meetings have been held with various stakeholder groups including relevant ministers to discuss the regulatory status of the Mozambique Project, a comprehensive review of the geological and economic merits of the Mozambique Project as well as environmental and community stakeholder considerations. During this process Mambas Minerais has continued to retain local personnel in respect of the Mozambique Project.

As at the date of this Annual Report, Mamba has not had any formal confirmation as to the regulatory status of Chua. Upon completion of this review, the Board will determine the best course of action in regards to Mambas Minerais and the Mozambique Project.

Mamba Goldfields – Ennuin Project

The Ennuin Project held by Mamba's wholly owned subsidiary Mamba Goldfields Pty Ltd comprises two granted exploration licenses; E77/1896 and E77/1897 located 28km north and 32km northwest of Bullfinch, Western Australia respectively. They are considered prospective for gold and nickel due to their proximity to the Bullfinch Greenstone Belt. The minimum expenditure for the next year is $35,000 and the expenditure for period one to five years is $140,000.

Operating lease commitments

The property lease is on a short-term basis, payable monthly in advance with a month term of notice. The lease is reviewed on an annual basis.

NOTE 21. CONTROLLED ENTITIES

Mamba GoldFields Pty Ltd

Country of Incorporation:	Australia
Percentage Owned:	100%

Mambas Minerais Limitada

Country of Incorporation:	Mozambique
Percentage Owned:	97.5%

The remaining 2.5% is held by Mozambique residents.

NOTE 22. PARENT ENTITY INFORMATION

	2012 $	2011 $
Current assets	1,082,200	922,203
Non-current assets	26,153	-
Total Assets	1,108,353	922,203
Current liabilities	41,813	110,512
Total liabilities	41,813	110,512
Net assets	1,066,540	811,691
Issued capital	6,904,372	6,436,752
Accumulated losses	(5,837,832)	(5,625,061)
Total Equity	1,066,540	811,691
Loss of parent entity	(212,771)	(396,638)
Other comprehensive income	-	-
Total comprehensive loss of the parent entity	(212,771)	(396,638)

NOTE 23. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date:

- On 30 July 2012 Mamba announced that it had entered into an agreement to acquire the Snelgrove Lake Project, a highly prospective Iron Ore project located in Canada's premier iron ore district, the Labrador Trough in Newfoundland (refer Review of Operations);
- On 31 August 2012, The Company lodged a Prospectus to raise $3,150,000 to provide funds towards exploration on the Snelgrove Lake Project;
- On 10 September 2012, shareholders approved:
  - (i) a change in the nature and scale of the Company's activities;
  - (ii) a consolidation of the Company's issued capital on a 1 for 5 basis;
  - (iii) the issue of 17,000,000 options on a post consolidation basis, as part of the Snelgrove Lake Project acquisition;
  - (iv) the creation of a new class of securities;
  - (v) the issue of a total of 32,000,000 performance shares as part of the Snelgrove Lake Project acquisition; and
  - (vi) the capital raising described above.

There are no other matters or circumstances that have arisen since 30 June 2012 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

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Business Consultants
Financial Advisors

AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Mamba Minerals Limited

As auditor for the audit of Mamba Minerals Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

a) No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) No contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Perth
26 September 2013

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Business Consultants
Financial Advisors

Independent Auditor's Report
To the members of Mamba Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Mamba Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

(a) the financial report of Mamba Minerals Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the period ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 7 of the directors' report for the period ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Mamba Minerals Limited for the period ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
26 September 2013
Perth

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		$	$
Interest received		84,721	48,307
Exploration costs written off		(4,157)	(28,583)
Occupancy expenses		(18,000)	(18,000)
Administration expenses	2	(745,797)	(220,330)
Interest paid		(33,140)	-
Acquisition related costs	2	(688,217)	-
Foreign exchange losses		(26,095)	(900)
(Loss) from ordinary activities before related income tax expense		(1,430,685)	(219,506)
Income tax attributable to operating loss	3	-	-
Other comprehensive income		-	-
Total comprehensive income for the year		(1,430,685)	(219,506)
Loss per share			
Basic (cents per share)	16	(3.49)	(0.85)
Diluted (cents per share)	16	(3.49)	(0.85)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	2012 $
Current Assets			
Cash and cash equivalents	4	3,608,834	1,080,208
Trade and other receivables	5	24,608	9,770
Total Current Assets		3,633,442	1,089,978
Non-Current Assets			
Plant and equipment	6	22,727	724
Other receivable	7	218,102	-
Exploration and evaluation	8	7,346,927	26,151
Total Non-Current Assets		7,587,756	26,875
Total Assets		11,221,198	1,116,853
Current Liabilities			
Trade and other payables	9	249,808	41,811
Other liabilities	10	1,017,363	-
Total Current Liabilities		1,267,171	41,811
Total Liabilities		1,267,171	41,811
Net Assets		9,954,027	1,075,042
Equity			
Issued capital	11	14,602,904	6,804,372
Reserves	12	2,611,138	100,000
Accumulated losses	13	(7,260,015)	(5,829,330)
Total Equity		9,954,027	1,075,042

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Operating activities			
Interest received		84,721	48,307
Payments to suppliers and employees		(742,450)	(243,494)
Net cash flows (used in) operating activities	14	(657,729)	(195,187)
Investing activities			
Payments for property, plant and equipment		(22,727)	-
Acquisition costs	2	(688,217)	-
Exploration and evaluation costs		(3,921,362)	(13,126)
Loans to other entities		(300,000)	-
Net cash flows (used in) investing activities		(4,932,306)	(13,126)
Financing activities			
Proceeds from issue of shares and options	10,11,12	9,304,023	398,000
Payments for cost of share issue		(458,990)	(7,380)
Loans repaid to other entities		(700,000)	-
Net cash flows from financing activities		8,145,033	390,620
Net increase in cash held		2,554,998	182,307
Effects of exchange rate fluctuations on cash held		(26,372)	-
Cash at beginning of year		1,080,208	897,901
Cash at the end of the year	4	3,608,834	1,080,208

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2011		6,336,752	-	(5,609,824)	726,928
Total comprehensive income		-	-	(219,506)	(219,506)
Issue of share capital	11	475,000	-	-	475,000
Issue of options		-	100,000	-	100,000
Capital raising costs	11	(7,380)	-	-	(7,380)
Balance at 30 June 2012		6,804,372	100,000	(5,829,330)	1,075,042
Balance at 1 July 2012		6,804,372	100,000	(5,829,330)	1,075,042
Total comprehensive income		-	-	(1,430,685)	(1,430,685)
Issue of shares and options	11,12	5,287,500	2,567,000	-	7,854,500
Issue of shares through exercise of options	11,12	2,970,022	(55,862)	-	2,914,160
Capital raising costs	11	(458,990)	-	-	(458,990)
Balance at 30 June 2013		14,602,904	2,611,138	(7,260,015)	9,954,027

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

CORPORATE INFORMATION

The consolidated financial statements of Mamba Minerals Ltd (or 'the Company') and controlled entities ('the Group') for the year ended 30 June 2013 were approved and authorised for issue in accordance with a resolution of the Directors on 26 September 2013.

The nature of the operations and principal activities of the Group are described in the Directors Report.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.* Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs.

Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Going Concern

The directors have prepared the financial statements of the Group on the going concern basis.

Accounting policies

(a) Basis on Consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 30 June 2013. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where realised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from effective date of acquisition, or up to the effective date of disposal, as applicable.

(b) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	20 – 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to the retained earnings.

(d) Exploration and evaluation costs

Exploration and evaluation costs in relation to each separate area of interest are recognised as an asset in the year in which they are incurred where the following conditions are satisfied:

- Exploration and evaluation expenditure is expected to be recouped through the successful development and exploration of the area, or alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not, at the balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and, active and significant operations in, or in relation to the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full to the statement of profit and loss and other comprehensive income in the year in which the decision to abandon the area is made.

(e) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

(f) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Provisions

Provisions are recognised when the Group as a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(i) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss and other comprehensive income in the period in which they are incurred.

(k) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Impairment of Assets

At each reporting date the group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(n) Segment Reporting

Segments are identified and segment information disclosed on the basis of internal reports that are provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the Statement of profit and loss and other comprehensive income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in this financial report have been included.

(o) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(p) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Share Based Payment Transactions

Under AASB 2 Share Based Payments, the Group must recognise the fair value of options granted for assets or services received as an expense or asset on a pro-rata basis over the vesting period with a corresponding adjustment to equity. Fair value is measured by reference to fair value at the date the options are granted. The fair value is determined using the Black Scholes option pricing model.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Exploration and Evaluation

The Group capitalises expenditure relating to exploration and evaluation costs where they are considered to be likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The future recoverability of capitalised exploration and evaluation costs are dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by the Australian Taxation Office.

Share Based Payments

Share-based payment transactions, in the form of options to acquire ordinary shares, are valued using the Black-Scholes option pricing model. This model uses assumptions and estimates as inputs.

(t) New Accounting Standards for Application in Future Periods

Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been adopted by the Group for the year ended 30 June 2013. At this time the following standards and interpretations may have an impact, but the extent of this has not been determined:

AASB 10 Consolidated Financial Statements effective 1 January 2013 (Mamba 1 July 2013): This standard establishes a new control model and broadens the situations when an entity is considered to be controlled.

AASB 12 Disclosure of Interests in Other Entities effective 1 January 2013 (Mamba 1 July 2013): New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

AASB 13 Fair Value Measurement effective 1 January 2013 (Mamba 1 July 2013): This standard establishes a single source of guidance for determining the fair value of assets and liabilities.

AASB 119 Employee Benefits effective 1 January 2013 (Mamba 1 July 2013): The revised standard changes the definition of short-term employee benefits.

Annual Improvements to IFRSs 2009–2011 Cycle effective 1 January 2013 (Mamba 1 July 2013)

AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual - Key Management Personnel Disclosure Requirements* effective 1 July 2013 (Mamba 1 July 2013). The revised standard modifies disclosure requirements for Key Management.

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities effective 1 January 2015 (Mamba 1 July 2015)

AASB 9 Financial Instruments effective 1 January 2015 (Mamba 1 July 2015): This standard includes requirements for the classification and measurement of financial assets.

	2013 $	2012 $
NOTE 2. EXPENSES		
Administration expenses:		
Depreciation	(724)	(8,838)
Directors remuneration (i)	(105,892)	(108,000)
Other administration expenses (i)	(639,181)	(103,492)
Total administration expenses	(745,797)	(220,330)
Acquisition related costs (ii)		
Consulting fees (i)	(450,000)	-
Legal fees	(166,418)	-
Due diligence	(71,799)	-
Total Acquisition Costs	(688,217)	-

(i) Company secretarial fees of $12,000 and consulting fees of $25,000 included in the Remuneration Report in the Directors Report are included in 'Other administrative expenses' and 'Consulting fees' respectively.

(ii) Acquisition costs relate to the Snelgrove Lake Project in Canada.

NOTE 3. INCOME TAX EXPENSE

(a) Income tax expense / (benefit)	-	-
(b) Numerical reconciliation between tax-expense and pre-tax net loss		
Loss before income tax benefit	(1,430,685)	(219,506)
Income tax using the Company's domestic tax rate of 30% (2011: 30%)	(429,204)	(65,852)
Deductible exploration expenditure	(1,459,478)	(3,938)
Other non-deductible expenses/(deductible tax adjustments)	63,767	755
Current year losses for which no deferred tax asset was recognised	1,824,915	69,035
Income tax benefit (expense) attributable to entity	-	-
(c) Income tax recognised directly in equity		
Capital raising costs	(32,263)	(6,827)
Current year losses for which no deferred tax asset was recognised	32,263	6,287
Total Income tax recognised directly in equity	-	-

NOTE 3. INCOME TAX EXPENSE (Continued)

(d) Unrecognised temporary differences

Net deferred tax assets (calculated at 30%) have not been recognised in respect of the following items:

	2013 $	2012 $
Deferred Tax Liabilities (at 30%)		
Exploration expenditure	(1,459,478)	(7,845)
Deferred Tax Asset (at 30%)		
Capital raising costs recognised directly in equity	118,577	13,143
Accrued expenses	66,916	3,150
	185,493	16,293
Unrecognised net deferred tax assets / (liabilities) relating to the above temporary differences	(1,273,985)	8,448

(e) Unused tax losses

Unused tax losses	8,650,897	2,460,301
Potential tax benefit (at 30%)	2,595,269	738,090
Tax losses offset against net deferred tax liabilities	(1,273,985)	-
Unrecognised tax benefit	1,321,284	738,090

Potential future income tax benefits net of deferred tax liabilities attributable to tax losses have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the relevant regulatory authorities in each of the jurisdictions in which the Group operates. The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

	2013 $	2012 $
NOTE 4. CASH AND CASH EQUIVALENTS		
Cash at Bank	3,608,834	1,080,208
	3,608,834	1,080,208
NOTE 5. TRADE AND OTHER RECEIVABLES		
GST Receivable	19,622	5,061
Prepaid Expenses	4,986	4,709
	24,608	9,770

	2013 $	2012 $
NOTE 6. PLANT AND EQUIPMENT		
Plant and equipment	69,074	50,295
Less: accumulated depreciation	(46,347)	(49,571)
	22,727	724
Movements were as follows:		
Opening balance at beginning of financial year	724	9,562
Purchases	22,727	-
Depreciation	(724)	(8,838)
Written down balance at end of financial year	22,727	724

NOTE 7. OTHER RECEIVABLE		
Loan receivable (i)	218,102	-

i) Refer to Note 14 for details.

NOTE 8. EXPLORATION AND EVALUATION

Movements were as follows:		
Opening balance at beginning of financial year	26,151	13,025
17 million placement options to Altius Minerals Corporation (Note 12)	2,482,000	-
Other exploration and evaluation costs incurred		
(Canada) **	4,819,119	-
(Australia)	19,657	13,126
(Mozambique)	4,157	-
Written off (Mozambique)	(4,157)	-
Balance at end of financial year	7,346,927	26,151

** Of the $4,819,119 capitalised in the year to 30 June 2013:

- $3,897,826 relates to exploration costs invoiced to CIP Magnetite Ltd ('CIP Mag'), but paid by the Company; and
- $781,898 relates to exploration costs paid by CIP Mag (see Note 14 for details).

As outlined at Note 24, subsequent to year end, the Company exercised its option to acquire CIP Mag, the holder of the option to acquire the Snelgrove Lake Project.

Recoverability of the above carrying amounts is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

	2013 $	2012 $
NOTE 9. TRADE AND OTHER PAYABLES		
Trade and other payables	25,511	31,311
Accruals	223,066	10,500
PAYG payable	1,231	-
	249,808	41,811

NOTE 10. OTHER LIABILITIES		
Application monies to exercise options received in advance	1,017,363	-

NOTE 11. ISSUED CAPITAL	2013 $	2012 $
Issued Capital		
61,340,043 Fully Paid Ordinary Shares (2012: 130,916,674)	14,602,904	6,804,372

Movements in ordinary share capital	**No.**	**$**
Balance as at 1 July 2011	118,416,674	6,436,752
Issue of ordinary shares at $0.003 in July 2011	12,500,000	375,000
Less capital raising costs	-	(7,380)
Balance at 1 July 2012	130,916,674	6,804,372
5 for 1 consolidation on 7 November 2012	(104,733,269)	-
Issue of ordinary shares at $0.225 in November 2012 **(i)**	14,000,000	3,150,000
Issue of ordinary shares at $0.225 in November 2012 **(ii)**	6,000,000	1,350,000
Issue of ordinary shares at $0.225 in January 2013 **(iii)**	3,500,000	787,500
Exercise of $0.25 options expiring 30 June 2013	11,656,638	2,970,022
Less capital raising costs		(458,990)
Balance at 30 June 2013	61,340,043	14,602,904

(i) In November 2012, the Company issued 14 million fully paid ordinary shares at $0.225 to professional 708 investors, which raised $3,150,000.

(ii) In November 2012, the Company issued 6 million fully paid ordinary shares at $0.225 with a 1 for 12 free attaching unlisted options exercisable at $0.50, expiring on 15 December 2013, to professional 708 investors, which raised $1,350,000.

(iii) In January 2013, the Company issued 3.5 million fully paid ordinary shares at $0.225 to professional 708 investors, which raised $787,500.

NOTE 12. RESERVES	2013 $	2012 $
Options Premium Reserve	129,138	100,000
Share Based Payment Reserve	2,482,000	-
	2,611,138	100,000

Share based payments reserve

The share-based payments reserve represents the fair value of equity instruments issued to employees as compensation and issued to external parties for the receipt of assets and services. This reserve will be reversed against issued capital when the underlying shares are converted.

Option premium reserve

The option premium reserve records amounts paid by shareholders or other external parties in acquiring options over ordinary shares. The balance in the option premium reserve is transferred to issued capital on option conversion.

NOTE 12. RESERVES (Continued)

Movements in Reserves	No.	Share Based Payments Reserve $	Options Premium Reserve $
Opening balance at 1 July 2012	104,333,346		100,000
5 for 1 consolidation of $0.05 30 June 2013 options on 7 November 2012	(83,466,665)	-	-
Issue of unlisted options for $0.005 per option, exercisable at $0.25 expiring 31 August 2015 **(i)**	17,000,000	2,482,000	85,000
Issue of free attaching options in November 2012 exercisable at $0.50 expiring 15 December 2015 **(ii)**	500,000	-	-
Exercise of 11,656,638 $0.25 options expiring 30 June 2013	(11,656,638)	-	(55,862)
Balance at 30 June 2013	26,710,043	2,482,000	129,138

(i) 17 million options, expiring on 31 August 2015, issued to Altius Minerals Corporation, as part of the agreement to acquire the Snelgrove Lake Project. The Company received $0.005 per option issued ($85,000). The fair value of options issued was estimated at the date of grant using the Black-Scholes option pricing model. The following table sets out the assumptions made in determining the fair value of the options granted.

Effective grant date (date of purchase agreement)	30 July 2012
Dividend yield	0.00%
Expected volatility	80%
Risk-free interest rate	2.43%
Option exercise price (post consolidation basis)	$0.25
Expected life (years)	2.76
Share price on effective date of grant (post-consolidation basis)	$0.28

(ii) In November 2012, the Company issued 6 million fully paid ordinary shares at $0.225 with a 1 for 12 free attaching unlisted options exercisable at $0.50, expiring on 15 December 2013, to professional 708 investors, which raised 1,350,000.

At the 30 June 2013, the unissued shares of the Company under option were as follows:

Grant Date	Date of Expiry	Exercise Price	Number of Options
19 Jul 2011	30 Jun 2013 **	$0.25	9,210,043
07 Nov 2012	31 Aug 2015	$0.25	17,000,000
30 Nov 2012	15 Dec 2013	$0.50	500,000

** All of these options were exercised subsequent to year end (Note 24)

	2013 $	2012 $
NOTE 13. ACCUMULATED LOSSES		
Accumulated losses at beginning of year	(5,829,330)	(5,609,824)
Total comprehensive income for the year	(1,430,685)	(219,506)
Accumulated losses at end of year	(7,260,015)	(5,829,330)

NOTE 14: RECONCILIATION OF OPERATING LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2013 $	2012 $
Operating (loss) after tax	(1,430,685)	(219,506)
Non-cash items:		
Depreciation and amortisation	724	8,838
Exploration costs written off	4,157	-
Unrealised FX gain/(loss)	26,095	-
Acquisition related costs	688,217	-
Changes in assets and liabilities:		
Decrease / (increase) in receivables	(14,838)	7,180
Increase in trade and other payables relating to operating activities	68,601	8,301
Net cash flows (used in) operating activities	(657,729)	(195,187)

Non-cash Investing and Financing Activities

As outlined at Notes 8 and 12, during the year ended 30 June 2013, 17 million options, expiring on 31 August 2015, were issued to Altius Minerals Corporation, as part of the agreement to acquire the Snelgrove Lake Project ('Project').

Pursuant to the acquisition of the Project, during the year ended 30 June 2013, the Company:

- Assumed the rights and obligations of a $700,000 loan due to David Argyle** from CIP Magnetite ('CIP Mag'); and
- Lent $300,000 to CIP Mag Ltd

As at 30 June 2013, CIP Mag had incurred costs of $781,898 in relation to initial works on the Project. Under the Project acquisition agreements, these costs are deducted from the exploration costs the Company is required to incur in order to acquire the Project. During the financial year, as the costs were incurred by CIP Mag, the Company reduced the loan amount receivable from CIP Mag (Note 7) and charged its deferred exploration and evaluation account (Note 8).

** David Argyle is a related party of Gavin Argyle, who was the sole director of CIP Magnetite Pty Ltd, which controlled CIP Mag prior to the Company's acquisition of CIP Mag subsequent to year end (Note 24).

NOTE 15. RELATED PARTY DISCLOSURE

(a) Key Management Personnel During the Financial Year:

Greg Burns	Non-Executive Chairman (appointed 21 November 2012, resigned 13 August 2013)
Neville Bassett	Non-Executive Director (resigned 13 August 2013)
Robert Hyndes	Non-Executive Director and Company Secretary (resigned 13 August 2013)
Gary Castledine	Non-Executive Chairman (resigned 21 November 2012)

Summarised Remuneration of Key Management Personnel

Summary of key management personnel remuneration in the following categories are as follows:

	2013	2012
	$	$
Short-term employee benefits	140,267	108,000
Post employment benefits	2,625	-
	142,892	108,000

Refer to the Remuneration Report in the Director's Report for detailed compensation disclosure on key management personnel.

(b) Key Management Personnel Equity Holdings

Ordinary Shares Held by:	Balance at 30 June 2012	5 for 1 share consolidation	Bal. at date of appointment	Bal. at date of resignation	Balance at 30 June 2013
Greg Burns(i)	N/A	N/A	66,667	N/A	66,667
Neville Bassett	3,425,000	(2,740,000)	N/A	N/A	685,000
Robert Hyndes	900,000	(720,000)	N/A	N/A	180,000
Gary Castledine(ii)	6,099,699	(4,879,758)	N/A	1,219,941	N/A
	10,424,699	(8,339,758)	66,667	1,219,941	931,667

Options Over Ordinary Shares Held by:	Balance at 30 June 2012	5 for 1 option consolidation	Bal. at date of appointment	Bal. at date of resignation	Balance at 30 June 2013
Greg Burns (i)	N/A	N/A	66,667	N/A	66,667
Neville Bassett	2,030,000	(1,622,500)	N/A	N/A	407,500
Robert Hyndes	900,000	(720,000)	N/A	N/A	180,000
Gary Castledine (ii)	3,705,252	(2,964,201)	N/A	741,051	N/A
	6,635,252	(5,306,701)	66,667	741,051	654,167

(i) Greg Burns was appointed on 21 November 2012

(ii) Gary Castledine resigned on 21 November 2012

Ordinary Shares Held by:	Balance at 30 June 2011	Bal. at date of appointment	Additions	Bal. at date of resignation	Balance at 30 June 2012
Greg Burns	N/A	N/A	N/A	N/A	N/A
Neville Bassett	3,425,000	N/A	-	N/A	3,425,000
Robert Hyndes	900,000	N/A	-	N/A	900,000
Gary Castledine	6,099,699	N/A	-	N/A	6,099,699
	10,424,699	-	-	-	10,424,699

Options Over Ordinary Shares Held by:	Balance at 30 June 2011	Bal. at date of appointment	Additions	Bal. at date of resignation	Balance at 30 June 2012
Greg Burns	N/A	N/A	N/A	N/A	N/A
Neville Bassett	2,030,000	N/A	-	N/A	2,030,000
Robert Hyndes	900,000	N/A	-	N/A	900,000
Gary Castledine	3,705,252	N/A	-	N/A	3,705,252
	6,635,252	-	-	-	6,603,252

(c) Related Party Transactions

During the financial year, fees of $57,314 (2012: $25,616) were paid to Atlas Partners Pty Ltd, of which Mr Hyndes is the principal, for accounting, secretarial and tenement administration. Atlas Partners Pty Ltd also received $18,000 (2012: $21,000) for rent and office running costs. All transactions were at market rates.

During the financial year, Corporate advisory fees of $250,000 (2012: Nil) and a placement fee of $141,075 (2012: Nil) was paid to Capital Investments Partners Pty Ltd of which Greg Burns is a director (and shareholder?).

During the financial year, a corporate advisory fee of $100,000 (2012: Nil) and a placement fee of $51,975 (2012: Nil) was paid to Indian Ocean Capital Pty Ltd of which Mr Castledine is a director and shareholder.

Greg Burns, who was non-Executive Chairman of the Company from 21 November 2012 to 13 August 2013, was the sole director of CIP Magnetite Ltd ('CIP Mag') during the year ended 30 June 2013. The Company's transactions with CIP Mag during the year ended 30 June 2013 are outlined at Notes 7, 8, and 14.

NOTE 16. EARNINGS PER SHARE	**2013** **No**	**2012** **No**
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	41,021,409	26,066,896 **
Consolidated net loss for the financial year	1,430,685	219,506

As at 30 June 2013, 26,710,043 (2012: 104,333,346 – pre consolidated) options were outstanding. These are not considered to have a dilutive effect on loss from continuing ordinary operations.

** On 7 November 2012, the Company consolidated its share capital on a 5 for 1 basis. The weighted average number of ordinary shares for the prior year has thus been amended so that comparison of loss per share between the current and prior year is more meaningful.

NOTE 17. FINANCIAL RISK MANAGEMENT & INSTRUMENTS

Overview

The Group has an exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information and quantitative disclosures about the Group exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables and cash and cash equivalents. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

Exposures to credit risk

The carrying amount of the Group financial assets represents the maximum credit exposure and was as follows at the reporting date:

	2013 $	2012 $
Current financial assets		
Cash and cash equivalents	3,608,834	1,080,208
Trade and other receivables	24,608	9,770
Total financial assets	3,633,442	1,089,978

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount $	Contractual cash flows $	Within 1 year $
Consolidated			
2013			
Trade and other payables	249,808	249,808	249,808
2012			
Trade and other payables	41,811	41,811	41,811

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on purchases and bank balances that are denominated in a currency other than the Group's functional currency of Australia dollar (AUD), namely the Canadian dollar (CAD) and US dollar (USD).

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency. The Group's investment in its controlled entity is not hedged as this currency position is considered to be long term in nature.

Exposure to currency risk

The Group's exposure to foreign currency risk at balance sheet date was as follows (in AUD).

	USD	CAD
2013		
Cash and cash equivalents	1	474,615
2012		
Cash and cash equivalents	3,070	-

Currency risk sensitivity analysis

A 10.00% strengthening of the AUD against the following currencies at 30 June 2013 would have decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012.

	Equity	Profit or loss
2013		
USD	-	-
CAD	47,462	47,426
2012		
USD	307	307
CAD	-	-

A 10.00% weakening of AUD against the above currencies at 30 June 2013 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group does not have any external borrowings at statement of financial position date. Hence the board is of the opinion that the Group's exposure to interest rate risk is limited.

At the reporting date the interest rate profile of the Group and Company's interest bearing financial instruments was:

	Carrying amount	
	2013	2012
	$	$
Fixed rate instruments		
Cash and cash equivalents	-	-
Variable rate instruments		
Cash and cash equivalents **	3,608,834	1,080,208

** Weighted average interest rate as at 30 June 2013 of 2.5%.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 1.00% in interest rates at the reporting date would have an immaterial impact on the equity and profit or loss of the Group and Company.

Equity price risk

The Group is not exposed to equity price risk as it has had no equity security investments.

(iv) Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Group monitors capital on the basis of the gearing ratio; however there are no external borrowings as at balance date.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting. The Group is not subject to externally imposed capital requirements.

(v) Fair value

The fair value of financial assets and liabilities equates to the carrying values shown in the Consolidated Statement of Financial Position.

NOTE 18. SEGMENT INFORMATION

The Group operates in one business segment being mineral exploration. The Group operates in three geographical locations being Australia, Canada and Mozambique. As the Group is focused on exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. The internal reporting framework is the most relevant to assist the Board with making decisions regarding this Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

		2013 $	2012 $
Reportable segment loss	Mozambique	(4,157)	(28,583)
	Canada	(688,217)	-
		(692,374)	(28,583)
Reconciliation of reportable segment loss to group loss before tax			
Reportable segment loss		(692,374)	(28,583)
Interest		84,721	48,307
Corporate expenses		(823,032)	(239,230)
Loss before tax		**(1,430,685)**	**(219,506)**
Reportable segment assets			
	Australia	3,201,211	1,109,074
	Canada	8,019,987	-
	Mozambique	-	7,779
		11,221,198	**1,116,853**

Basis of accounting for purposes of reporting by operating segments

1. Accounting Policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

2. Inter-segment transaction

Corporate charges are allocated to reporting segments based on an estimation of likely consumption of certain head office expenditure that should be used in assessing segment performance.

3. Segment Assets

Segment assets are clearly identifiable on the basis of their nature and physical location.

NOTE 19. CONTINGENT LIABILITIES

The Directors are of the opinion that there are no contingent liabilities as at 30 June 2013 (2012: Nil).

	2013 $	2012 $
NOTE 20. AUDITOR'S REMUNERATION		
Audit and review of financial statements	31,500	23,000
Other professional services **	10,800	-
Total Auditor's Remuneration	42,300	23,000

** Relates to the preparation of an Investigating Accountants Report.

NOTE 21. OPERATING COMMITMENTS

Operating lease commitments

The property lease is on a short-term basis, payable monthly in advance with a month term of notice. The lease is reviewed on an annual basis.

NOTE 22. CONTROLLED ENTITIES

Mamba GoldFields Pty Ltd

Country of Incorporation: Australia
Percentage Owned: 100% (2012: 100%)

Mambas Minerais Limitada

Country of Incorporation: Mozambique
Percentage Owned: 97.5% (2012: 97.5%)

The remaining 2.5% is held by Mozambique residents.

	2013 $	2012 $
NOTE 23. PARENT ENTITY INFORMATION		
Current assets	3,608,790	1,082,200
Non-current assets	7,587,711	26,153
Total Assets	11,196,501	1,108,353
Current liabilities	1,247,505	41,813
Total liabilities	1,247,505	41,813
Net assets	9,948,996	1,066,540
Issued capital	14,602,904	6,804,372
Reserves	2,611,138	100,000
Accumulated losses	(7,265,046)	(5,837,832)
Total Equity	9,948,996	1,066,540
Loss of parent entity	(1,427,214)	(212,771)
Total comprehensive loss of the parent entity	(1,427,214)	(212,771)

NOTE 24. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date, the following events occurred;

- The Company raised $1,577,862 from the exercise of 6,311,451 listed options at $0.25 and a further $724,648 before costs from the underwriter of the shortfall for the remaining 30 June 2013 listed options at $0.25.
- The Company exercised its option to acquire CIP Magnetite Ltd, the holder of the option to acquire the Snelgrove Lake Project. Pursuant to the terms of the exercise, at settlement in August, Mamba issued 32,000,000 Performance Shares to the vendor shareholders. The performance shares to be issued convert to ordinary shares on the satisfaction of various milestones.
- On 13 August 2013, Mr Michael O'Keeffe, Mr Niall Lenahan and Mr Richard Wright were appointed to the Board and Mr Greg Burns, Mr Robert Hyndes and Mr Neville Bassett resigned from the Board.
- On 13 August 2013, Mr Niall Lenahan was appointed as Company Secretary and Mr Robert Hyndes resigned as Company Secretary.

Other than the above, there are no other matters or circumstances that have arisen since 30 June 2013 that have or may significantly affect the operations, results, or state of affairs of the Company or Group in future financial years.

TECHNICAL REPORT OF PHASE 1 AND 2 EXPLORATION PROGRAMS THE SNELGROVE LAKE PROPERTY, NEWFOUNDLAND AND LABRADOR NTS 23J08, 23J09, 23I15 and 23I/12

FOR

MAMBA MINERALS LIMITED

Prepared By:
Edward Lyons, P. Geo. QP
King and Bay West Management Corp.
&
Murray Brown, P.Eng.
BBA Inc.

Date:
December 20, 2013

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1 SUMMARY

1.1 Introduction

In December 2013, Mamba Minerals Ltd., ("Mamba", "Issuer") at the request of Barry Knight, Technical Director, commissioned King and Bay West Management Corp. ("KBW") to prepare this Technical Report on their exploration activities on the Snelgrove Project in Newfoundland and Labrador (NL), near Schefferville, Quebec . Mamba is an Australian company listed on the Australian Stock Exchange (ASX) under the symbol MAB (ASX: MAB). Mamba is a public corporation, incorporated under the laws of Western Australia State, with its registered office located at:

91 Evans Street
Rozelle, NSW, 2039 Australia
Phone: +61-2-98107816

This Technical Report, titled "Technical Report of Phase 1 and 2 Exploration Programs, Snelgrove Property, Labrador, NTS (ref)", was prepared by Qualified Persons following the format and guidelines of the Canadian Securities Administrators National Instrument 43-101 (NI 43-101) effective June 30, 2011, and in conformity with the guidelines of the Canadian Mining, Metallurgy and Petroleum (CIM) Standard on Mineral Resources and Reserves.

This Report incorporates all data received and is effective as of December 20th, 2013.

1.2 Property Location

The Property is located in western Labrador and is approximately 55 kilometres south east of the community of Schefferville, Quebec and approximately 200 kilometres north of Labrador City, Labrador. The Property consists of five contiguous map-staked licences totaling 424 mineral claims of 10,600 hectares. The claims are located on NTS map sheets 23J08, 23J09, 23I15 and 23I/12 and overlap UTM zones 19 and 20.

The claims are in good standing to 2017 with the majority up to 2024 where more assessment work has been filed.

1.3 Issuer's Interest

The Issuer's wholly-owned Canadian subsidiary, CIP Magnetite Ltd., has an option with Altius Minerals Inc. to acquire 100% of the Snelgrove Property for certain expenditures within three years after the initiation of the Option Agreement on May 2012 with a 3% gross revenue royalty afterwards. In July 2013, the Issuer and Altius agreed to a modification of the Option Agreement that extends the final date two years to May 2017.

Mamba has met commitments and undertaken exploration since late 2012 in relation to Snelgrove Lake with the initial $3.25 million and $2.8 of the second $3.25 million expenditure commitments with Altius having already been reached.

On the 6 December 2013, Mamba announced it had entered into a definitive arrangement agreement to effect a merger of Mamba and Canadian iron ore developer, Champion Iron Mines (TSX: CHM), subject to shareholders approvals and securities commission(s) approvals.

1.4 Accessibility

The Property is situated 60 km by air southeast of the town of Schefferville, QC, the nearest commercial centre. It can only be accessed via float plane or helicopter, due to the locally steep terrain, cut by numerous lakes and rivers, and covered by thick vegetation. The towns of Schefferville and Labrador City are the closest communities that provide airports with scheduled service. The terrain is conducive to ground traversing, though steep hills, thick vegetation, lakes and rivers provide some obstacles.

1.5 Climate

The climate in the region is typical of north-central Quebec/western Labrador. Daily average temperatures exceed 0°C for only five months of the year. Winters are harsh, lasting six to seven months, with heavy snow from November until April. The daily mean temperature in Schefferville in January averages -24.1°C. Precipitation in the Schefferville area includes more than 50 cm of snowfall per month for November, December and January. Summers are generally cool and wet with the wettest month of summer being July with an average rainfall of 106.8mm. Early and late winter conditions are acceptable for ground geophysical surveys and drilling.

1.6 Local Resources and Infrastructure

The town of Schefferville is an incorporated municipality in the Province of Quebec, and has a number of new buildings, including medical clinics, a recreation centre, churches, and houses. The population of the town is approximately 213 people. The nearby Matimekush community has approximately 750 members of the Nation Innu Matimekush-Lac John.

The economy in Schefferville relies on hunting, fishing, tourism and public service administration. The town contains a motel, store and flying service operators. A skilled labour force is available from other parts of Newfoundland and Labrador and Quebec.

The Schefferville airport has a 2,000 metre runway, capable of handling jet aircrafts. Scheduled flights are available to Montreal, Wabush and Sept-Îles, Quebec. Rail service is provided by Tshiuetin Rail Transportation Inc. (“TRT”), which is owned in equal parts by the Naskapi Nation of Kawawachikamach, the Nation Innu Matimekush – Lac John and Innu Takuaikan Uashat mak Mani. Freight and passenger

rail service from Schefferville to Sept-Îles runs twice weekly. The railroad lies about 40 air-km west of the Property.

1.7 History

The first significant exploration in the Labrador Trough commenced in the late 1930's when Labrador Mining and Exploration Company Limited ("LM&E") acquired a large land package to explore for base and precious metals (Neal, 2001). In 1945, Hollinger Gold Mines bought control of LM&E and formed Hollinger North Shore Exploration Company Limited ("Hollinger"). M.A. Hanna Company of Cleveland joined Hollinger and Hanna along with other steel companies formed the Iron Ore Company of Canada ("IOCC").

Under the management of IOCC, the mining and shipping of iron ore began in 1954. The exploration and mining of Direct Shipping Ore ("DSO") within the Schefferville area ceased in 1982, after the production of approximately 250 million tons of ore. Although the focus of IOCC was DSO deposits, exploration of taconite mineralization in the Howells River area also occurred. With the recent increase in demand for iron and steel around the world, iron prices have increased and exploration and development activity in the Schefferville area has also steadily increased.

There are no known historic resources on the Property.

1.8 Geology

The Property is situated in near the eastern margin of the Labrador Trough ("Trough"), a 1,100 kilometre-long geosyncline that extends from the Ungava Bay in the north, through western Labrador and back into southeastern Quebec as part of the Grenville Orogeny. The belt is about 100 km wide in its central part and narrows considerably to the north and south. The Labrador Trough, like the Michigan-Minnesota Marquette Range complex, is the sedimentary basin-dominant portions of the Circum-Superior Craton accretionary complex that includes both sedimentary and mafic/ultramafic components that envelop the Superior Craton and is the host of a wide variety of metal deposits, including over 95% of the Canada and US iron production.

The Trough comprises a sequence of Proterozoic (1.9 – 1.8 Ga) sedimentary rocks, including iron formation, mafic intrusions and volcanics, and felsic volcanic and carbonatite rocks. The southern part of the Trough is crossed by the Grenville Front representing a metamorphic fold-thrust belt in which Archean basement and Early Proterozoic platformal cover were thrust north-westwards across the southern portion of the southern margin of the North American Craton during the 1.1 – 1.0 Ga Grenvillian Orogeny.

The project is underlain by Lower Proterozoic rocks sedimentary and volcanic rocks of the Kaniapiskau Supergroup. The Kaniapiskau Supergroup is subdivided into the Cycle 2 sedimentary sequence known as the Ferriman Group and a laterally equivalent mafic volcanic dominated succession called the Doublet

Group (Clark and Ware, 2004). The Attikamagen Group (Cycle 1) Denault, Dolly, and Fleming Formations underlie the Ferriman Group (Cycle 2) formations, which include the Wishart, Sokoman, Nimish and Menihek Formations (from oldest to youngest). The Sokoman Formation is the "iron formation". This part of the Labrador Trough was deformed during the Hudsonian Orogeny approximately 1735 Ma. Clark and Wares (2004) defined lithotectonic zones ("LTZ") that divide the orogenically compressed Trough into subdivisions separated by major tectonic discontinuities. These lithotectonic zones are defined by consistent lithologic assemblages and/or structure styles traceable over large areas.

The Labrador Trough is structurally complex with several periods of ductile deformation overprinted with later brittle thrust faulting reactivating axial planes and slide faults of the earlier events. The principal and oldest deformation is the D_1 from the northeast related to the Trans Hudsonian event. This compressed and faulted the Trough basin(s) into southwest verging asymmetrical to overturned nappe-type folds. This event formed the boundaries of the lithotectonic zones into several blocks. While the basin(s) were shortened by the folds, the major thrust faults likely caused the majority of the basinal foreshortening. Clark and Wares (2004) cites foreshortening of about 35%, but the lack of stratigraphic markers, combined with brittle thrust faults from the same general direction, make this determination likely a minimum estimation.

The second major deformation, D_2, makes less an impression on the Labrador Trough sediments, except near the eastern margins, and likely is post-induration. It compressed the rocks from the east to east-northeast. The areas most affected lies along the eastern margin of the Trough, such as the Snelgrove Property. The compression appears to have been simple compression switching to dextral transpression. The effect was to refold the D_1 structures upward and superimpose a second set of thrust and normal faults in it.

The structural processes show both D_1 and D_2 influences and results in one of the few iron projects in the region to show such a high degree of structural interplay. This means that, besides the older D_1 folds and related thrust faults, the D_2 folds and faults are superimposed on them by flipping up almost vertically, as shown in the diagram in Figure 7-6. The resultant pattern requires careful geological interpretation to follow the original taconite and later alteration and weathering loci, which are likely structurally related.

The property geology reflects the results of the interplay between initial deposition, several periods of folding and faulting and one or more periods of post-taconite alteration and/or weathering. The Sokoman Formation "iron formation" horizon, if unfolded at a simple 1:1 ratio, would contain over 40 km of basin width. The property contains the high-magnetite taconites with a variable overprint of later hematization over this length. The critical stratigraphy is the Sokoman Formation with variable co-deposition of Nimish basalt volcaniclastic and volcanic flows in the middle.

1.9 Mineralization

Three major types of mineralization occur on the Snelgrove Property. One is the "original" taconite, the weakly metamorphosed equivalent of the original chemical and volcanic sediments. It is magnetite-dominant with little original hematite. It forms an integral part of the original sedimentation. The grade distribution in the Kenty Lake (magnetic taconite) target area in the north part of the Property shows that the Fe grade in magnetite taconite is generally in the range of 25-35% with some additional later earthy hematite.

The second type is defined by hard, steel-blue hematite in quartz. IOCC named this "steel-rail ore" when they encountered it mainly in the Malcom-Houston deposits southeast of Schefferville. The Fe grades are typically 58-67% Fe in hematite only, making it a direct shipping ore (DSO). The Sawyer Lake deposit (Labrador Iron Mines) lies immediately southeast of the southern part of the Snelgrove Property and about four km SSW of the CLC area. It has a published non-compliant mineral resource based on partial drilling of the exposed material of 11.5 million tonnes (dry weight converted) of 61.8% Fe and 11.4% SiO_2 (Labrador Iron Mines, 2012). *The resource is not compliant with current NI 43-101 reporting standards and should not be relied upon*. On the Property, it occurs near NNW-trending faults and likely its emplacement is structurally controlled. The examples in the 2013 drilling (MM-13-05 through -08 and others) show the steel rail type to be intermixed with the more pulverant Fe oxides related to weathering below. This pattern is also seen in the Malcolm-Houston pits (LIM) and at Rainy Lake (Century Iron Mines).

The origin is thought to be hydrothermal fluids arising from late basinal dewatering or during diagenesis and compression with heat coming from deep-water circulation. Similar DSO hematite has been documented in Australia and Brazil with studies showing the hydrothermal association. The NL Geology Survey Branch is actively researching the origins of this iron oxide type under the aegis of Dr. James Conliffe.

The third oxide type is the mixture of earthy hematite-limonite-goethite. It is generally porous with much of the original iron oxides replaced by these iron hydroxides. The steel rail type remains as remnant bands to several metres wide in this matrix. The grade distribution of iron as both magnetite and hematite for analyses in the CLC target area in the south-central part of the Property includes the two non-taconite oxide types. Grades can range from 25 to +63% and have been selectively mined by IOCC for decades and now by LIM and Tata Mining.

The origin of the earthy hydroxides is believed to be caused by deep weathering associated with a global Cretaceous oxidation event; Cretaceous plant and insect fossils have been documented in several of the original IOCC mines west of Schefferville in the rubble of deeply oxidized taconite.

On the Property, the taconite type was drilled in the north near Kenty Lake. This style is likely to be common across the Property. The mixture of the two later hematitic types was drilled around the CLC area on targets defined by detailed gravity and magnetic interpretations. This type appears more

prevalent in the southern half of the Property, preferentially associated with the lower units of the Sokoman Fm. The current program demonstrated that the CLC targets cover a substantial area of similar geology and Fe oxides. Other targets remain to be tested in the area.

1.10 Exploration and Drilling Results

The 2013 exploration program was completed in two phases, the first of which was aimed at drill testing taconite and direct shipping ore (DSO) targets outlined in previous programs. The second phase of exploration focused on testing and discovering new DSO targets. The first phase of work consisted entirely of drilling and is covered in the Section 10. The second phase of exploration was designed to follow up on and discover new (DSO) targets and hematite targets. The program began in May and consisted of ground gravity and magnetics, a 965 line kilometre Airborne Gravity Gradiometer survey, geological mapping, prospecting, and 815 metres of diamond drilling in 8 holes (covered in Section 10). Figure 9-1 illustrates the areas of various works in relation to the current geological interpretation based on these works.

The CLC area and other zones along the lower part of the Sokoman Fm show significant areas of enriched oxidized hematite replacing taconite and were the focus of drilling in 2013. The CLC section with the best developed data shows the Sokoman Fm true width of approximately 150 m which has been tested to a vertical depth of at least 240 m. Drilling along the trend is on the order of 800-m spaced single drillholes across approximately 4km, with all holes showing mineralization of enriched oxidized hematite replacing taconite. This area appears to be a significant target for further exploration. Mineral processing testwork is needed to determine the recovery parameters of the material. The Issuer has already commenced this work; the recommended program includes allocation to complete the studies.

1.11 Mineral Processing and Metallurgical Testing

This section summarizes work done by SGS-Lakefield under the guidance of BBA, Inc. for Mamba and is described in Section 13 herein with Murray Brown as the QP author.

Historical testwork is taken from a technical report entitled “Independent Technical Report on Altius Minerals Corporation Snelgrove Lake Project”, dated July 11th 2012 and prepared by Snowden Mining Industry Consultants Pty Ltd. for Mamba Minerals Ltd. and includes exploratory grindability and metallurgical testwork results from samples selected from the Snelgrove Property. All samples were identified as hematite-magnetite iron. The test program was executed at SGS Lakefield in Ontario, Canada. Grindability testwork was done on a single bulk sample and was rated as very hard. Metallurgical testwork was done in this phase on four magnetite-rich and two hematite-rich samples, pulverized to a P_{100} of 45 µm. Tests included Davis tube (DT) testing with DT tailings being tested by heavy liquid separation (HLS). Weight recoveries of 30-55% and Fe grades of 64-69.5% were reported.

Though earlier testwork explored the possibility of beneficiation by magnetic and gravity separation, the follow-up testwork was re-oriented on exploring the potential of mineralized material from the Snelgrove property as direct shipping ore (DSO) material. The testwork program remained preliminary in nature.

Seven samples were involved in the 2013 test program. Four samples from the Snelgrove Lake deposit were submitted to grindability testing, while three crushed core samples were used in metallurgy testwork along with one grindability test reject. Metallurgical samples were selected by Mamba.

The results were consistent with the previous exploratory testwork supervised by Snowden in showing a fairly competent material. Comparison by SGS Minerals Services Ltd. of these results against their database led to their qualification of the material as “very hard”. The Bond ball mill grindability (BWi) test results were average when compared to SGS Lakefield’s database. In BBA’s experience, the BWi is consistent with other iron ore properties in the region.

Metallurgy tests were conducted to explore the material’s potential as DSO later in 2013. For this purpose, tests were limited to crushing, scrubbing and screening, size fraction analyses (SFA), HLS, and whole rock analysis (WRA) characterization.

For all cases, SFA analyses showed virtually no deportment of the iron according to size fraction (results are not presented here). HLS tests were done at a P_{100} of 3,350 µm and showed marginal upgrading of the sink fraction from the head. Scrubbing and screening tests were also done at 212 and 20 µm with material at a P_{100} of 3,350 and 850 µm, respectively. For all cases, upgrade of the material proved negligible with very high SiO_2 content remaining. Desanding (desliming) tests were also included in the testwork program, but results showed only a slight decrease of the grade of the sand and the production of slime with a grade marginally better than the head.

BBA concluded that the material sampled from the Snelgrove Property has not proved amenable to traditional direct shipping processing based on the samples to date and recommends orienting future testwork to explore the amenability of this same material to beneficiation by magnetic or gravity separation.

1.12 Environmental Studies, Permitting, Social and Community Impacts

Based on the early stage nature of the property, the Issuer has yet to conduct any environmental baseline work on the Snelgrove property and there is no known historical work completed by previous owners of the property. Due to the lack of significant development projects in the direct vicinity of the project, there is little information available on any environmental considerations which could potentially affect development of the Snelgrove project. During consultations with Aboriginal groups and provincial regulators, no potential environmental negative effects were identified.

The permitting process for exploration and developments falls mainly under provincial jurisdiction in Canada. Development projects in Canada are typically reviewed by both the Federal and Provincial governments. There is an established Federal-Provincial Integration process whereby if the Federal Minister of Environment is satisfied that the requirements as set out in the Canadian Environmental Assessment Agency ("CEAA") 2012 process can be met by a provincial process, the minister could make a decision about the project using an environmental assessment report prepared by the province.

The Snelgrove Property is situated within the Province of Newfoundland and Labrador ("NL"). Mining projects that fall within the province of NL are all governed by provincial guidelines, regulations and legislation. All mining projects would be subject to an Environmental Assessment ("EA") under the provincial Environmental Protection Act, SNL 2002 cE-14.2 ("Act"), and associated Environmental Assessment Regulations, 2003.

The Federal government released a revised Federal Environmental Assessment process in August 2012. The principle changes include:

- Screenings which were the lowest level of federal review have been eliminated with the goal of a fewer number of projects to be reviewed under CEAA
- the responsibility for carrying out federal environmental assessments has been concentrated into now three government bodies, CEAA, National Energy Board ("NEB"), and Canadian Nuclear Safety Commission ("CNSC"), rather than spread out across many federal authorities as before
- Environmental assessments would focus on federal aspects of designed projects, as the definition of environmental effects is now largely limited to federal matters
- The time limits for most environmental assessments must be completed in one year, while panel review assessments are limited to two years
- CEAA 2012 provides greater authority which the federal government likely intends to use to defer projects to provincial environmental assessments processes

First Nations consultation is a mandated and critical component of all stages of exploration and development in Canada. The Snelgrove Project is wholly situated within the Province of Newfoundland and Labrador ("NL"). It is the responsibility of the Province of NL to consult Aboriginal groups pertaining to project development on the Snelgrove Project. However the Province may delegate procedural aspects of consultation to the Issuer to carry out. Should this occur, it will remain the responsibility of the Province to ensure the delegated consultation is conducted in an effective manner.

During the permitting process for the 2013 exploration drill program, the Government of NL consulted five different aboriginal groups who assert Aboriginal rights to the area which the Snelgrove project is located. The five groups consist of:

- Innu Nation of Labrador ("Innu Nation")
- Council of La Nation Innu Matimekush-Lac John ("Matimekush-Lac John")
- Innu Takuaikan Uashat mak Mani-Utenam ("ITUM")
- Naskapi Nation of Kawawachikamach ("Naskapi Nation")

- NunatuKavut Community Council ("NunatuKavut")

Each of the aforementioned Aboriginal groups will likely continue to be consulted by the NL government during any and all work or development programs on the Snelgrove project. Each of the five groups assert Aboriginal rights to the area of the Snelgrove project, with only the Innu Nation having advanced treaty negotiations to a stage of an Agreement in Principle. The Issuer has also consulted directly with each of the five groups to establish its own relationship and demonstrate its commitment to open and respectful communications with the communities.

The Innu Nation is comprised of two Innu First Nations, the Mushuau Innu First Nation located in Natuashish in North Eastern Labrador, and the Sheshatshiu Innu First Nation located in Sheshatshiu in central Labrador. Both first nations are governed by the Innu Nation. The Innu Nation signed an Agreement in Principle ("AIP") with the provincial government in September 2008. However the final agreement has yet to be signed and land claim negotiations are still ongoing between the Innu Nation, and the provincial and federal governments. Within the AIP, there is an area defined as the Economic Major Development Impacts and Benefits Agreement Area in which the Snelgrove property falls. As currently defined in the AIP, the rights in this area are focused towards the Innu Nation rights to acquire and Impact Benefit Agreement ("IBA") for a major development in this area, while continuing to have the rights to hunt and harvest in the region. The Innu Nation has signed IBA's with companies operating within the Schefferville region for projects that fall within the border of NL.

The communities Matimekush-Lac John and ITUM are located in Quebec and are part of the Ashuanipi Corporation, which has represented them in comprehensive territorial negotiations since 2006. Both Innu groups assert Aboriginal rights within both the province of Quebec and NL.

The community of Matimekush-Lac John is located in near the border of Northwestern Labrador and only 3.5 km from the town of Schefferville, QC. It is the closest community to the Snelgrove project. The town of Schefferville and community of Matimekush-Lac John are very familiar with iron ore exploration and development as it was established as a town by the Iron Ore Company of Canada in 1954 to support the iron mining in the area. The communities of ITUM are located near the town of Sept Iles, QC, which is located about 500km south of the Snelgrove Project. Both Matimekush-Lac John and ITUM have also signed IBA's with companies operating within the Schefferville region for projects that fall within the border of NL.

The Naskapi Nation of Kawawachikmach is also near the border of Northwestern Labrador and located 16km northeast of the town of Schefferville. The community is also familiar with iron ore mining and has also signed IBA's with companies operating within the Schefferville region for projects that fall within the border of NL.

NunatuKavut was previously known as the Labrador Metis Nation. However, in 2010, it changed its name to NunatuKavut to reflect its members Inuit heritage. NunatuKavut has a number of communities along the Southeastern coast of Labrador. Only recently in 2012 and August 2013, has the NunatuKavut

signed agreements with mining companies who operate in the Schefferville region for projects that fall within the province of NL.

The Issuer will need to continue its consulting efforts directly with the local Aboriginal groups, local communities and businesses to ensure a smooth process of project development. It will have to consider the signing of IBA's with the Innu Nation, Matimekush-Lac John, ITUM, and the Naskapi Nation, and likely a cooperation agreement with the NunatuKavut as the project advances.

1.12 Recommendations

Based on past expenditures and unit costs, the proposed program for the next phase of work includes 5,000 metres of core drilling, significant metallurgical testwork to develop geometallurgical criteria, and associated analytical, field, office, overhead costs plus a contingency factor. The total budget is $5,460,000 as shown in Table 1-1 below. These costs and parameters are based on a summer-fall timeframe for execution.

Table 1-1: Proposed Phase 3 Budget

Item	Estimated Units	Cost
Drilling	5000m @ $350/m	$1,750,000
Assays	1500 samples @ $150	$225,000
Metallurgy		$400,000
Aircraft Support	550 hrs @ $1800	$990,000
Equipment Supplies		$250,000
Report Preparation		$35,000
Staff		$350,000
G&A	10%	$400,000
Sub-Total		$4,400,000
Contingency	15%	$660,000
Total		**$5,460,000**

2 INTRODUCTION

2.1 Terms of Reference

In December 2013, Mamba Minerals Ltd., ("Mamba", "Issuer") at the request of Barry Knight, Technical Director, commissioned King and Bay West Management Corp. (KBW) to prepare this Technical Report on their exploration activities on the Snelgrove Project in Newfoundland and Labrador (NL), near Schefferville, Quebec. Mamba is an Australian company listed on the Australian Stock Exchange (ASX) under the symbol MAB (ASX: MAB). Mamba is a public corporation with its registered office located at:

91 Evans Street
Rozelle, NSW, 2039 Australia
Phone: +61-2-98107816

This Technical Report, titled "Report on Geophysics and Diamond Drilling on the Snelgrove Property, Labrador Trough, Newfoundland and Labrador, Canada", was prepared by Qualified Persons following the format and guidelines of the Canadian Securities Administrators National Instrument 43-101 (NI 43-101) is based on all scientific and technical information received in conformity with the guidelines of the Canadian Mining, Metallurgy and Petroleum (CIM) Standard on Mineral Resources and Reserves.

This Report is considered effective as of December 20th, 2013.

2.2 Use of the Report

The purpose of the study was evaluation of iron oxide deposit potential in the subject area. Therefore the following conditions apply:

This report was prepared for the use of Mamba by King and Bay West Management Corp ("King and Bay West") and it copyright protected. The quality of information, conclusions, and recommendations contained herein is based upon information available at the time of preparation, data supplied by outside sources, and the assumptions, conditions, and qualifications set out in this report. This report is intended for use by Mamba, subject to the terms and conditions of its contract with King and Bay West. That contract permits Mamba to file this report as a Technical Report with Canadian Securities Regulators pursuant to provincial securities legislation. Except for the purposes legislated under provincial securities law, any other use of this report by any third party's is at that party's sole risk. No use, reproduction or alteration of this report either in whole or in excerpt is authorized without the express consent of King and Bay West.

2.3 Scope of Study

This technical report describes and summarises the exploration works and results done by the Issuer on the Snelgrove Project in the Labrador Trough iron district in northwestern Labrador, Canada. No resource estimation has been developed and the results are considered to have the level of confidence appropriate for this type of work. No economic viability has been demonstrated at this time.

2.4 Sources of Information

This report is based on information from internal company technical reports, maps, published government records, and company letters, including memoranda and email communications as provided by Mamba and its wholly-owned Canadian subsidiary, CIP Magnetite Ltd. (CIP). King and Bay West Management Corp., based in Vancouver, BC, managed the claims administration, database maintenance, analytical data and sample QA/QC, aspects of field programs, and other tasks for the Project on behalf of Mamba and CIP.

Other sources used by KBW in preparation of this report include, but are not limited to, historic exploration and general geological information from the Department of Natural Resources of Newfoundland and Labrador (NL-DNR) and the Geological Survey of Canada, as well as company assessment reports filed with the NL-DNR.

2.5 Measurement References and Standards

Unless otherwise stated:

- All distance measurement units are metric;
- All azimuth direction related to true north and all inclination are measured from the horizontal plane;
- North is the top direction of any plan or map;
- All elevations are referenced to sea level; and
- The UTM system used is NAD 83 Zone 19-20

2.6 Authors of Report and Site Inspection

Edward Lyons, P.Geo, senior author and QP for this report, visited the site on 23 February through 14 March, 2013 and again on 30 April through 3 May, 2013 as part of the ongoing drilling campaign in which he supervised the geology and sampling protocols, geology, and core logging. He visited the drill sites done through May 2013 from which the analyses presented herein were drilled. Lyons is responsible for all of the report except Section 13.

Murray Brown, Eng. and senior metallurgist with BBA Inc. is the QP for Section 13. BBA coordinated the metallurgical testwork with KBW and the issuer. BBA is independent of KBW and the Issuer.

The authors have met the requirements for independence as defined in the NI 43-101 Companion Policy.

3 RELIANCE ON OTHER EXPERTS

King and Bay West Management Corp. has prepared this study using the resource materials, reports and documents as noted in the text and "References" at the end of this report.

Although, the authors have made every effort to accurately convey the content of those reports, they cannot guarantee either the accuracy or the validity of the work described within them.

King and Bay West has not verified the title to the Property, except as noted on the Province of Newfoundland and Labrador mining titles registry, nor has it verified the status of Mamba's property agreements, but has relied on the information supplied by the Issuer in this regard. King and Bay West has no reason to doubt the title situation is other than what is reported by the Issuer.

4 PROPERTY DESCRIPTION AND LOCATION

4.1 Property Location

The Property is located in western Labrador and is approximately 60 kilometres south east of the community of Schefferville, Quebec and approximately 200 kilometres north of Labrador City, Labrador. The Property consists of 5 contiguous map-staked licences totaling 424 mineral claims of 10,600 hectares. The claims are located on NTS map sheets 23J08, 23J09, 23I15 and 23I/12 and overlap UTM zones 19 and 20.

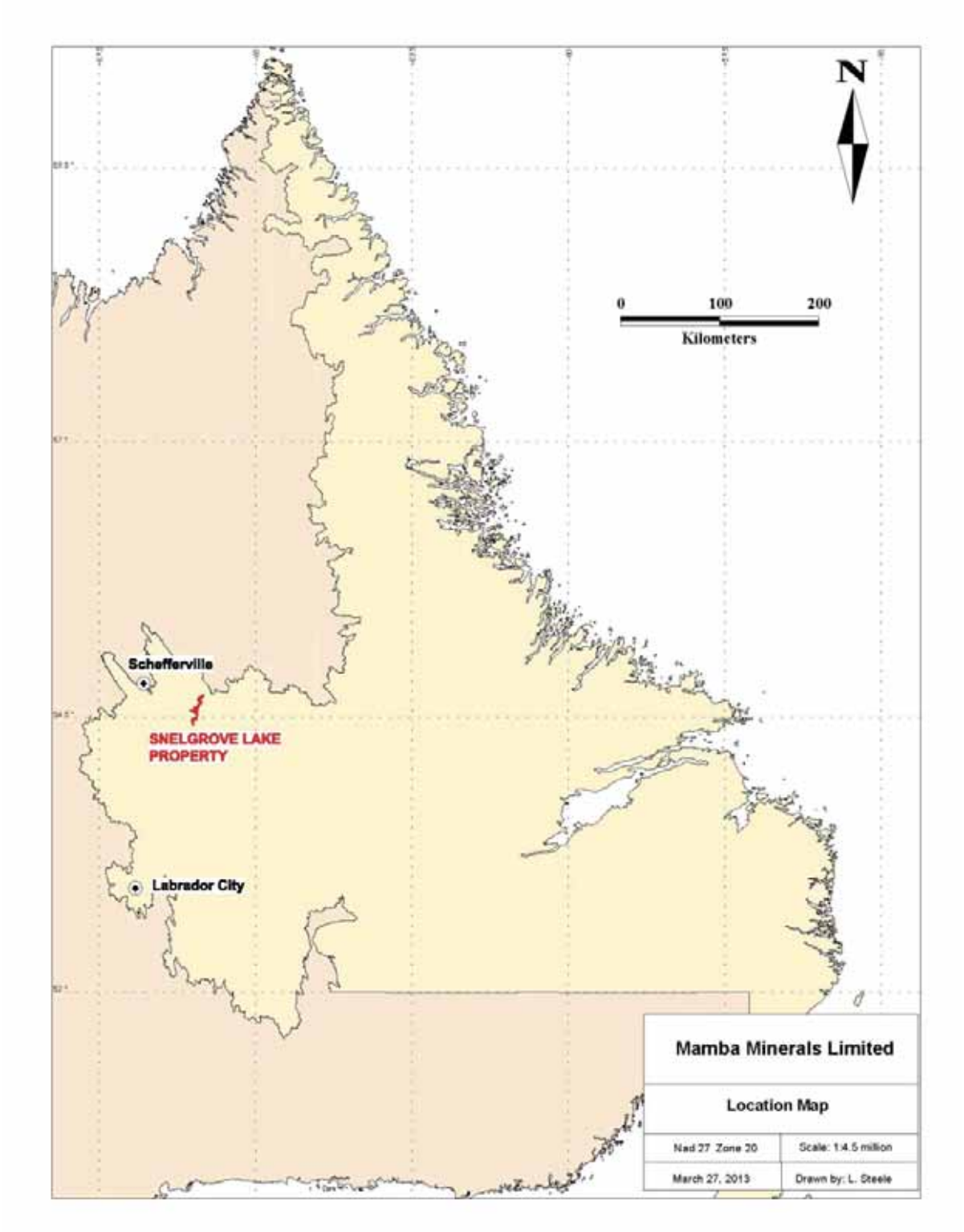

Figure 4-1 Snelgrove Lake Property Location

4.2 Property Description and Ownership

In the Government of Newfoundland and Labrador claim registry system, the property is registered to CIP Magnetite Ltd. ("CIP"). CIP is a wholly-owned subsidiary of Mamba Minerals Limited, effective July 31, 2013.

The Crown holds all surface rights in the region. Mamba recognizes that five aboriginal communities have asserted land claims in the area and that exploration activity and future development may affect the asserted rights of these communities.

Table 1 summarizes the respective anniversary dates and report due dates for the 14 licences comprising the Property. Figure 2 depicts the Property land holdings.

The Property has not been legally surveyed, but the licences were map-staked and are defined by UTM coordinates, so the Property location is accurate. Minor location discrepancies can however occur due to different datum and zones. The Property licences are defined by datum NAD27 UTM zones 19 and 20. Representation of the claims on maps and other documents were transformed by standard GIS software to NAD83 by KBW. KBW understands that the uncertainties in location are small.

Table 4-1: Snelgrove Lake Property List of Claims

Owner	Licence Number	Number of Claims	Hectares	Issuance Date	Renewal Date	Expenditure Due Date	Expenditures Required
CIP Magnetite Ltd	17901M	207	5175	17-Jul-08	17-Jul-18	17-Jul-23	$186,300.00
CIP Magnetite Ltd	18328M	150	3750	7-Jan-11	7-Jan-16	7-Jan-24	$135,000.00
CIP Magnetite Ltd	18333M	39	975	7-Jan-11	7-Jan-16	7-Jan-18	$20,952.37
CIP Magnetite Ltd	18334M	8	200	7-Jan-11	7-Jan-16	7-Jan-24	$7,200.00
CIP Magnetite Ltd	18343M	20	500	7-Jan-11	7-Jan-16	7-Jan-15	$979.35
Total	5	424	10600				$350,431.72

The Property land holdings are depicted on Figure 2.

The Property has not been legally surveyed. The claims and licences all lie within Labrador and were map-staked and hence are defined by UTM coordinates, therefore the Property location is accurate.

In Labrador, a mineral exploration licence is issued for a term of five years. A mineral exploration licence may be held for a maximum of twenty years provided the required annual assessment work is completed and reported upon and the mineral exploration licence is renewed every five years. The minimum annual assessment work required to be done on a licence are:

$200/claim in the first year
$250/claim in the second year
$300/claim in the third year
$350/claim in the fourth year
$400/claim in the fifth year
$600/claim/year for years six to ten, inclusive
$900/claim/year for years eleven to fifteen, inclusive
$1200/claim/year for years sixteen to twenty, inclusive.

The renewal fees are:

for Year five $25/claim
for Year ten $50/claim
for Year fifteen $100/claim.

The minimum annual assessment work must be completed on or before the anniversary date. The assessment report must then be submitted within 60 days after the anniversary date. The Property is now in its 5th year. Total expenditures on the 424 claims to date accepted by the Department of Mines and Energy total $5,511,334.11, which does not reflect all the expenditures actually disbursed by CIP Mag/Mamba for the purposes of the Option Agreement. These include $6.1 million of the committed $6.5 million total.

4.3 Issuer's Interest

On the 11th May 2012, CIP Magnetite Ltd., an unlisted Canadian company ("CIP Mag"), entered into an option agreement ("Option Agreement") with Altius Resources Inc. ("Altius"), a company incorporated pursuant to the laws of Newfoundland and Labrador, Canada and which is a wholly owned subsidiary of Altius Minerals Corporation, a company pursuant to the laws of Alberta, Canada and listed on the Toronto Stock Exchange, whereby Altius granted CIP Mag an option ("Altius Option") to acquire 100% of the Snelgrove Lake project with a gross sales royalty of 3% of revenue to Altius. On the 20th July 2012, the Option Agreement was subject to a variation.

On 30th July 2012, Mamba Minerals Ltd ("Mamba"), a public company pursuant to the laws of Western Australia and listed on the Australian Stock Exchange, announced an agreement to acquire Altius' Snelgrove Lake Project via CIP Mag.

On 31st July 2013, Mamba exercised its option to acquire CIP Mag, the holder of the Snelgrove Lake Project. Upon the acquisition of CIP Mag, Mamba procured CIP Mag to continue to undertake its obligations, and is entitled to the benefit of CIP Mag's rights under the Option Agreement to exercise the Altius Option and acquire the Snelgrove Lake asset. Mamba has full access to the Snelgrove Lake project to undertake the relevant exploration activities in conjunction with CIP Mag.

Mamba has made commitments and undertaken exploration since late 2012 in relation to Snelgrove Lake with the initial $3.25 million as well as $2.8 million of the second $3.25 million expended to date.

On the 3rd December 2013, Mamba and Altius agreed to a variation to the Option Agreement, effectively allowing Mamba to an additional 2 year extension to the option agreement.

On the 6th December 2013 Mamba announced it had entered into a definitive arrangement agreement to effect a merger of Mamba and Canadian iron ore developer Champion Iron Mines (TSX: CHM, "Champion").

Under the Arrangement (as defined below), Mamba will acquire 100% of the outstanding common shares of Champion. Champion shareholders will receive 11 Mamba ordinary shares for every 15 Champion common shares they hold (the "Exchange Ratio"). The Arrangement will also provide for the issuance by Mamba of replacement stock options to holders of 8 million outstanding Champion options and 22 million outstanding Champion warrants on similar terms as adjusted by the Exchange Ratio.

The Arrangement is expected to close in April 2014, shortly after receipt of all security holder and court approvals. Pursuant to the terms of the Arrangement, it is expected the shares of Champion will be de-listed from the TSX as at the closing of the Arrangement. It is a condition of closing of the Arrangement that Mamba's shares be conditionally listed for trading on the TSX as of the effective date of the Arrangement.

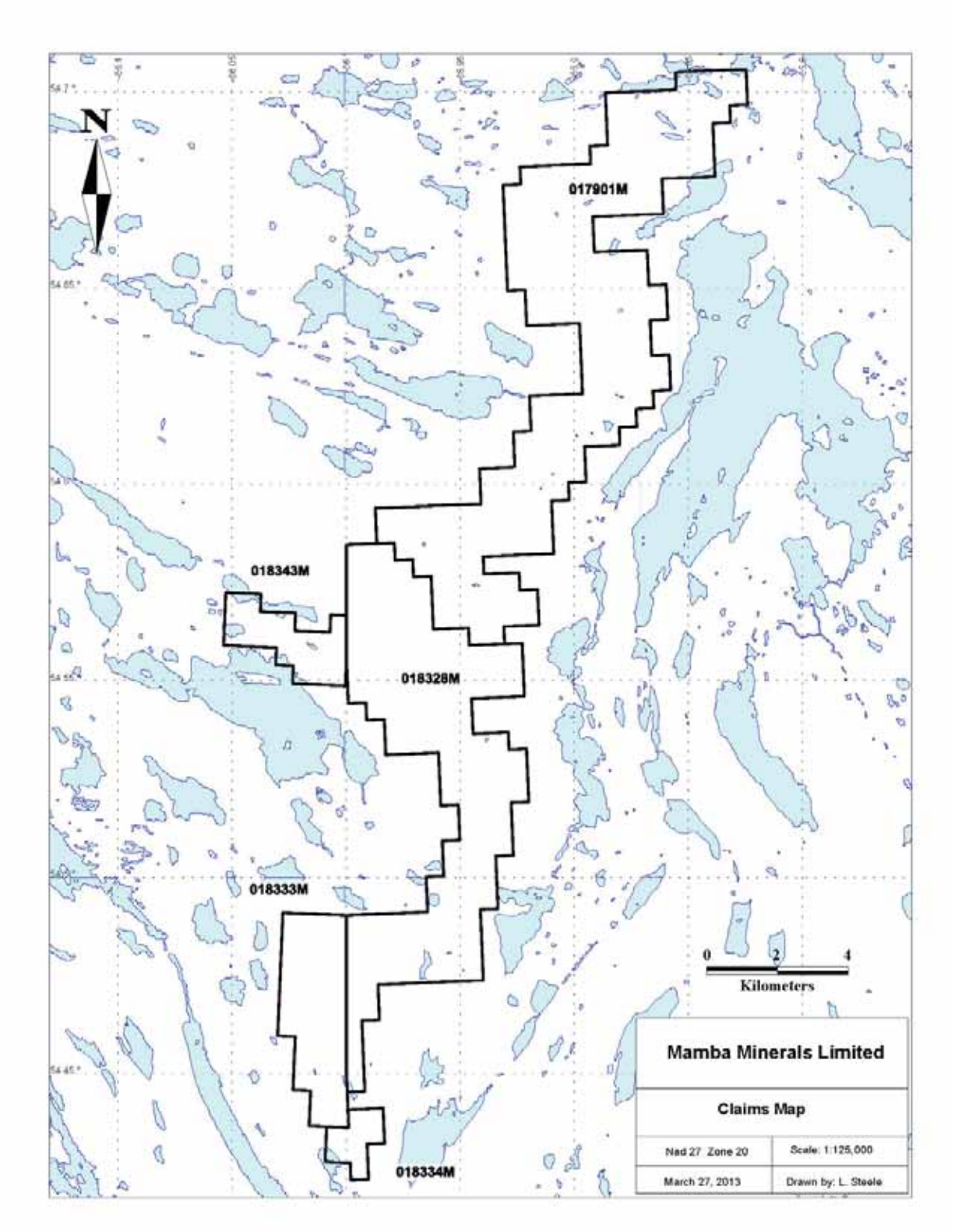

Figure 4-2: Snelgrove Lake Property Claims Location

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The Property can only be accessed via float plane or helicopter, a 60-km flight from Schefferville, QC, due to the steep terrain, thick vegetation and numerous lakes and rivers. The towns of Schefferville and Labrador City are the closest communities that provide airports with scheduled service. The terrain is conducive to ground traversing, though locally steep hills, thick vegetation, lakes and rivers provide some obstacles.

5.2 Climate

The climate in the region is typical of north-central Quebec/western Labrador. Daily average temperatures exceed 0^{o}C for only five months of the year. Winters are harsh, lasting six to seven months, with heavy snow from November until April. The daily mean temperatures in Schefferville in January average -24.1^{o}C. Precipitation in the Schefferville area includes more than 50 cm of snowfall per month for November, December and January. Summers are generally cool and wet with the wettest month of summer being July with an average rainfall of 106.8mm. Early and late winter conditions are acceptable for ground geophysical surveys and drilling.

5.3 Local Resources and Infrastructure

The town of Schefferville is an incorporated municipality in the Province of Quebec, and has a number of new buildings, including medical clinics, a recreation centre, churches and houses. The population of the town is approximately 213 people. The nearby Matimekush community has approximately 750 members of the Nation Innu Matimekush-Lac John.

The economy in Schefferville relies on hunting, fishing, tourism, and public service administration. The town contains a motel, stores, small-scale repair services, and flying service operators. Labrador West is the closest source of major industrial and transportation infrastructure. A skilled labour force is available from other parts of Newfoundland and Labrador and Quebec.

The local airport has a 2,000 metre runway, capable of handling jet aircrafts. Scheduled flights are available to Montreal, Wabush and Sept-Îles, Quebec. Rail service is provided by Tshiuetin Rail Transportation Inc. (“TRT”), which is owned in equal parts by the Naskapi Nation of Kawawachikamach, the Nation Innu Matimekush – Lac John and Innu Takuaikan Uashat mak Mani. Freight and passenger rail service from Schefferville to Sept-Îles runs twice weekly. The railroad lies about 40 air-km west of the centre of the Property with linear lakes, ridges, and swamps between.

5.4 Physiography

The Property is characterized by high hills with little vegetation and thickly vegetated valleys dominated by spruce and fir. In general, the high ridges mimic the underlying structure of the more resistant units such as the iron formation and quartzite and deep valley6s and trench-like features represent major structures.

6 HISTORY

6.1 Overview

KBW believes the historical descriptions are generally accurate, but the data has not been independently verified by KBW.

The first significant exploration in the Labrador Trough commenced in the late 1930's when Labrador Mining and Exploration Company Limited ("LM&E") acquired a large land package to explore for base and precious metals (Neal, 2001). In 1945, Hollinger Gold Mines bought control of LM&E and formed Hollinger North Shore Exploration Company Limited ("Hollinger"). M.A. Hanna Company of Cleveland joined Hollinger and Hanna along with other steel companies formed the Iron Ore Company of Canada ("IOCC").

Under the management of IOCC, the mining and shipping of iron ore began in 1954. The exploration and mining of Direct Shipping Ore ("DSO") within the Schefferville area ceased in 1982, after the production of approximately 250 million tons of ore. Although the focus of IOCC was DSO deposits, exploration of taconite mineralization in the Howells River area also occurred.

Little exploration work besides several mapping and sampling campaigns by IOCC have been done on the Snelgrove Property or immediate environs.

With the recent increase in demand for iron and steel around the world, iron prices have increased and exploration and development activity in the Schefferville area has also steadily increased.

6.2 Historical Mineral Resources

KBW understands that there are no known historic resources on the Property.

7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The Property is situated in near the eastern margin of the Labrador Trough ("Trough"), a 1,100 kilometre-long geosyncline that extends from the Ungava Bay in the north, through western Labrador and back into southeastern Quebec as part of the Grenville Orogeny. The belt is about 100 km wide in its central part and narrows considerably to the north and south. The Labrador Trough, like the Michigan-Minnesota Marquette Range complex, is the sedimentary basin-dominant portions of the Circum-Superior Craton accretionary complex that includes both sedimentary and mafic/ultramafic components that envelop the Superior Craton and is the host of a wide variety of metal deposits, including over 95% of the Canada and US iron production (Ernest, 2004 and Wardle et al., 1990).

The Trough comprises a sequence of Proterozoic (1.9 – 1.8 Ga) sedimentary rocks, including iron formation, mafic intrusions and volcanics, and felsic volcanic and carbonatite rocks. The southern part of the Trough is crossed by the Grenville Front representing a metamorphic fold-thrust belt in which Archean basement and Early Proterozoic platformal cover were thrust north-westwards across the southern portion of the southern margin of the North American Craton during the 1.1 – 1.0 Ga Grenvillian Orogeny (Brown, Rivers, and Callon, 1992). Trough rocks in the Grenville Province are highly metamorphosed and complexly folded. Iron deposits in the Gagnon Terrane in Grenville part of the Trough. Iron deposits in this belt include Lac Jeannine, Fire Lake, Peppler, Lamêlée, Mont-Wright, Mont-Reed, and Bloom Lake in the Manicouagan-Fermont area and the Kami, Luce, Humphrey, Julienne lake, and Scully deposits in the Wabush-Labrador City area. The high-grade metamorphism of the Grenville Province is responsible for re-crystallization of both iron oxides and silica in primary iron formation, producing coarse-grained sugary quartz, iron silicates and carbonates, magnetite, and specular hematite schists (metataconites) that are of improved quality for concentration and processing.

The Project is underlain by Lower Proterozoic rocks sedimentary and volcanic rocks of the Kaniapiskau Supergroup (Frarey and Duffell, 1964, Wardle, 1979, and modified in Clark and Wares, 2004). The Kaniapiskau Supergroup is subdivided into three cycles with distinct gaps in geological age and sedimentary components. The Attikamagen Group (Cycle 1) includes the Denault (reefal dolomite) and the Dolly and Fleming Formations (fine-grained basinal sediments); these underlie the Ferriman Group (Cycle 2) formations.

The Cycle 2 sedimentary sequence consists of the Ferriman Group which include the Wishart, Sokoman, Nimish, and Menihek Formations (from oldest to youngest) and a laterally equivalent mafic volcanic dominated succession called the Doublet Group to the east (Clark and Ware, 2004). The Sokoman Formation is the “iron formation”. The Labrador Trough was deformed during the Hudsonian Orogeny approximately 1735 Ma (Stockwell, 1964; Wardle, 1979). Clark and Wares (2004) defined lithotectonic zones (“LTZ”) that divide the orogenically compressed Trough into subdivisions separated by major tectonic discontinuities. These lithotectonic zones are defined by consistent lithologic assemblages and/or structure styles traceable over large areas. Figure 7-1 shows the Kaniapiskau Supergroup

stratigraphy and Figure 7-2 shows the general Labrador Trough LTZ units relative to the Property (Clark and Wares, 2004, modified).

The Cycle 3 units overlie the iron-bearing formations and are not discussed herein.

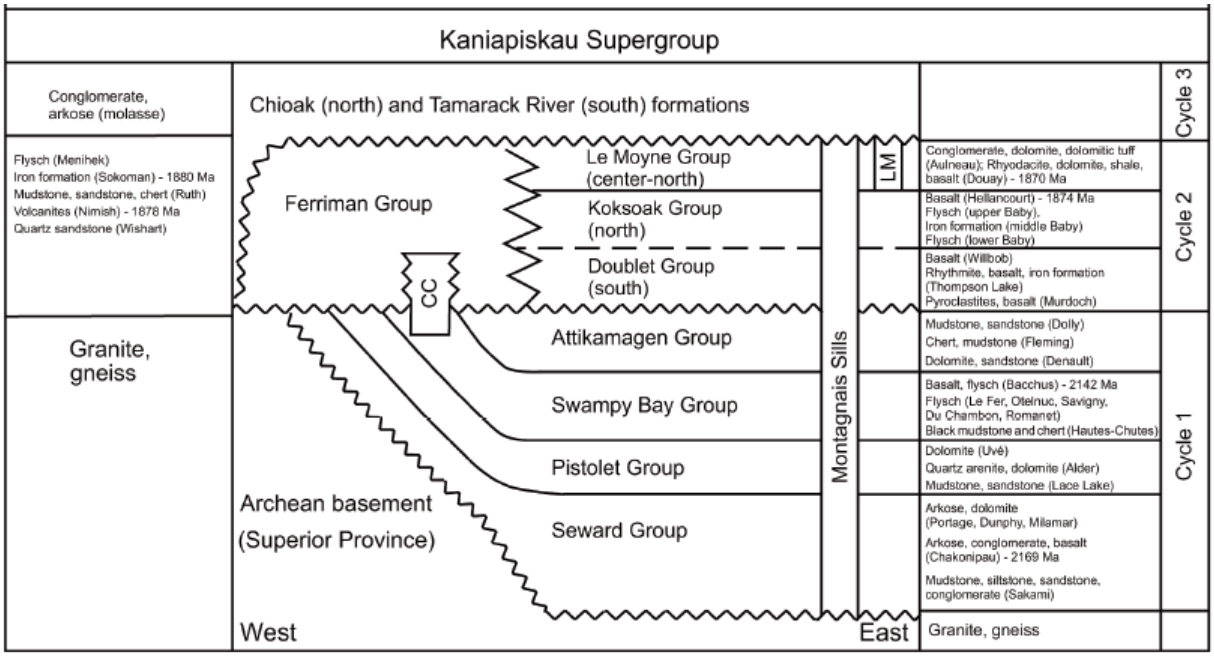

Figure 7-1: Regional Stratigraphic Column for the Labrador Trough

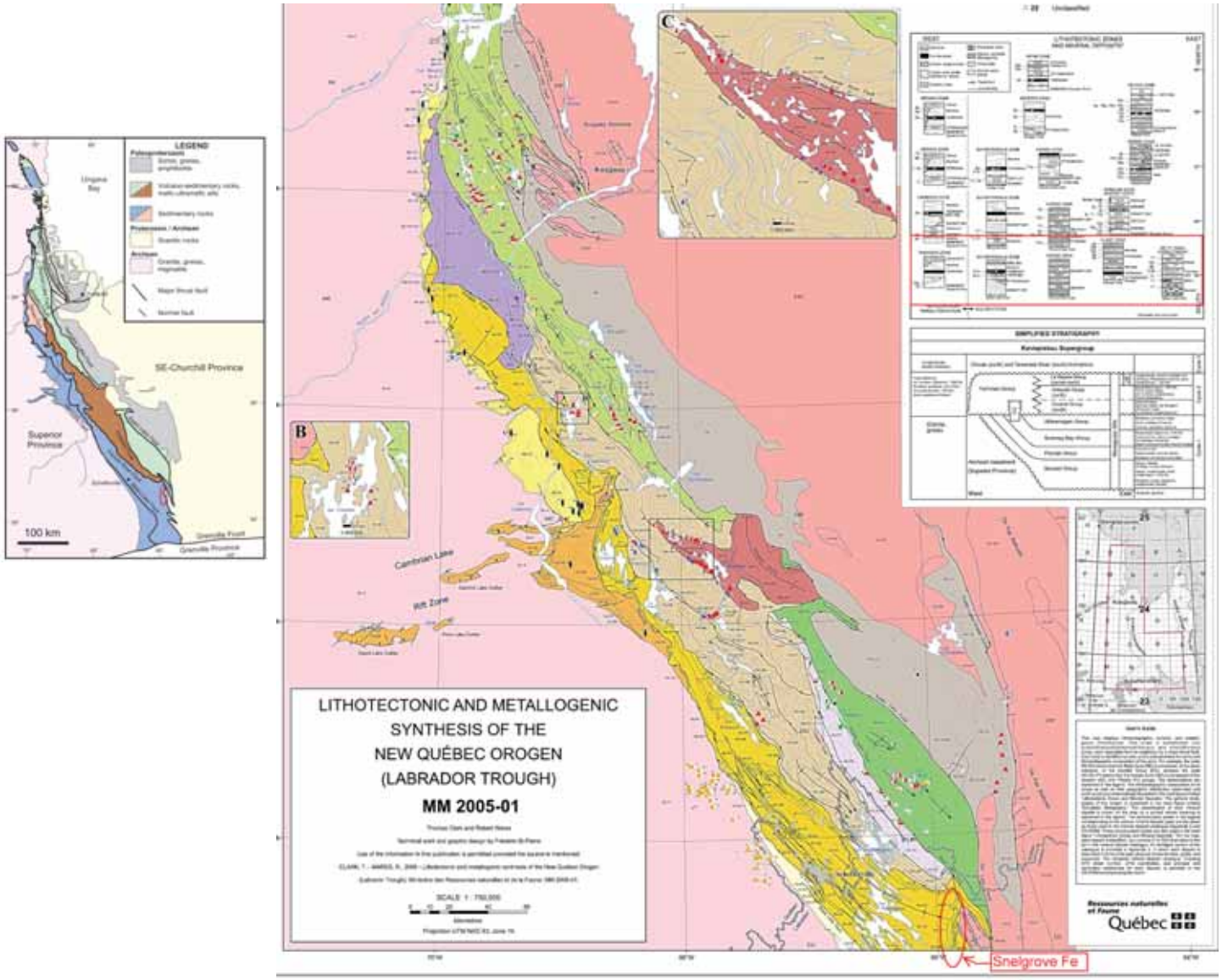

Figure 7-2: Labrador Trough Regional Geology with LTZ

The Labrador Trough basin(s) appear to have been more clastic-rich along the well-preserved western margin around Schefferville. Iron deposits further to the east, like the Malcolm-Houston (LIM) and the Sunny Lake and Rainy Lake project (Century Iron) are finer-grained. With depth in the basin, large lenses of basalt volcaniclastics, flow-breccias, and flows start to form within and coeval with the Sokoman chemical sediments. The Astray Lake area southeast of Schefferville and east of the Malcolm-Houston deposits has a range of volcaniclastics, from less than one to over 45 centimetres diameter, spread over a broad apron some 10 km from the volcanic centre (Zajac, 1974). Figure 7-3 shows the general trend of sediment fining.

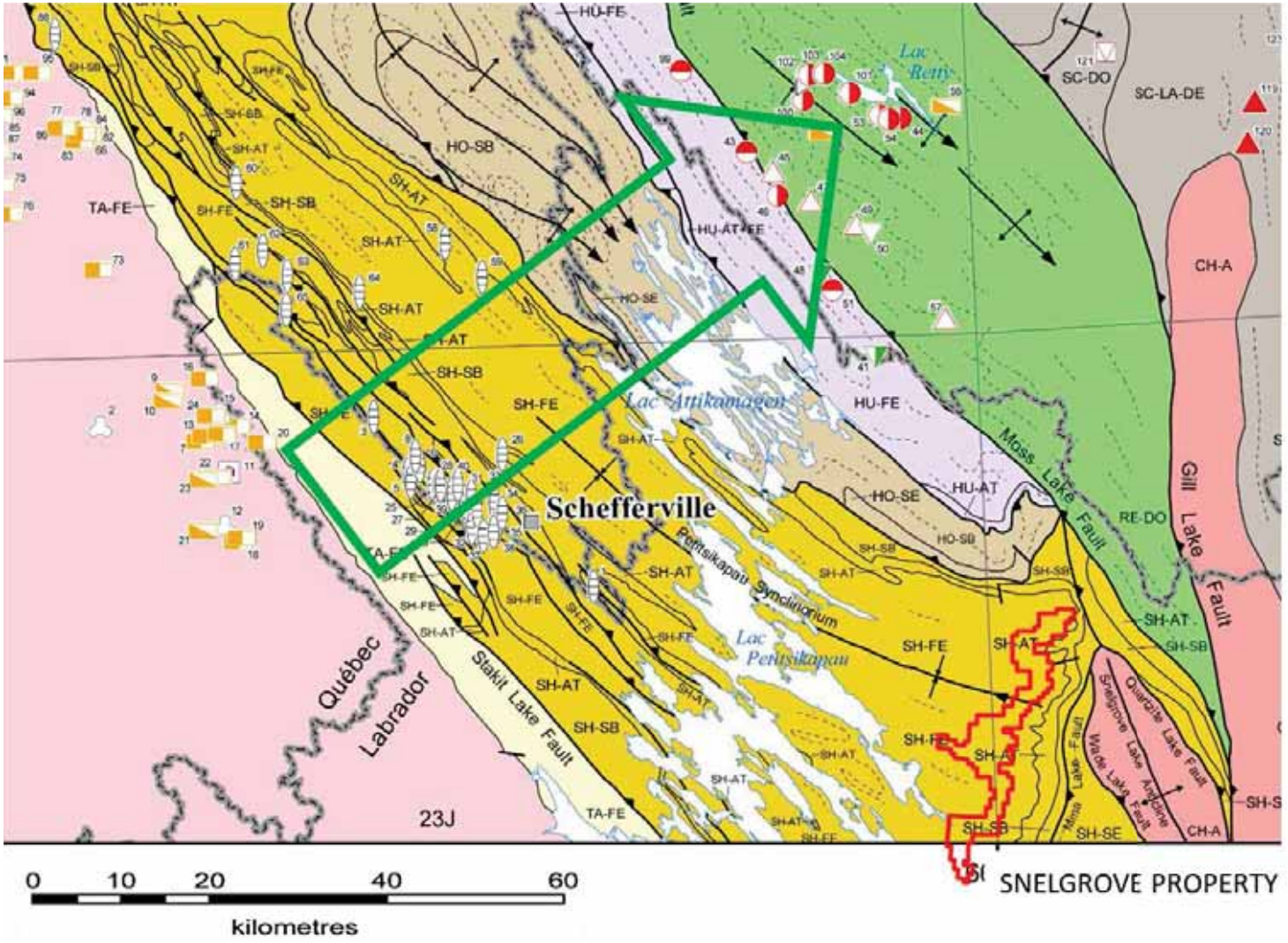

Figure 7-3: Labrador Trough Regional Geology sedimentation

7.2 PROPERTY GEOLOGY

7.1.1 Stratigraphy

The detailed results of the drilling are discussed in Section 10-3 and refine the information below.

The property geology reflects the results of the interplay between initial deposition, several periods of folding and faulting and one or more periods of post-taconite alteration and/or weathering. The Sokoman Formation "iron formation" horizon, if unfolded at a simple 1:1 ratio, would contain over 40 km of basin width. The property contains the high-magnetite taconites with a variable overprint of later hematization over this length. The critical stratigraphy is the Sokoman Formation with variable co-deposition of Nimish basalt volcaniclastic and volcanic flows in the middle. Mapping by Wardle (1982) shows one major Nimish unit the length of the Sokoman horizon; filed evidence suggests there may be a second Nimish unit as well. Figure 7-4 illustrates the property stratigraphy, geology plan, and structural relations (modified after Wardle, 1982).

The stratigraphy shows a smaller proportion of Sokoman Formation compared with western areas; much of that volume is replaced with non-iron-bearing Nimish basalt volcanics. There appears to be a second basalt unit as shown on Figure 7-5 property stratigraphic column.

Based on IOCC's work throughout the southern Labrador Trough and the development of iron mines in the western part, the Sokoman Formation taconite was traditionally divided up into three members: Lower, Middle and Upper. These three members) are described as follows in Wardle (1979):

- Upper Member: Carbonate-rich grey cherts, grey magnetite-rich magnetite iron formation and Lean cherts;
- Middle Member: More thickly bedded blue-grey oxide iron formation with characteristic granular and oolitic textures;
- Lower Member: Silicate and silicate-carbonate cherty iron formation.

However, fewer oxidized taconite deposits and less outcrop occur eastward from the Schefferville area into the depths of the basin(s). The textures dominant in the western margins change as the presence of clastic and oolite-rich members diminish, and the development of finer-grained sediments increases eastward. Little recent work (post-1975) has been published in the eastern areas, although recent exploration extending east from known older deposits is developing information on the transition area. These data are mainly in the files of active companies and are not generally publically available for synthesis into the broader regional stratigraphic model of the basin(s). Work on the Snelgrove Property indicates that the Upper Member may be absent. The Middle Member shows much more finely clastic and less oolitic textures, while the coarser clastics are mainly absent. The Lower Member appears to increase in thickness as banded chert-iron oxide with taconite and oxidized ferric shales. The Ruth Member may thicken as well, but data is limited for this observation.

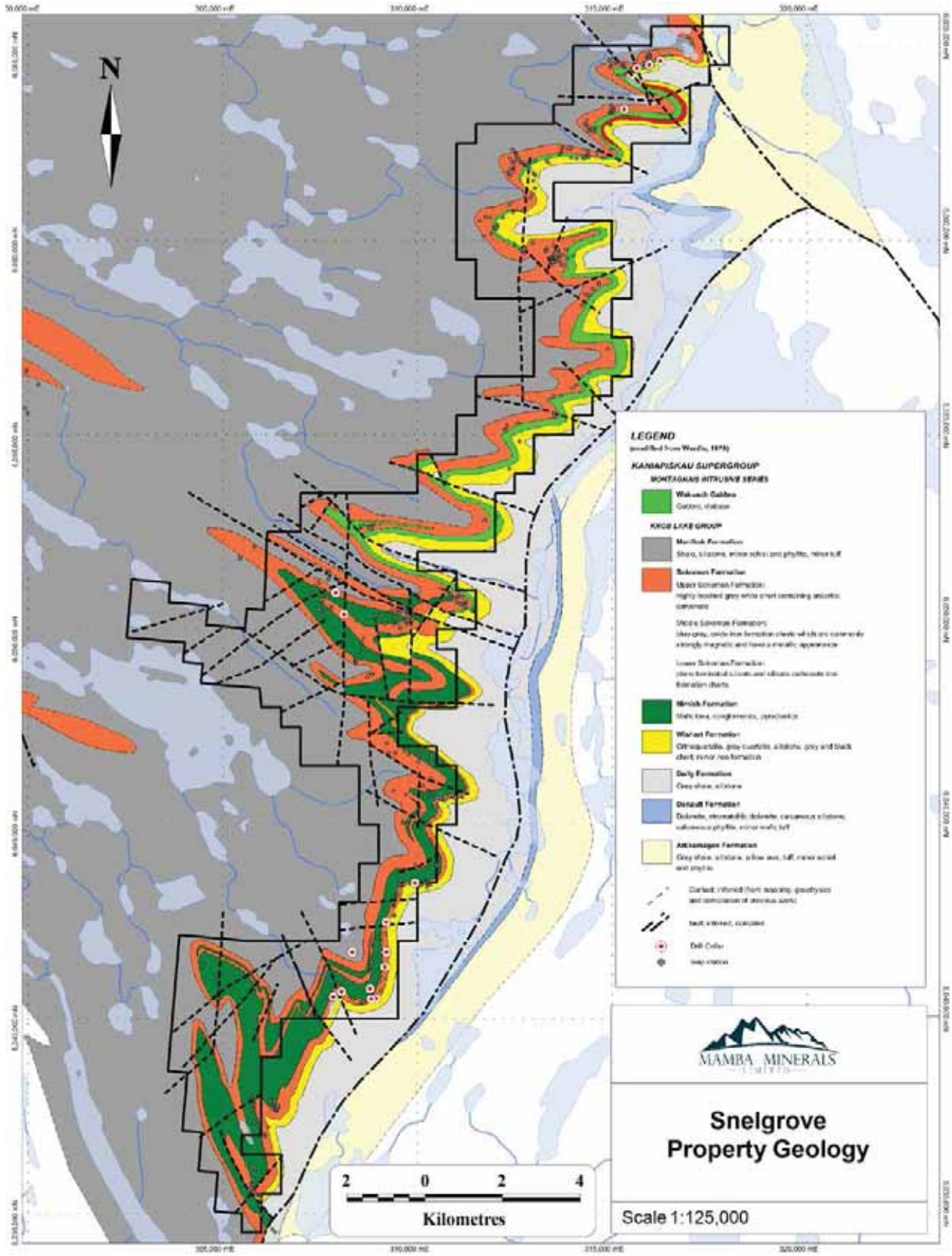

Figure 7-4 Snelgrove Property Geology

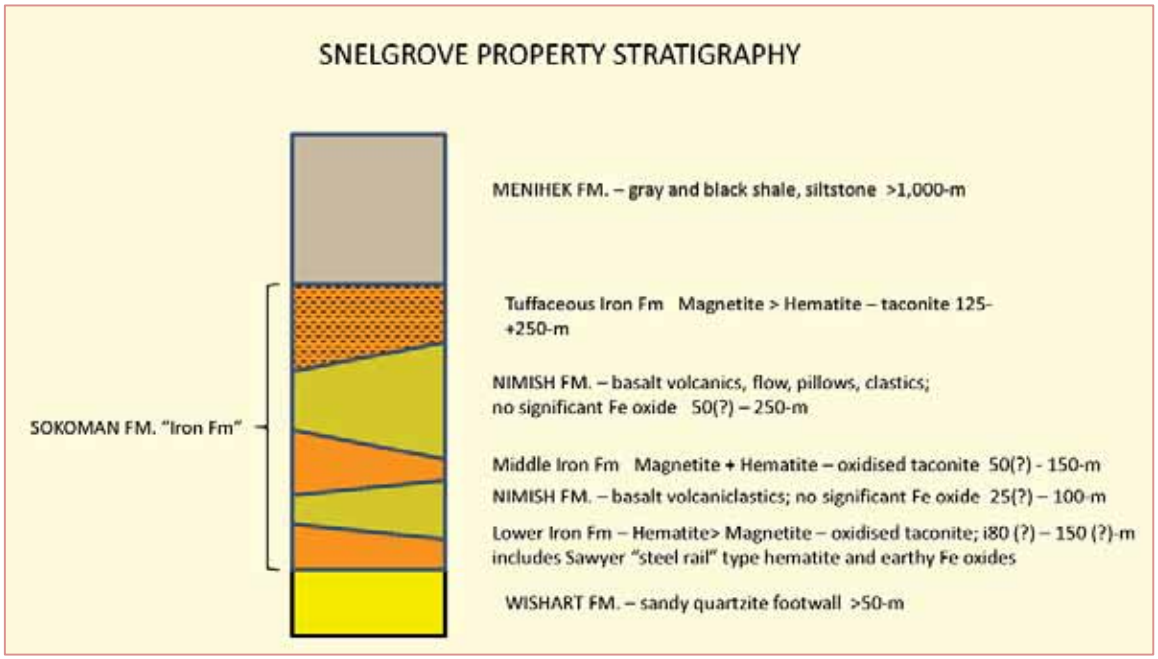

Figure 7-5 Property Stratigraphy

7.2.2 Structure

The structural processes are influenced by both D_1 and D_2 and results in one of the few iron projects in the region to show such a high degree of structural interplay. This means that, besides the older D_1 folds and related thrust faults, the D_2 folds and faults are superimposed on them by the eastward compression of the Mina Lake anticline east of the property to form a sub-vertical to possibly steeply overturned western limb of the anticline. The resultant pattern essentially displays, in approximate cross-section, the complex folding of the D_1 event. Exploration and interpretation requires careful geological interpretation to follow the original taconite and later alteration and weathering loci, which are likely structurally related.

7.2.3 Metamorphism

The metamorphic grade is lower greenschist, which may aid recrystallization of the original iron sediments.

7.2.4 Mineralization

Three major types of mineralization occur on the Snelgrove Property. The oldest is the "original" taconite, the weakly metamorphosed equivalent of the original chemical sediments. It is magnetite-dominant with little original hematite. It forms an integral part of the original Sokoman Fm sedimentation. The Fe grade in magnetite is generally on the order of 27-30% with some additional later earthy hematite.

The second type is defined by hard, steel-blue hematite in quartz; IOCC named this “steel-rail ore” when they encountered it mainly in the Malcom-Houston deposits southeast of Schefferville. The Fe grades are typically 58-67% Fe in hematite only, making it a direct shipping ore (DSO). The Sawyer Lake deposit (Labrador Iron Mines) immediately southeast of the southern part of the Snelgrove Property has a published resource on partial drilling of the exposed material. On the Property, it occurs near NNW-trending faults and likely its emplacement is structurally controlled. The examples in the 2013 drilling (MM-13-05 through -08 and others) show the steel rail type to be intermixed with the more pulverant Fe oxides related to weathering below. This pattern is also seen in the Malcolm-Houston pits (LIM) and at Rainy Lake (Century Iron Mines).

The origin is thought to be hydrothermal fluids arising from late basinal dewatering or during diagenesis and compression with heat coming from deep-water circulation. Similar DSO hematite has been documented in Australia and Brazil with studies showing the hydrothermal association. The NL Geology Survey Branch is actively researching the origins of this iron oxide type under the aegis of Dr. James Conliffe.

The third oxide type is the mixture of earthy hematite-limonite-goethite. It is generally porous with much of the original iron oxides replaced by these iron hydroxides. The steel rail type remains as remnant bands to several metres wide in this matrix. Grades can range from 25 to +63% and have been selectively mined by IOCC for decades and now by LIM and Tata Mining. On the Property, current exploration shows these two latter units to be more prevalent in the lower Sokoman Fm, although future work may discover other oxide targets elsewhere in the stratigraphy.

The origin of the earthy hydroxides is believed to be caused by deep weathering associated with a global Cretaceous oxidation event; Cretaceous plant and insect fossils have been documented in several of the original IOCC mines west of Schefferville in the rubble of deeply oxidized taconite.

8 DEPOSIT TYPES

The iron formation found in the Labrador Trough region is the Lake Superior-type, which consists of banded sedimentary rocks composed principally of bands of iron oxides, magnetite and hematite within quartz (chert)-rich rock with variable amounts of iron silicate, iron carbonate, and iron sulphide lithofacies. Such iron formations have been the principal sources of iron throughout the world (Gross, 1996).

Lithofacies that are fine-grained, weakly to moderately metamorphosed, and contain above average magnetite are referred to as taconite. Taconites are primarily found in the northern and western parts of the Snelgrove Lake Property as well as in the larger deposits near Schefferville. These are the host rocks of the altered and/or oxidized Direct Shipping Ore (DSO) deposits exploited historically by IOCC and currently by Labrador Iron Mines and Tata Mining Canada.

Metataconites are more intensely metamorphosed and coarser-grained iron formations. They contain specular hematite and subordinate amounts of magnetite. Iron deposits in the Grenville part of the Labrador Trough in the vicinity of Wabush and Labrador City, operated by IOCC (Carol), ArcelorMittal (Mont-Wright), Cliffs Natural Resources (Wabush Mine and Bloom Lake) and Alderon (Kami), as well as the old Jeannine Lake, Fire Lake, Lamêlée, Peppler, and Mont Reed deposits are metataconites.

Soft iron ores, formed by alteration and/or supergene leaching and enrichment of weakly metamorphosed cherty iron formation, are mainly composed of fine-grained secondary iron oxides (hematite, goethite and limonite) interbanded with taconite.

An uncommon potential ore type is the hard steel-blue finely crystalline hematite with quartz, called by IOCC “steel rail ore”. The grades typically are around 55-65% Fe in oxides, making it a true DSO ore. However, documenting consistent mineable volumes in the Labrador Trough District has been a challenge. Its origin is uncertain and recent studies by the NL Geological Survey Branch are underway to test several models. It is thought to be an early deposition of iron from volcanic or deep basinal fluids emplaced along cross-cutting structures during diagenesis and/or the collapse of the Labrador Trough Basin complex. These appear to be located in the off-shore facies of the Sokoman Formation (iron formation) in areas with known coeval basaltic volcanics interbedded with the Sokoman chemical sediments. The earthy soft ores appear to be a later development.

Table 8-1: **Deposit Model for Lake Superior-Type Iron Formation *after* Eckstrand (1984)**

Commodities	Fe (Mn)
Canadian - Foreign	Knob Lake, Wabush Lake and Mont-Wright areas, Quebec and Labrador --Mesabi Range, Minnesota; Marquette Range, Michigan; Minas Gerais area, Brazil.
Importance	Canada: the major source of iron. World: the major source of iron.
Typical Grade, Tonnage	Up to billions of tonnes, at grades ranging from 15 to 45% Fe, are averaging 30% Fe.
Geological Setting	Continental shelves and slopes possibly contemporaneous with offshore volcanic ridges. Principal development in middle Precambrian shelf sequences marginal to Archean cratons.
Host Rocks or Mineralized Rocks	Iron formations consist mainly of iron and silica-rich beds; common varieties are taconite, itabirite, banded hematite quartzite, and jaspilite; composed of oxide, silicate and carbonate facies and may also include sulphide facies. Commonly intercalated with other shelf sediments: black
Associated Rocks	Bedded chert and chert breccia, dolomite, stromatolitic dolomite and chert, black shale, argillite, siltstone, quartzite, conglomerate, red beds, tuff, lava, volcaniclastic rocks; metamorphic equivalents.
Form of Deposit, Distribution of Ore Minerals	Mineable deposits are sedimentary beds with cumulative thicknesses typically from 30 m to 150 m and strike lengths of several kilometers. In many deposits, repetition of beds caused by isoclinal folding or thrust faulting has produced widths that are economically mineable. Ore mineral distribution is largely determined by primary sedimentary deposition. Granular and oolitic textures are common.
Minerals: Principal Ore Minerals - *Associated* Minerals	Magnetite, hematite, goethite, pyrolusite, manganite, hollandite. Finely laminated chert, quartz, Fe-silicates, Fe-carbonates and Fe-sulphides; primary or metamorphic derivatives.
Age, Host Rocks	Precambrian, predominantly early Proterozoic (2.4 to 1.9 Ga).
Age, Ore	Syngenetic, same age as host rocks. In Canada, major deformations during the Hudsonian and, in places, Grenvillian orogenies produced mineable thicknesses of iron formation.
Genetic Model	A preferred model invokes chemical, colloidal and possibly biochemical precipitates of iron and silica in euxinic to oxidizing environments, derived from hydrothermal effusive sources related to fracture systems and offshore volcanic activity. Deposition may be distal from effusive centers and hot spring activity. Other models derive silica and iron from deeply weathered land masses, or by leaching from euxinic sediments. Sedimentary reworking of beds is common. The greater development of Lake Superior-type iron formation in early Proterozoic time has been considered by some to be related to increased atmospheric oxygen content, resulting from biological evolution.
Ore Controls, Guides to Exploration	1. Distribution of iron formation is reasonably well known from aeromagnetic surveys. 2. Oxide facies is the most economically important, of the iron formation facies. 3. Thick primary sections of iron formation are desirable. 4. Repetition of favorable beds by folding or faulting may be an essential factor in generating widths that are mineable (30 to 150 m). . 5. Metamorphism increases grain size, improves metallurgical recovery. 6. Metamorphic mineral assemblages reflect the mineralogy of primary sedimentary facies. 7. Basin analysis and sedimentation modeling indicate controls for facies development, and help define location and distribution of different iron formation facies.
Author	G.A. Gross (1996)

9 EXPLORATION

9.1 Exploration History

Historical exploration activity conducted within the Snelgrove Lake area includes:

1949: LM&E completed a 1,000-foot spaced geological survey that covered parts of the present claim block and identified the various lithologies present. However, no sampling was reported from the property (Perrault 1950).

1961: A magnetometer survey along 1000-foot spaced cut lines was conducted over the areas mapped in 1949 by LM&E. A gravity survey was conducted to follow up on targets outlined by the magnetometer survey and samples were collected to measure the specific gravity.

1976-77: The eastern margin of the Labrador Trough was mapped at a scale of 1:50,000 by R.J. Wardle from the Newfoundland Department of Mines and Energy (Wardle 1979), incorporating much of the publicly available IOCC assessment reports as well as field revisions.

1978-79: LM&E carried out lake sediment and rock sampling over all of their land holdings, including Snelgrove Lake area.

1980-81: LM&E carried out an airborne electromagnetic, magnetic and radiometric survey over parts of the Snelgrove Lake Property (Grant 1980). Anomalies outlined in this survey were followed up on with ground induced polarization surveys and spectrometer surveys. Some of these targets were followed up with diamond drilling in 1981. However, no drilling took place on the current Snelgrove Lake Property.

2008: Altius Minerals Corp. conducted geological mapping, prospecting and rock sampling. Aeroquest Ltd. was commissioned to conduct airborne magnetic, radiometric and digital terrain surveys (Seymour et al., 2011). The majority of the 117 hand samples collected yielded 25-35% Fe from what appeared to be primary banded iron formation with little to no secondary enrichment. Petrographic analysis of seven iron-rich formation samples (Wilton 2009), suggested that they were typical banded iron formation and that locally primary magnetite was replaced by specular hematite.

2009: Altius conducted a mini-bulk samples analysis on iron formation from three locations along strike in a fold nose. The total weight of the sample was 88 kg (Seymour et al., 2011). The sample was analysed at the SGS Lakefield laboratory by splitting the sample into two portions, one for grindability tests and the other for beneficiation tests. The head assay yielded 31.6% Fe with 10% magnetic Fe and very low concentrations of aluminum (0.08% Al_2O_3) and phosphorus (0.02% P_2O_5). The results of the grindability tests yielded a Rod Mill Work Index (RWI) of 18.6 kWh/t, categorized as very hard relative to the RWI database at SGS Mineral Services Ltd.

2010: Altius conducted geological mapping, prospecting, sampling and hand trenching. The average grade of the 68 grab samples collected was 34% Fe. The hand trenches intersected iron formation, but, due to the difficulty in physically removing the vegetation/overburden, the complete thickness of the iron-formation could not be determined.

2011: Altius conducted a limited exploration program consisting of prospecting and rock sampling related to a graduate thesis (M.Sc.) research project completed by Memorial University student Nicolas Lachance under the supervision of Dr. Stephen Piercey.

9.2 Mamba 2013 Exploration Program

The 2013 exploration program was completed in two phases, the first of which was aimed at drill testing taconite and direct shipping ore (DSO) targets outlined in previous programs. The second phase of exploration focused on testing and discovering new DSO targets. KBW was contracted by the Issuer to manage the 2013 exploration programs and to provide technical services.

The first phase of work consisted entirely of drilling and is covered in the Section 10.

The second phase of exploration was designed to follow up on and discover new (DSO) targets and hematite targets. The program began in May and consisted of ground gravity and magnetics, a 965 line kilometer Airborne Gravity Gradiometer survey, geological mapping, prospecting, and 815 metres of diamond drilling in 8 holes (covered in Section 10). The program was operated out of the town of Schefferville, QC and helicopter services were provided by Heli-Excel of Sept-Iles, QC. Figure 9-1 illustrates the areas of various works in relation to the current geological interpretation based on these works.

Airborne Gravity Survey

Mamba contracted Fugro Airborne Surveys to conduct a high-sensitivity aeromagnetic and FALCON Airborne Gravity Gradiometer (AGG) survey over the property. The survey was flown from May 26th to June 2nd, 2013 with a total of 965 line kilometres. The survey covered was completed in two blocks, North and South. The North block was previously flown while held by Altius and the 2013 survey infilled the flight lines.

Ground Geophysics & Geological Mapping

From May until September, a total of 1,708 stations of ground gravity surveys and 216 ground magnetic stations were conducted on several target areas, particularly the Bryman, Mina-CLC South, CLC North, Sawyer South, Sawyer North and Sawyer West areas. The field surveys were completed by Initial Exploration Ltd. using two-2 man teams. Intrepid Geophysics Ltd. analyzed the geophysical surveys and provided recommendations for drill targets matching the potential DSO/hematite geophysical signatures. Intrepid has been involved with earlier geophysical interpretation and program designs on the Property.

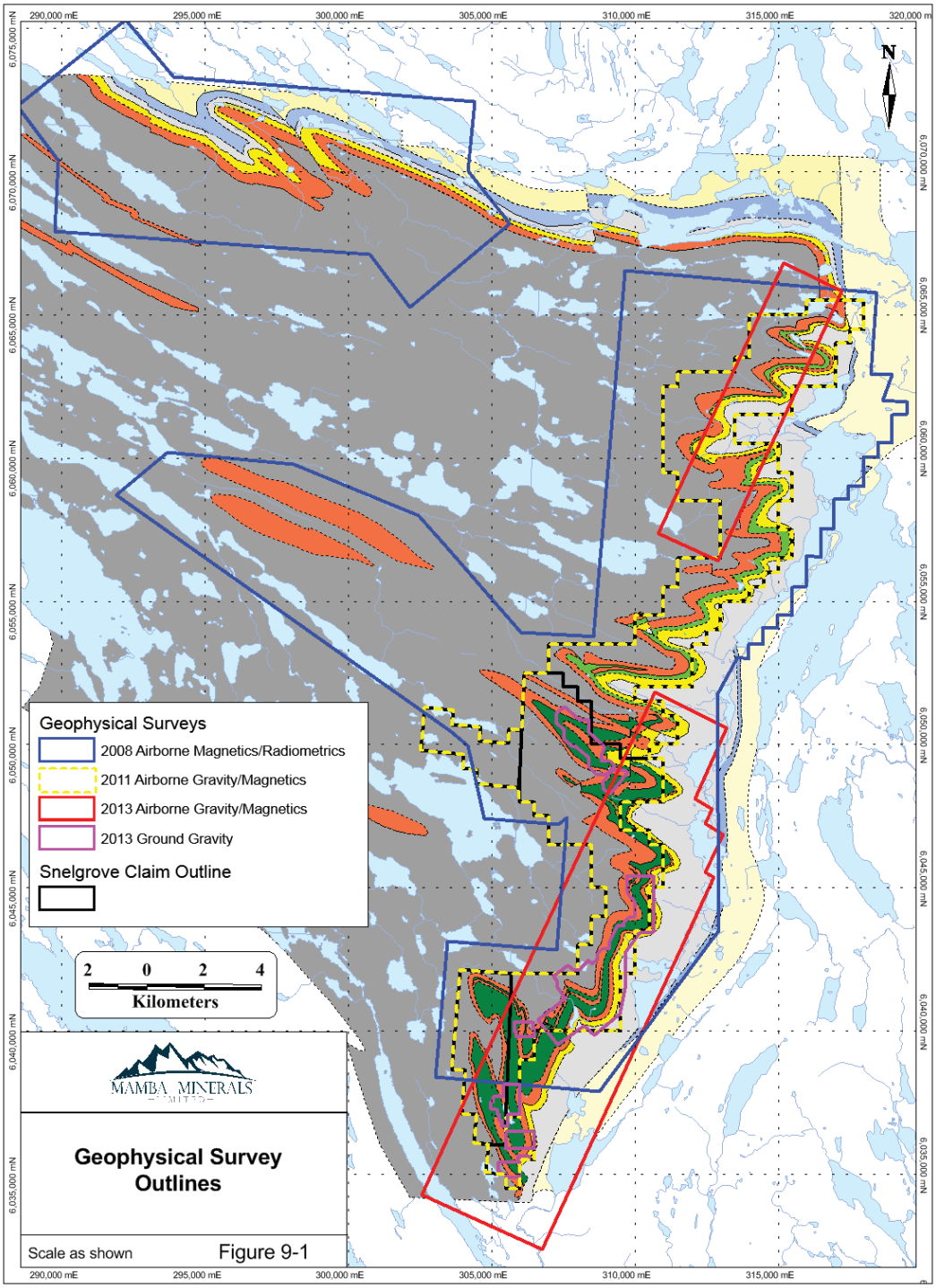

Figure 9-1 Geophysical Survey Outlines

The surveys were designed to test areas of potential DSO hematite mineralization outlined by previous airborne geophysical surveys and geological mapping. Ground magnetics were completed on three of the areas.

10 DRILLING

10.1 Phase One 2013 Drilling Program

Drilling was carried out from February to May by Innu Cartwright Drilling of Happy Valley-Goose Bay, NL. Helicopter services were provided by Heli-Nation operated by Heli-Excel of Sept-Iles, QC. Drilling took place on a two shifts per day basis, 24 hours per day, 7 days a week. Employees were based in Schefferville and accessed the property by helicopter. Core logging and sampling was completed in Schefferville. A total of 1,862 metres in 8 holes was drilled during the winter program (Table 10-1). The average drillhole length was 232 metres, with dips ranging from -45° to -55° at NQ core size.

A total of 377 samples were sent to the SGS Lakefield for analysis (see Section 11 for further details). The winter drilling program resulted in a better understanding of the geology and mineralogy of the area. The northern half of the property appears to contain more magnetite rich iron ore and mixed ore (hematite and magnetite) and the CLC area returned higher percentages of hematite.

Table 10-1: Phase 1 Collar Locations

Hole ID	Easting	Northing	Elevation	Depth	Azimuth	Dip	Core Size	Licence
MM-13-01	315634	6064431	564	154	345	-45	NQ	017901M
MM-13-02	315955	6064517	605	262.1	345	-45	NQ	017901M
MM-13-03	316237	6064616	587	300.2	345	-45	NQ	017901M
MM-13-04	315308	6063370	596	165.8	360	-45	NQ	017901M
MM-13-05	308932	6040523	578	318.2	330	-50	NQ	018328M
MM-13-06	308815	6040516	584	141.4	150	-50	NQ	018328M
MM-13-07	308325	6041710	501	257.6	200	-55	NQ	018328M
MM-13-08	308777	6040772	594	263	150	-55	NQ	018328M

10.2 Phase Two 2013 Drilling Program

A total of 815 metres of diamond drilling in 8 holes was completed during the second phase of the 2013 exploration program. Major Drilling of Winnipeg, Manitoba completed the drill program. Two drill rigs were mobilized to site late August-early September with drilling running from September 4th to 23rd, 2013

No samples were assayed during the second phase of drilling, because the Issuer wanted geometallurgical testwork on the samples (ore microscopy and results of metallurgical test results from SGS-Lakefield) before sampling the core. Mineralogy was estimated using a combination of XRF measurements and visual inspection and was recorded on drill logs as trace, minor or major for the iron minerals of interest.

Table 10-2: Phase 2 Collar Locations

Hole ID	Easting	Northing	Elevation	Depth	Azimuth	Dip	Core Size	Licence
MM-13-09	308112	6050400	612	99	225	-75	NQ	017901M
MM-13-10	309160	6041327	574	114	270	-75	NQ	018328M
MM-13-11	307901	6050952	582	80	0	-90	NQ	017901M
MM-13-12	309207	6041722	560	116	270	-75	NQ	018328M
MM-13-13	309198	6042482	549	99	270	-75	NQ	018328M
MM-13-14	309935	6043490	550	99	0	-90	NQ	018328M
MM-13-15	307835	6040570	546	100	90	-45	NQ	018328M
MM-13-16	308050	6040692	543	108	0	-90	NQ	018328M

Figure 10-1 shows the location of the total drilling conducted in 2013.

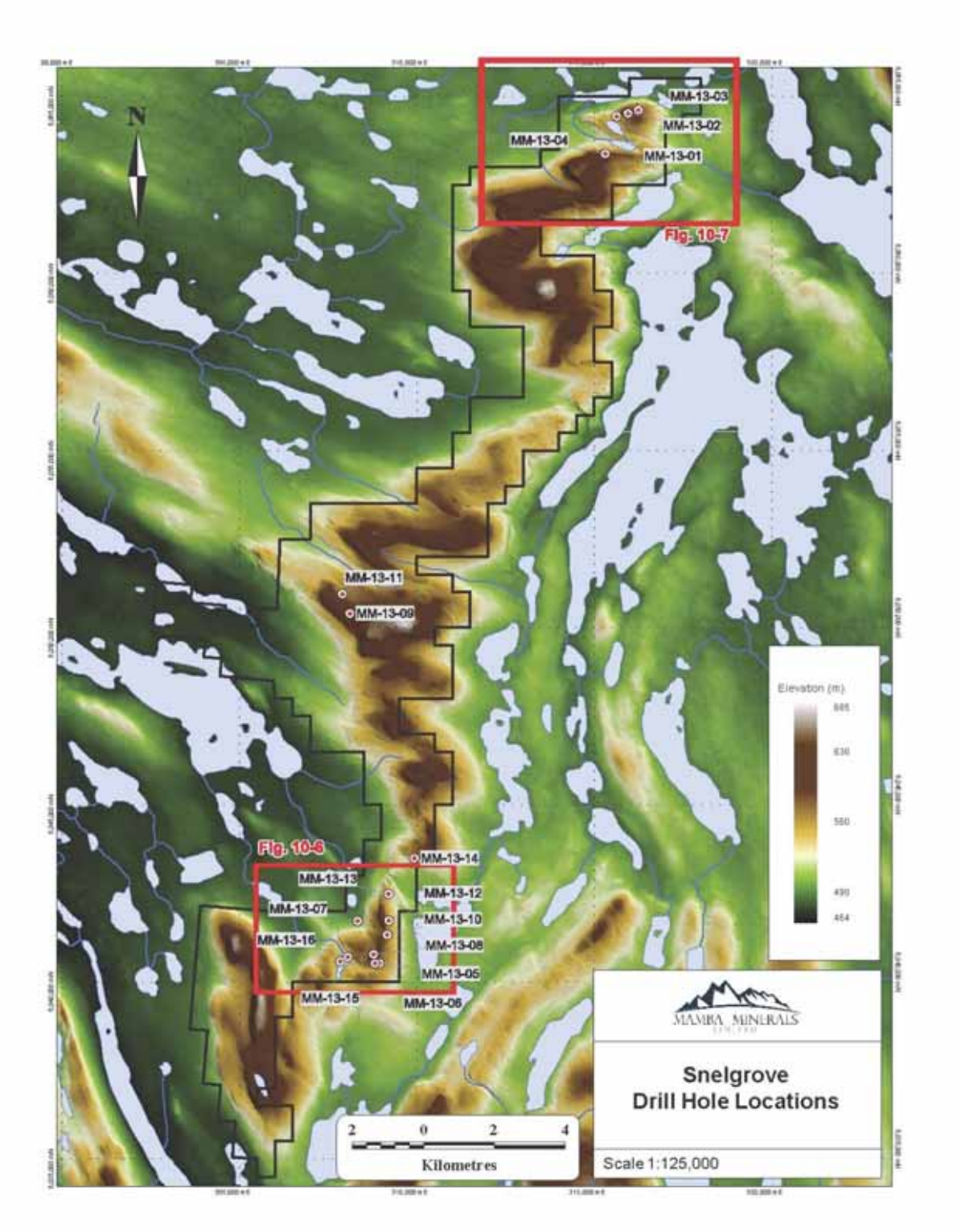

Figure 10-1: Drill Hole Locations

10.3 Results of Exploration Works

10.3.1 Kenty Lake Taconite target

The initial target area was a section of the Sokoman Fm geology with a strong magnetic taconite geophysical signature (high magnetics plus high gravity in the north part of the property) confirmed by geology mapping. Drillholes MM-13-01 through -04 tested the zone. Figure 10-2 shows the drill plan and Figure 10-3 shows the vertical geological section through MM-13-02 looking NNE. The northerly taconite zone, although not encountered in the drilling, has extensive outcrop extending east-west along the cliff north of the drill grid and thus is interpreted from the mag/gravity signature and mapping.

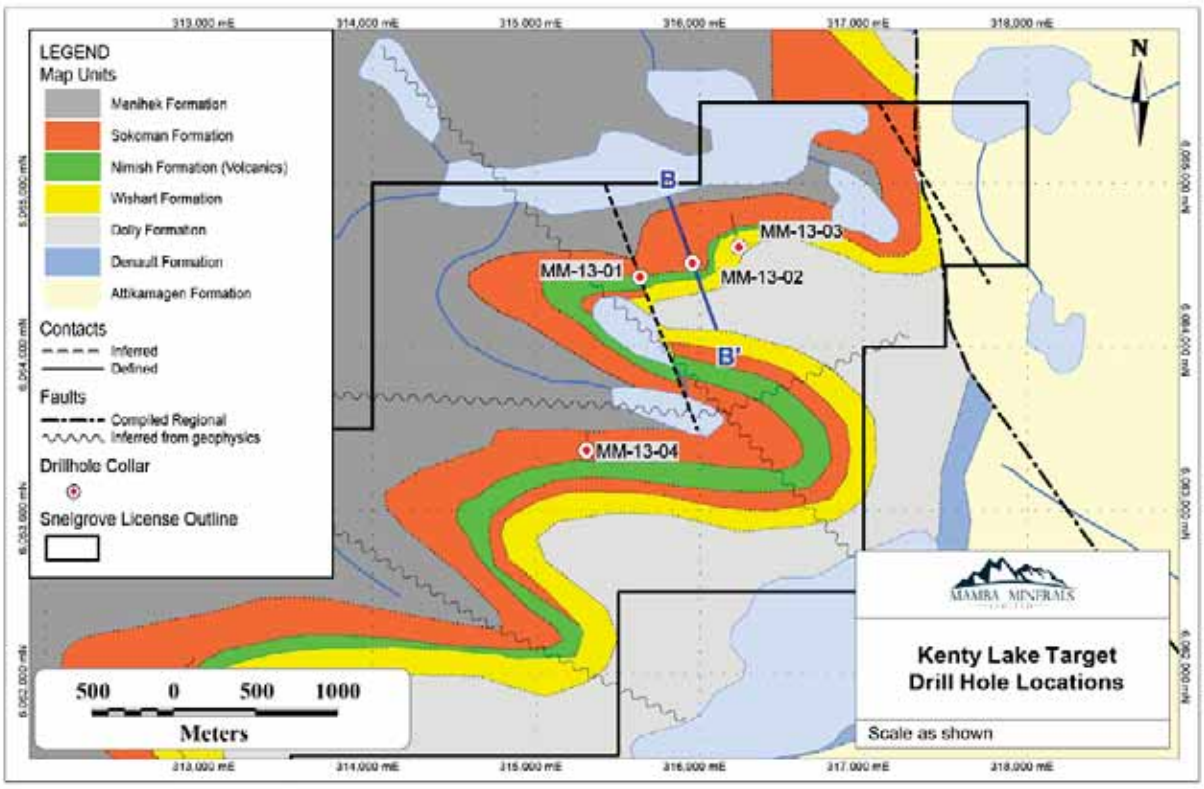

Figure 10-2: Kenty Lake Taconite drill grid

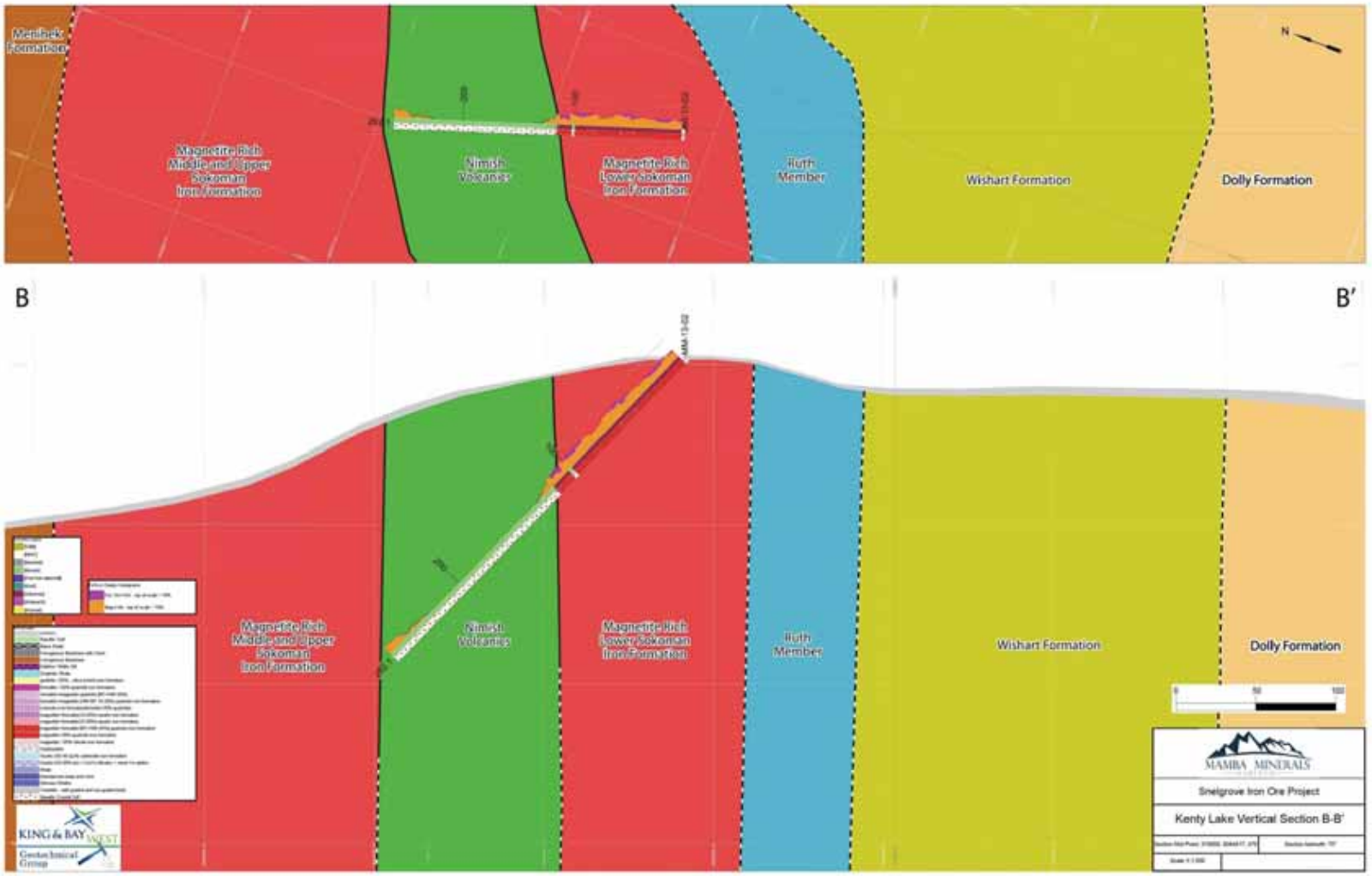

Figure 10-3: Kenty Lake Geological Cross Section

The four holes were analyzed for whole rock XRF, Satmagan (magnetics), and FeO by titration. The sample analyses were converted to Fe-oxide minerals as described in Section 11.4. The grade distribution of is shown in Figure 10-4.

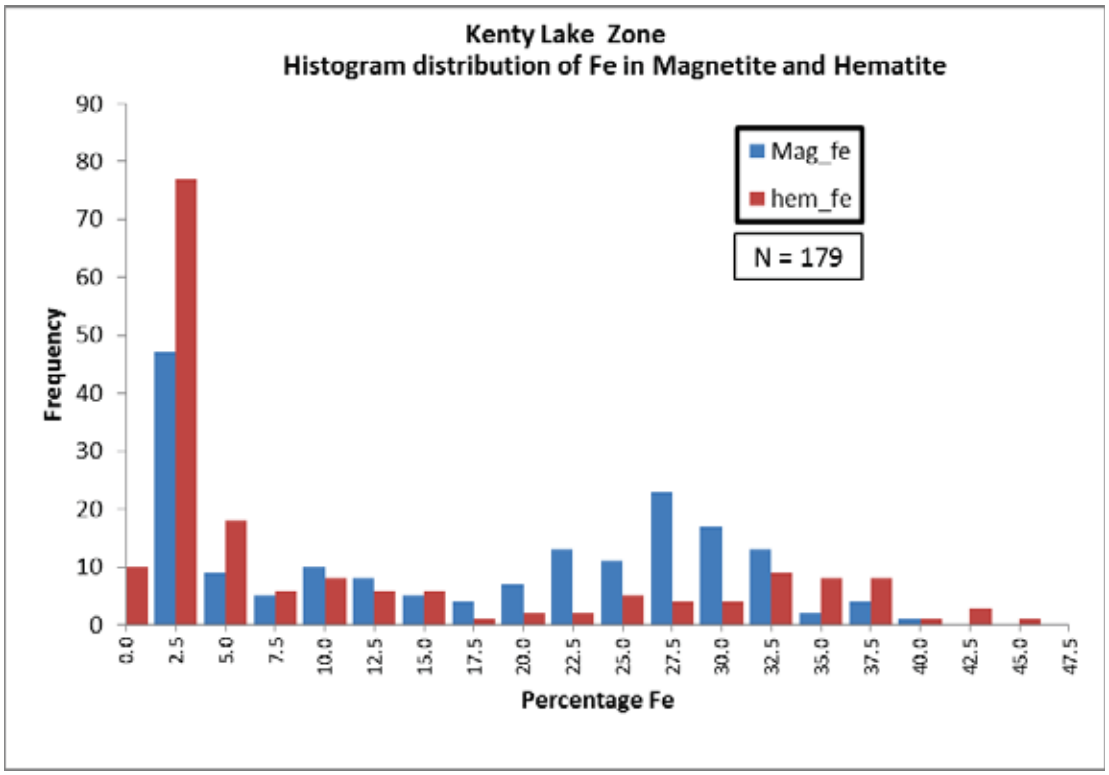

Figure 10-4: Grade Distribution by Fe-Oxide Minerals Taconite Target

The results for analyses > 15% Fe are within the normal economic grade level of the typical taconite deposits in the Labrador Trough. The high-magnetite deposits show a clustering around 22-38% Fe, again, which is the typical profile of published resources on other taconite and metataconite deposits in the region. The hematite occurs in the specular form but more frequently as earthy red hematite.

It is likely that this type of material can be located through the property.

10.3.2 CLC Hematite Target

The CLC Zone which covers the two lower levels of the Sokoman Fm was considered to be a potential oxidized hematite with DSO potential. The drillhole sites were determined by ground and airborne magnetic and gravity surveys described in Section 9. Drillholes MM-13-05 through -08, MM-13-10, MM-13-12 and -13, and MM-13-15 and -16 tested potential high grade direct shipping ore targets along the CLC trend shown in Figure 10-5. The analytical data collected and received to the date of this report is for drillholes MM-13-05 through -08. The later drillholes will be sampled, pending the results of other ongoing studies on the cores. Figure 10-8 shows the section of MM-13-05, -06, and -08 in the CLC area looking ENE. The true width of the Lower Sokoman Fm in this area is approximately 150 m with a vertical depth tested to at least 240 m. Drilling along the trend is on the order of 800 m spaced single drillholes across approximately 4km, with all holes showing mineralization of enriched oxidized hematite replacing taconite. Since the geometrical controls on the weathering/alteration are not well known, these values may not represent translate to volumes without further more detailed drilling along the Sokoman Fm trends.

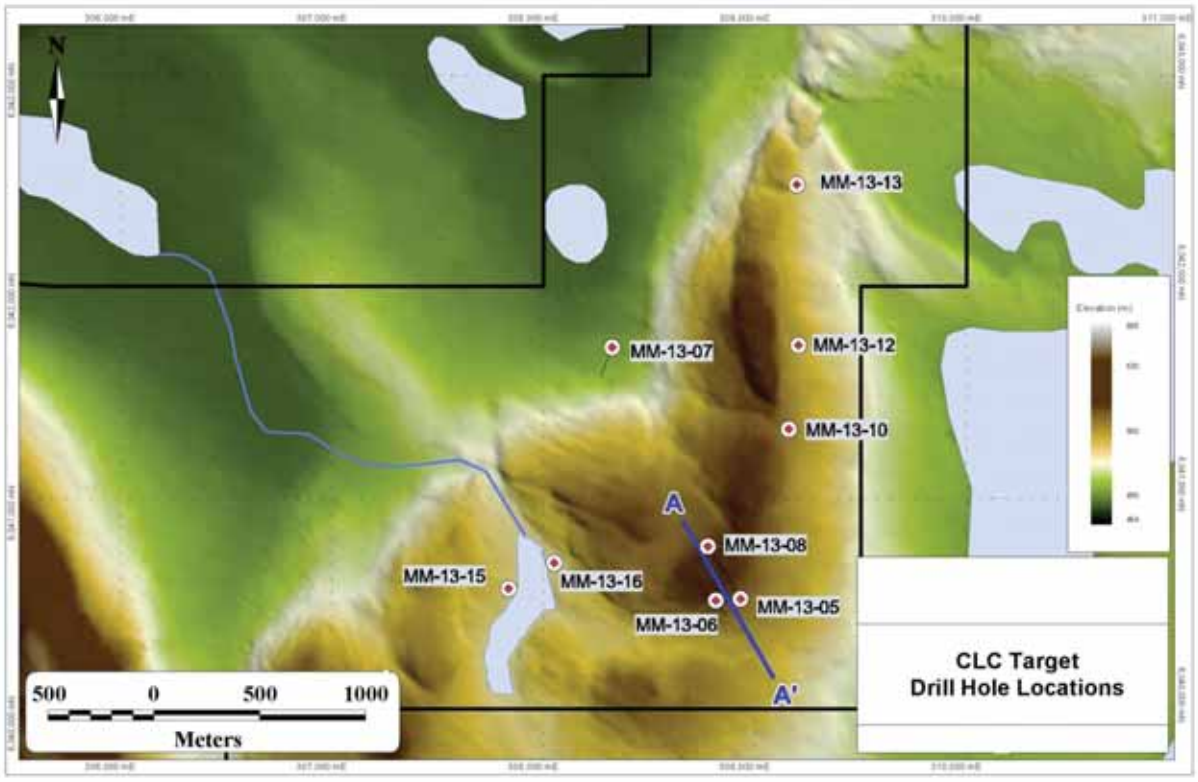

Figure 10-5: CLC Hematite target drill grid

The geology, as synthesised from field mapping and ground and airborne geophysics is shown on Figure 10-6 with the ground gravity added in Figure 10-7.

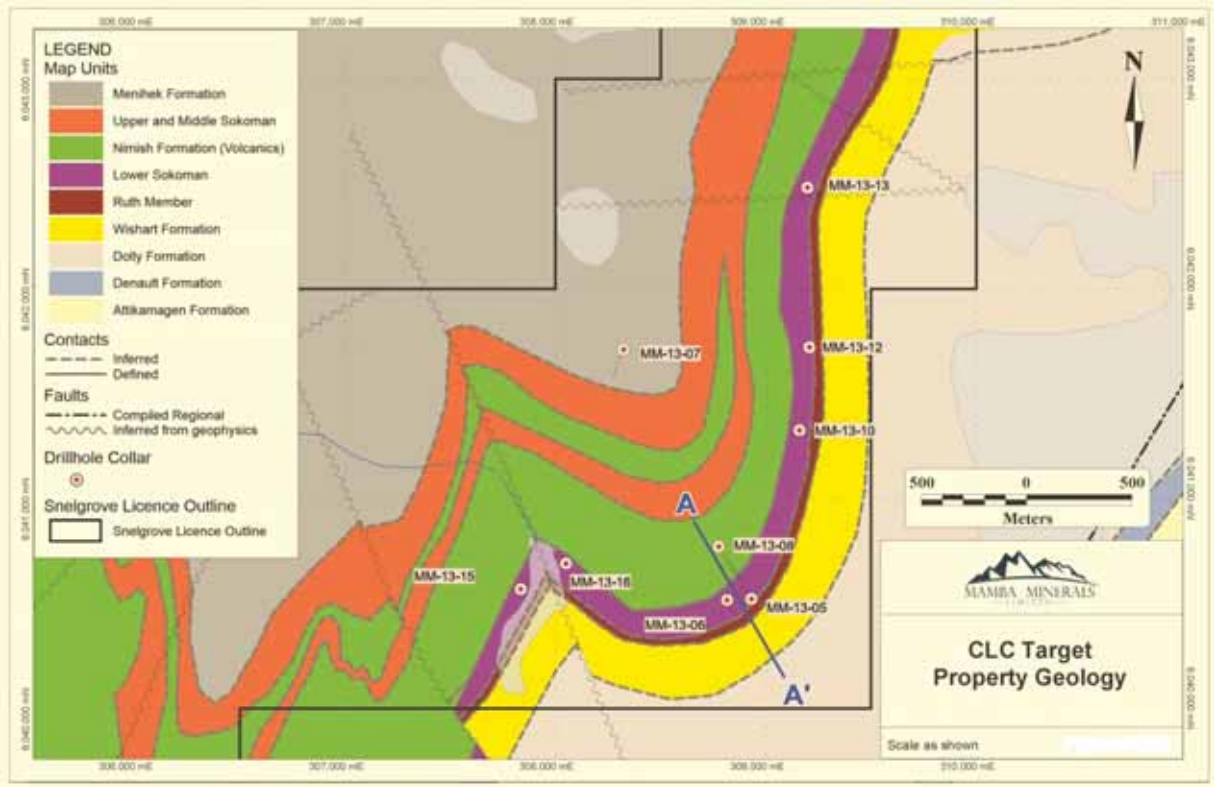

Figure 10-6: CLC Geology Synthesis

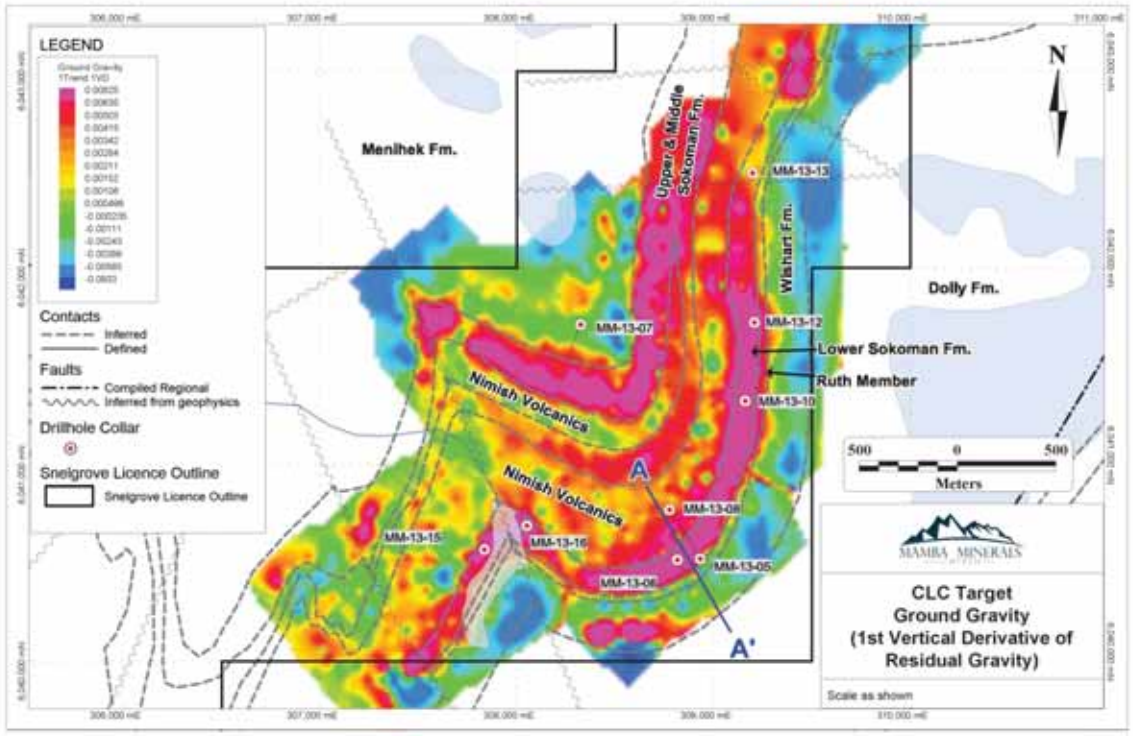

Figure 10-7: CLC Gravity & Geology Synthesis

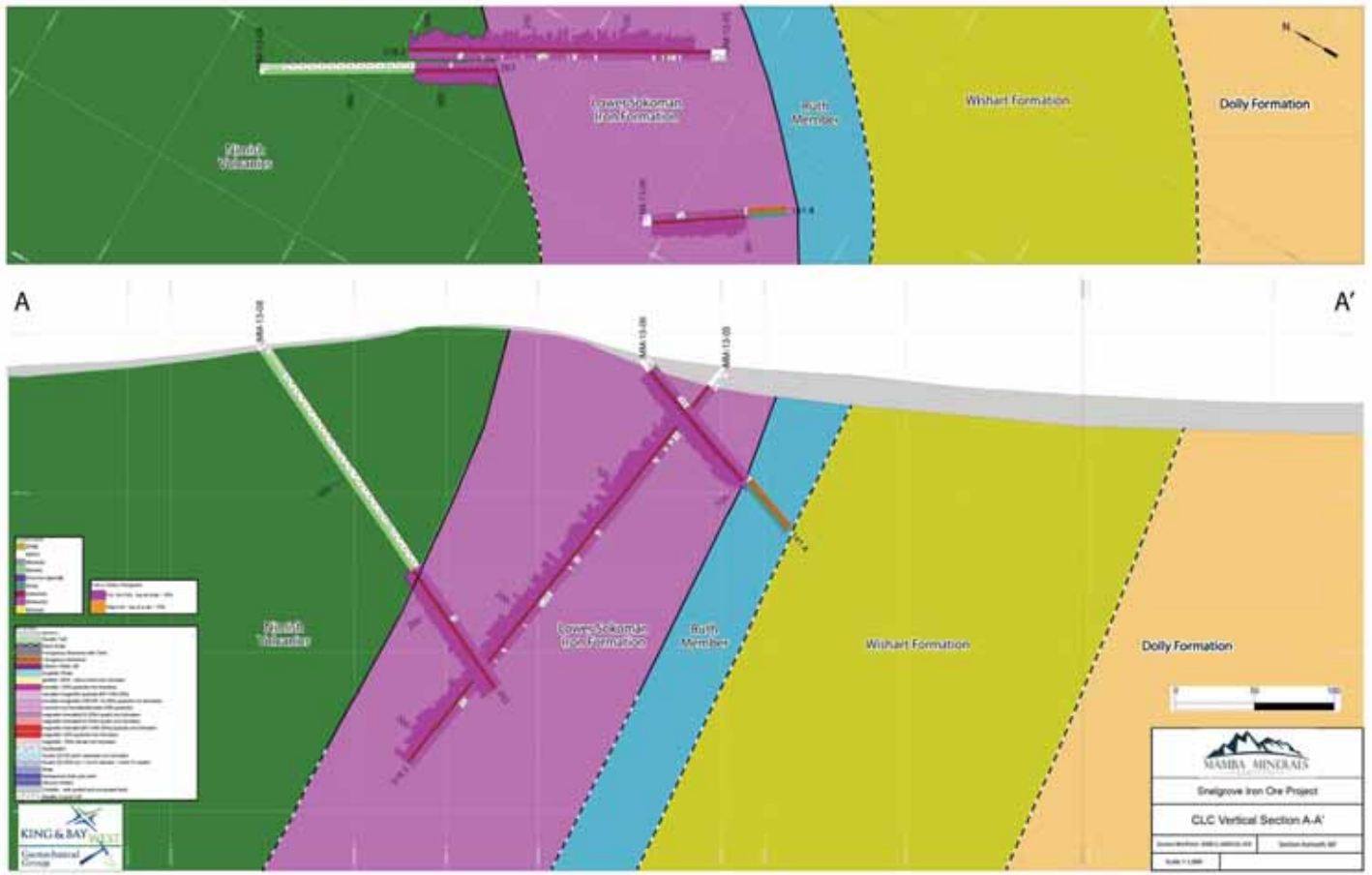

Figure 10-8: CLC Geological Cross Section

Photographs from MM-13-10 and MM-13-16 below show the variations in the Fe oxide minerals. MM-13-10 is located on the flank of the CLC Zone, while MM-13-16 is near an interpreted NNW striking axial plane fault that may have permitted deeper penetration of groundwater into the Sokoman Formation.

Figure 10-9: Photo of MM-13-10 - CLC North - Core recovered from 27.4-45.6m

Figure 10-10: Photo of MM-13-16 - CLC South. 36.9-52.3m

The initial five of the CLC target holes (MM-13-05 through -08) were analyzed for whole rock XRF, Satmagan (magnetics), and FeO by titration. The grade distribution of the sample analyses converted to Fe-oxide minerals and is shown in Figure 10-11.

Figure 10-11: Grade Distribution by Fe-Oxide Minerals, Enriched Fe-Oxide Target

The distribution shows the enriched grades typical of these targets with the majority of the values between 28 - 55% Fe. Magnetite has been almost completely destroyed in this grade range by the alteration and weathering processes that formed the steel-rail and earthy Fe-oxide types respectively with remnant areas preserved.

The 2013 drill results demonstrated the significant volume potential of the enriched hematite zone in the CLC target area. While the grades are high, some type of mineral processing will be required to treat this oxide type. The Issuer has commissioned testwork on this aspect. The results were not available at the date of this report.

11 SAMPLE PREPARATION, ANALYSES, AND SECURITY

Drill core samples collected and prepared by King and Bay were submitted to SGS Minerals Services at Lakefield, Ontario, which is an accredited laboratory. As such, accredited laboratories must follow specific guidelines and procedures for sample preparation, testwork and assaying. KBW has taken reasonable precautions to review laboratory reports and the routine analytical and testwork results provided by SGS. As such, KBW believes that the assaying have been performed in conformity with applicable industry standards and procedures. KBW has reviewed the core logging and sampling procedures in the field and is satisfied that these were done to applicable industry standards. KBW knows of no issues that would affect the quality of the results presented in this report.

11.1 Sample Collection

The description and discussions for core logging and sampling were in place for the 2013 drilling campaigns executed by KBW for the Issuer and are similar for other projects operated by KBW. Lyons confirmed that these were followed during his site visits in 2013.

11.1.1 Core Logging and Sample Handling

KBW managed the drilling and core logging from January through May, and again from August through mid-October, 2013. Geologists in these 2013 programs included Alek Mihailovic, Elsa Hernandez-Lyons, and Jim Orth, and were supervised by Edward Lyons, PGeo, a member of the Association of Professional Engineers and Geoscientists of British Columbia ("APEGBC"), the Professional Engineers and Geoscientists of Newfoundland and Labrador ("PEGNL"), and the Ordre des Géologues du Québec ("OGQ") and Qualified Person on the project. Lyons, Mihailovic, Hernandez-Lyons, and Orth all have recent experience on similar deposits in the Schefferville area and, except for Orth, in the metataconites and equivalent deposits around the Wabush NL—Fire Lake QC iron deposits since 2007 (Lyons and Hernandez-Lyons).

The drill core boxes were securely closed by the drillers and conveyed by helicopter and truck to the core logging and storage facility located in Schefferville, QC. The core was received, organised, and verified for drill length marker placement before initiating the logging process. The core is rotated so that the maximum inclination of banding is displayed. The geotechnicians and geologists checked the core for metrage blocks placement and continuity of core pieces. The geotechnical logging was done by measuring the core for recovery and rock quality designation ("RQD"). The logging was done on a metrage block to block (drill run) basis, generally at nominal three metre intervals. Core recovery and rock quality data were measured for all holes. Drill core recovery in most cases was close to 90% but could be less than 20% in strongly oxidized rock, locally. The RQD was generally higher than 92%. Lower values were observed and measured for the first 3 to 5 m of some holes where the core is slightly broken and in intervals with strong weathering/alteration. Additional geotechnical data for fractures, joints, and shears was collected. All data were entered in the AcQuire database on site and the data was uploaded automatically daily to an off-site file server on a daily basis.

The core was logged for lithology, structure, and mineralization with data entered directly into laptop computers using the AcQuire system using logging codes and parameters designed for the specific observations of the project core. The geology of the Sokoman Formation (iron formation) was recorded using a facies approach with the relative proportions of iron oxides as well as the major constituent gangue components of the iron formation using a Fe-oxides – Quartz – Fe-silicates – Fe-carbonates quaternary diagram developed by Lyons. The traditional regional Labrador Trough units were also recorded. Other formations were logged based on descriptions and lithologic variations as usual. Drillhole locations, sample tables, and geotechnical tables were recorded in AcQuire as separate data tables and are able to be merged with the geological tables.

Prior to sample cutting, the core was photographed wet and dry. Generally, each photo includes four NQ core boxes. A small white dry-erase board with a label is placed at the top of each photo and provides the drillhole number, box numbers and from-to in metres for the group of trays. The core box was labelled with an aluminum tag containing the drillhole number, box number and from-to in metres stapled on their left (starting) end. Once the core logging and the sampling mark-up was completed, the boxes were placed in core racks inside the core facility. After sampling, the core trays containing the remaining half core and the un-split parts of the drillholes were stored in sequence on steel core racks with metal roof located just outside the core facility.

11.1.2 Sample Security

The core was brought in daily at shift changes to KBW's core facility in a building in Schefferville, QC to reduce the possibility of access by the public. Public access to the core facility was restricted by signage and generally closed doors. Only KBW or its contractor's employees or the Issuer, in the presence of KBW personnel, were allowed to handle core boxes or to visit the logging or sampling areas inside the facility. All sample cutting, preparation, and packaging were handled by KBW personnel only. Split core samples were packed in plastic bags and placed in a wooden crate constructed on a robust pallet. The crate is screwed shut with steel strapping securing the walls and top cover. The pallets were picked up at the core facility with a fork-lift, taken to the nearby train station at Schefferville where it was loaded into a closed van and sent in the care of Greyrock Mining, as expediters, with their freight to Labrador City, NL. Greyrock delivered the shipment to TST Transport in Labrador City for truck transportation to SGS-Lakefield, via Baie-Comeau, Québec and Montréal.

11.2 Sampling Preparation

11.2.1 Sampling Approach

The sampling approach was to take most samples at the metrage blocks at 3.0 m intervals, with variation in sample limits adapted to changes in lithology and mineralization governed by a written protocol. Samples were therefore generally 3.0 m long and minimum sample length was set at 1.0 m. Zones of unusual gangue, abnormally high carbonate, or rapid changes in the type and quantity of iron

oxide minerals were treated as separate lithologies for sampling purposes. Sampling between metrage blocks allows for the most accurate assignment of core recovery in the data.

The bracket or shoulder sampling of all apparently "ore grade" mineralization by low grade or waste material was routinely done. The written protocol developed for the program also stated that silicate and silicate iron formation intervals within the zones of oxide iron formation should generally all be sampled unless exceeding 20 m in intersection length. In the abnormal case, where core lengths for these waste intervals were greater than 20 m, then only the low/nil grade waste intervals marginal to iron oxide rocks were to be sampled as bracket samples. In practice, these probable waste zones would be sampled completely if the potentially economic mineralization was extensive in the core.

Field Quality Control materials, consisting of Blanks, Certified Reference Standard, and quarter core Duplicates, were inserted into the sample stream with the routine sequential sample numbers at a frequency of one per 10 routine samples. The Duplicates were located in the sample number sequence within 9 samples of the location of its corresponding "Original". The Duplicates accordingly do not necessarily directly follow their corresponding Original.

11.2.2 Sampling Method

The sampling practice, explained in a written protocol, used Tyvek three-tag sample books with a uniquely coded number sequence keyed to the project. Geologists were encouraged to try to use continuous sequences of sample books in order to maintain continuity in the database. The geologists marked the Quality Control ("QC") sample identifiers in the sample books prior to starting any sampling.

The sample intervals and sample identifiers are marked by the geologist onto the core with an arrow with a wax china marker. The sample limits and sample identifiers are also marked on the core tray.

The book-retained sample tags are marked with the sampling date, drillhole number, the From and To of the sample and the sample type (sawn half core, Blank, Duplicate or Standard) and, if Standard, then also record the identity of the Standard, as well as the lithology code for that sample length. The first detachable ticket recording the From and To of the sample was stapled into the core tray at the start of the sample interval. QC sample tags were are also stapled into the core tray at proper location. Quarter core Duplicate and Blank samples were flagged with flagging tape to alert the core cutters.

The core cutters saw the samples coaxially to the core and perpendicularly to the foliation/banding orientation, as indicated by the markings, then placed both halves of the core back into the core tray in the original order. The sampling technicians complete the sampling procedure which involves bagging the samples.

The second detachable sample tags are placed in the plastic sample bags. These tags do not record the sample location or any other written information. As an extra precaution against damage, the sample number on these tags was covered over with small piece of clear packing tape. The sample identifiers

were also marked with indelible marker on the sample bags. The bags were then closed with a cable tie or stapled and placed in numerical order in the sampling area to facilitate shipping. The samplers inserted the samples designated as Field Blanks before shipping. All samples were weighed and recorded in the sample database before packing.

Samples were cross-checked by two samplers and were packed into wooden crates on pallets for shipping. All were individually labelled with the laboratory address and the samples in each shipping container are recorded. Upon shipment, the laboratory request list that was in the container was also emailed to the lab after being assigned a unique shipment/dispatch number.

11.2.3 Comments on Core Logging and Sampling

Lyons examined KBW's 2013 drill core during his site visits in February-March and again in April-May 2013 and found the core in good order. The drill logs were also reviewed by Lyons who believes they are comprehensive and generally are of excellent quality. Core descriptions in the logs were found to match the drill core.

During Lyons's site visits, sample tickets in the trays were checked and confirmed that they were located as reported in the drill logs.

A drill core sampling approach using 1-m to 4.5-m long samples respecting lithological contacts is acceptable practice. The author believes that the sampling and logging procedures are reasonably done and is unaware of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

11.3 Analytical Procedures

11.3.1 Sample Preparation

SGS Lakefield remained the Primary laboratory for Alderon's 2010–2012 exploration programs. Sample preparation for assaying included crushing the samples to 75% passing 2 mm; a 250 g (approximate) sub-sample was then riffled out and pulverized in a ring-and-puck pulverizer to 80% passing 200 mesh. Standard SGS Lakefield QA/QC procedures applied. These included crushing and pulverizing screen tests at 50 sample intervals. Davis Tube tests were also performed on selected samples. The material for the Davis Tube tests was riffled out directly from the pulverized Head samples and therefore the grind was not necessarily optimized to reflect potential mine processing plant specifications or optimum liberation requirements.

Sample statistics are summarized in Table 11-1.

Table 11-1: Sampling and Analysis Summary

Sample Classification	Analysis	Number
Routine	XRF - WR	377
	Satmagan	377
	FeO_H titration	377
Routine Davis Tube Tests	Weight Recovery	90
	XRF_DTC (concentrate)	90
In-Field Blank	XRF WR and Satmagan	13
	FeO_H titration	13
In-Field 1/2 Core Duplicate	XRF - WR and Satmagan	13
	FeO_H titration	13
	Davis Tube	3
In-Field Standards (GB1:7 Analyses; GB:7 Analyses)	XRF WR and Satmagan	14
	FeO_H titration	14
SGS Lakefield Preparation Duplicate	Variable –see text	
SGS Lakefield Replicates Analytical Duplicates	Variable –see text	
SGS Lakefield Certified Standards and Blanks	Variable –see text	

11.3.2 Analytical Procedures

KBW and Mamba use a suite of analyses to distinguish the iron comportment among total iron, hematite/ferric oxides, and magnetite. Whole Rock (WR) analysis for major oxides was done using the by lithium metaborate fusion XRF requested for all samples and magnetic Fe or Fe_3O_4 was determined by Satmagan. FeO on heads were determined by titration. Of the samples returning $\geq$ 7% magnetite by Satmagan, one sample in 10 was tested with the Davis Tube Recovery method. Routine core samples, plus field-inserted QA/QC samples were assayed for WR-XRF, Satmagan and FeO on Heads. In addition, 3,221 samples had Davis Tube tests completed. Davis Tube concentrates were analyzed by WR-XRF. FeO was not determined on Davis Tube products. These data permitted an approximation of magnetite and hematite/ferric iron species as describe below.

11.4 Quality Assurance/Quality Control

11.4.1 Introduction

For the initial 2013 drill program, which included holes MM-13-01 through to MM-13-08, the sample and assay quality controls for the drilling programs included in-field and in-laboratory components. The in-field component was operated by KBW and involved the insertion of quality control materials into the sample stream going to the Lab. The assay laboratory also operated its own, internal QA/QC programs. These programs included the insertion of various quality control materials, Certified Reference Standards, Blanks and preparation and analytical Duplicates.

11.4.2 In-Field QA/QC

Mamba's 2013 in-field QA/QC program implemented during core sampling consisted of core Duplicate sampling, called Field Duplicate ("FDUP"). The core Duplicates were quarter-sawn drill core cut along the axis of the core, and the corresponding original samples were also quarter core. The Duplicates were taken from all drillholes at a frequency of no greater than one every 30 routine samples and at least one Field Duplicate per borehole. A total of 21 samples were Field Duplicates. In the original core logs, these Duplicates are labelled with "dupl." and the sample identifier for the sample for which they are the duplicate. These FDUPs were sent to the Primary assay laboratory with a different sample number. The link between the original and duplicate sample is recorded and managed within the AcQuire database. The project database provides the information necessary to match the samples to their duplicates.

Figures 11-1 through 11-3 show the results for the Field Duplicates in terms of Fe_2O_3 (XRF) and Mag-Fe Assays (Satmagan) and FeO (titration).

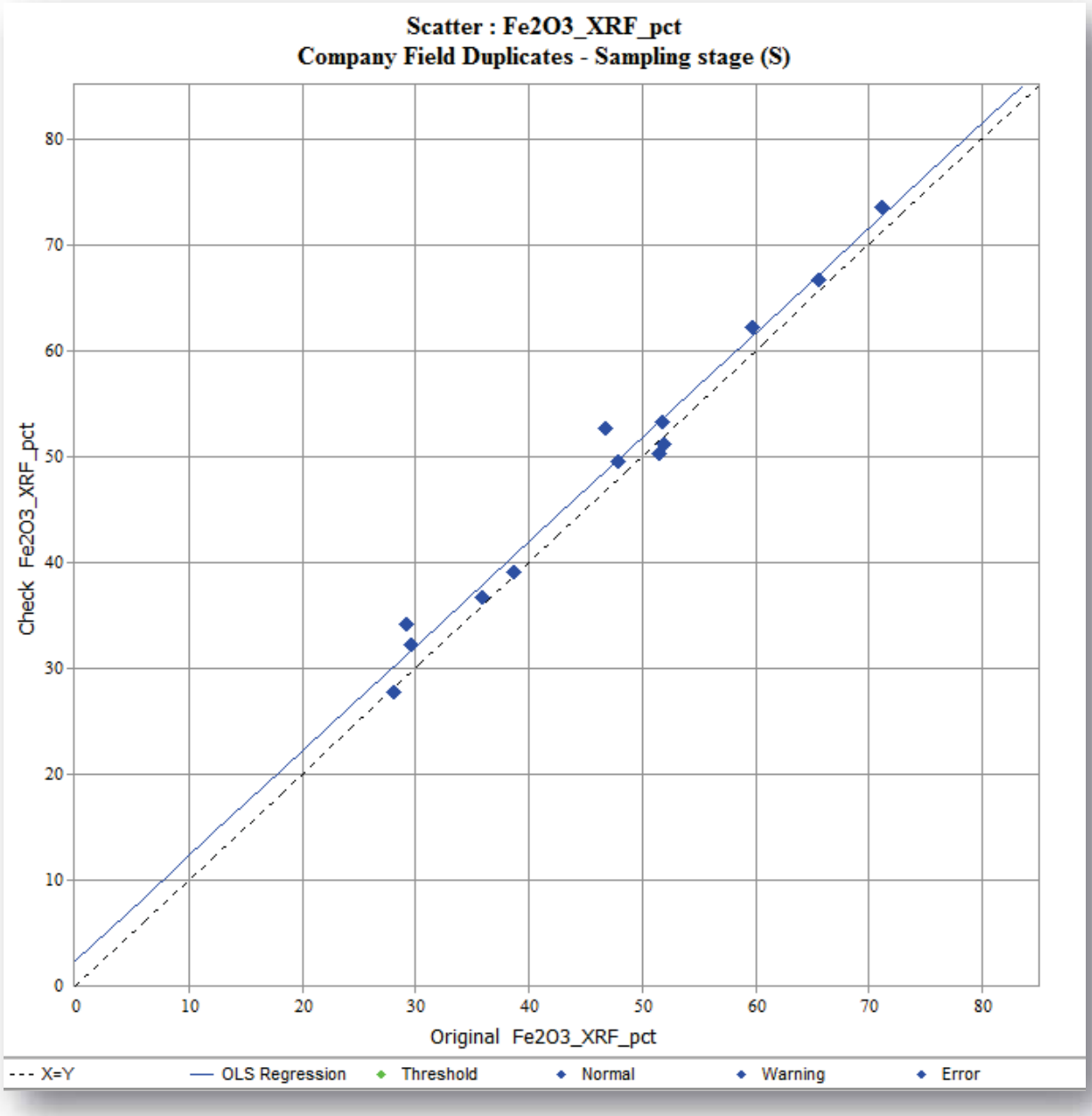

Figure 11-1: Fe_2O_3 (XRF) in Field Duplicates

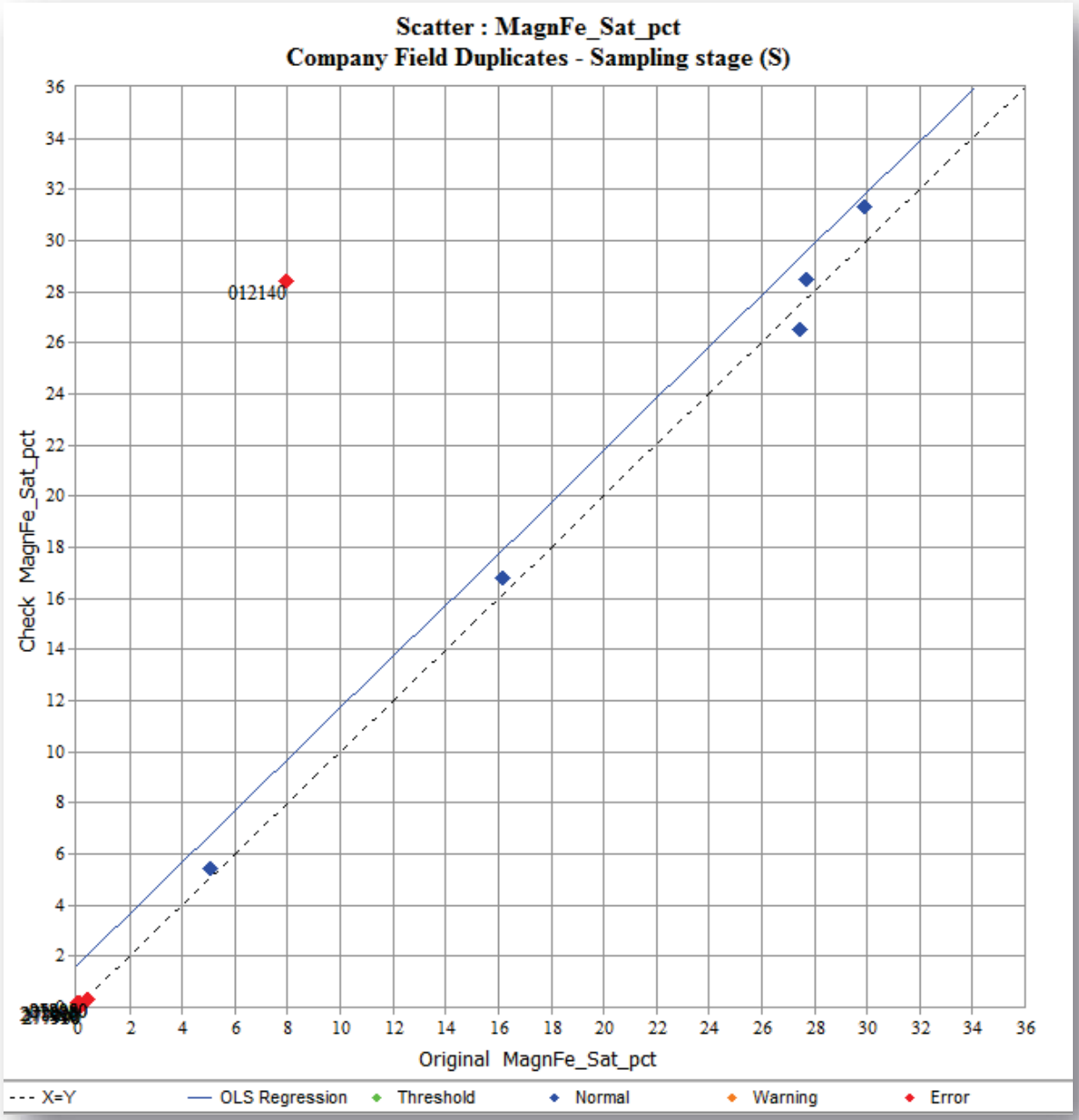

Figure 11-2: MagFe (Satmagan) Fe in Field Duplicates

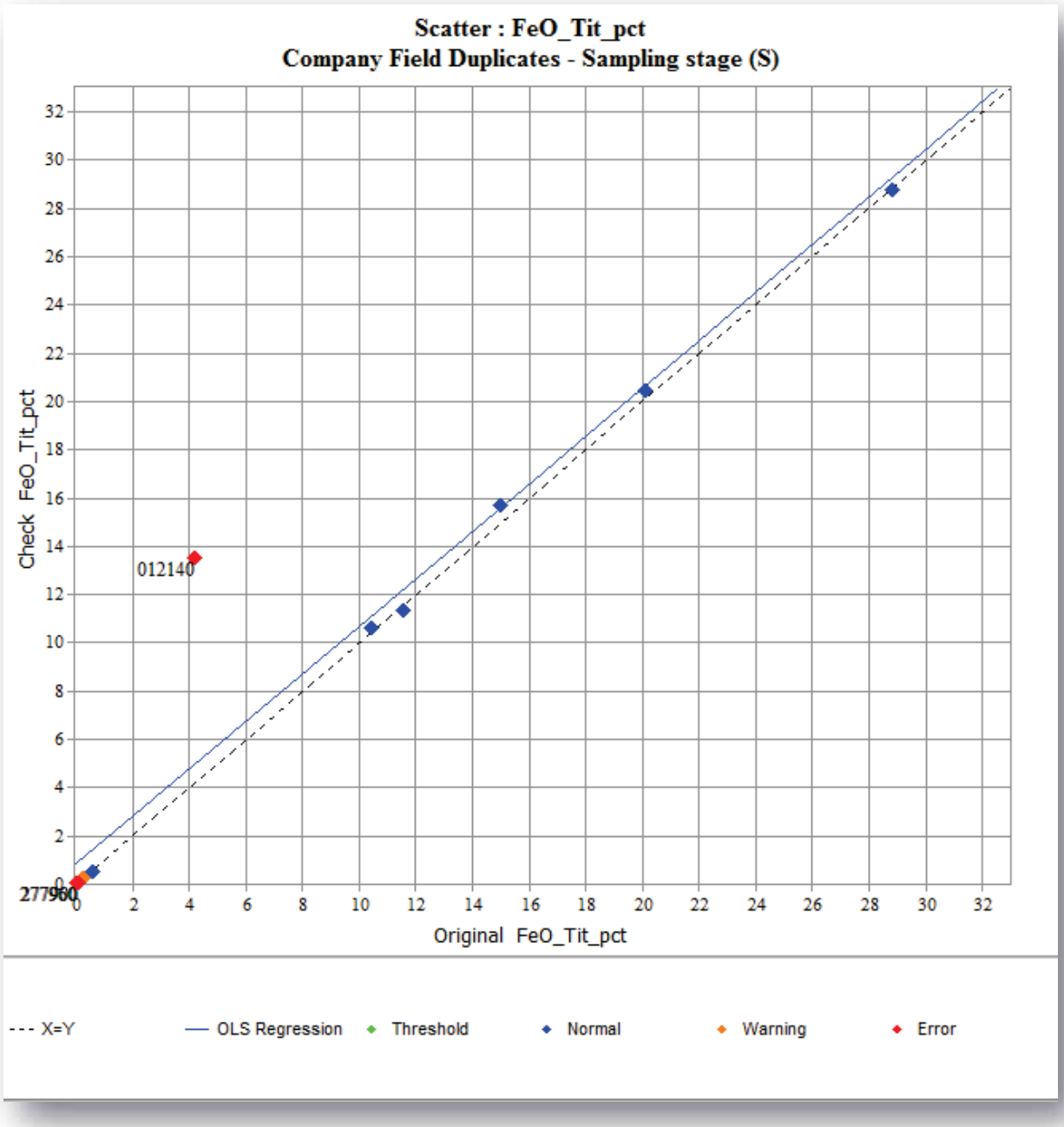

Figure 11-3: FeO (Titration) in Field Duplicates

11.4.3 Discussion of Duplicate Results

Initial results indicated a good correlation of duplicate values with the exception of a single sample for Satmagan and Titration assay results. XRF results were within acceptable limits.

As part of the routine QAQC procedures at KBW, the anomalous sample had both the original and the duplicate were re-assayed together with two adjacent samples on either side in the sample sequence for all three assay types (XRF, Titration and Satmagan). The re-assayed results were almost identical to the original assay values, indicating a possible mix up in the sampling stage.

11.4.4 Company Standards and Blanks

As part of the program, protocol Field Blanks and Standards were inserted in the sample stream going to the analytical lab at a frequency of 1 per 20 routine samples.

Table 11-1: Number of QAQC Samples Used

Sample	Analyte	Sample Count	Average	Certified Value Fe2O3 %	Min	Max
Blank	Fe2O3 pct - XRF	13	0.23	0.2	0.13	0.74
Std GB1	Fe2O3 pct - XRF	7	40.91	40.95	40.6	41.3
Std GB2	Fe2O3 pct - XRF	7	52.11	52.01	51.9	52.3
Blank	FeO - Titration	13	0.14	0.15	0.13	0.15
Std GB1	FeO - Titration	7	15.94	15.978	15.79	16.17
Std GB2	FeO - Titration	7	18.46	18.36	18.36	18.78
Std GB1	MagFe - Satmagan	7	26.42	25.36	25.6	29.1
Std GB2	MagFe - Satmagan	7	20.34	20.02	19.9	20.8
Blank	MagFe - Satmagan	13	0.11	0.1	0.05	0.3

Figures 11-4 through 11-6 show the reproducibility of the standards and blanks for XRF Fe2O3 %, titration FeO %, and Satmagan %. All were within acceptable limits except for a single sample for Satmagan. Although most of the Satmagan results were higher than the expected values all but one were within acceptable limits. One sample SAMPLEID: 12010 initially fell outside acceptable limits (initial Lab Job No: CA02616-MAR13). The sample was reassayed, together with the two adjacent samples on either side in the sample sequence. The re-assayed result for the standard was within acceptable limits while the adjacent Routine samples reported very similar values to the original values. Usually for such cases, the issue has no impact on assay values for the Routine samples

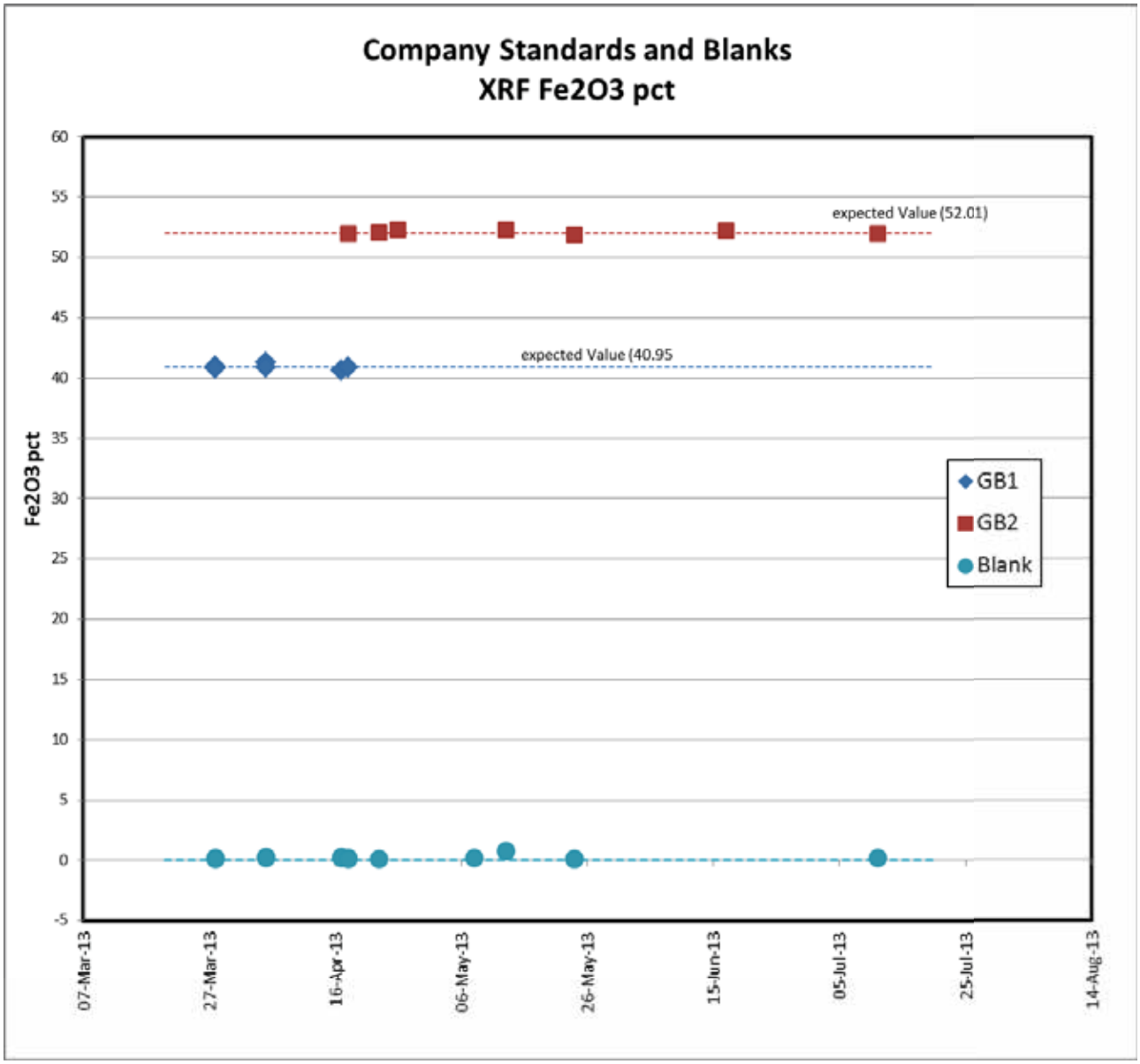

Figure 11-4: Standards XRF Fe2O3 & reproducibility over time

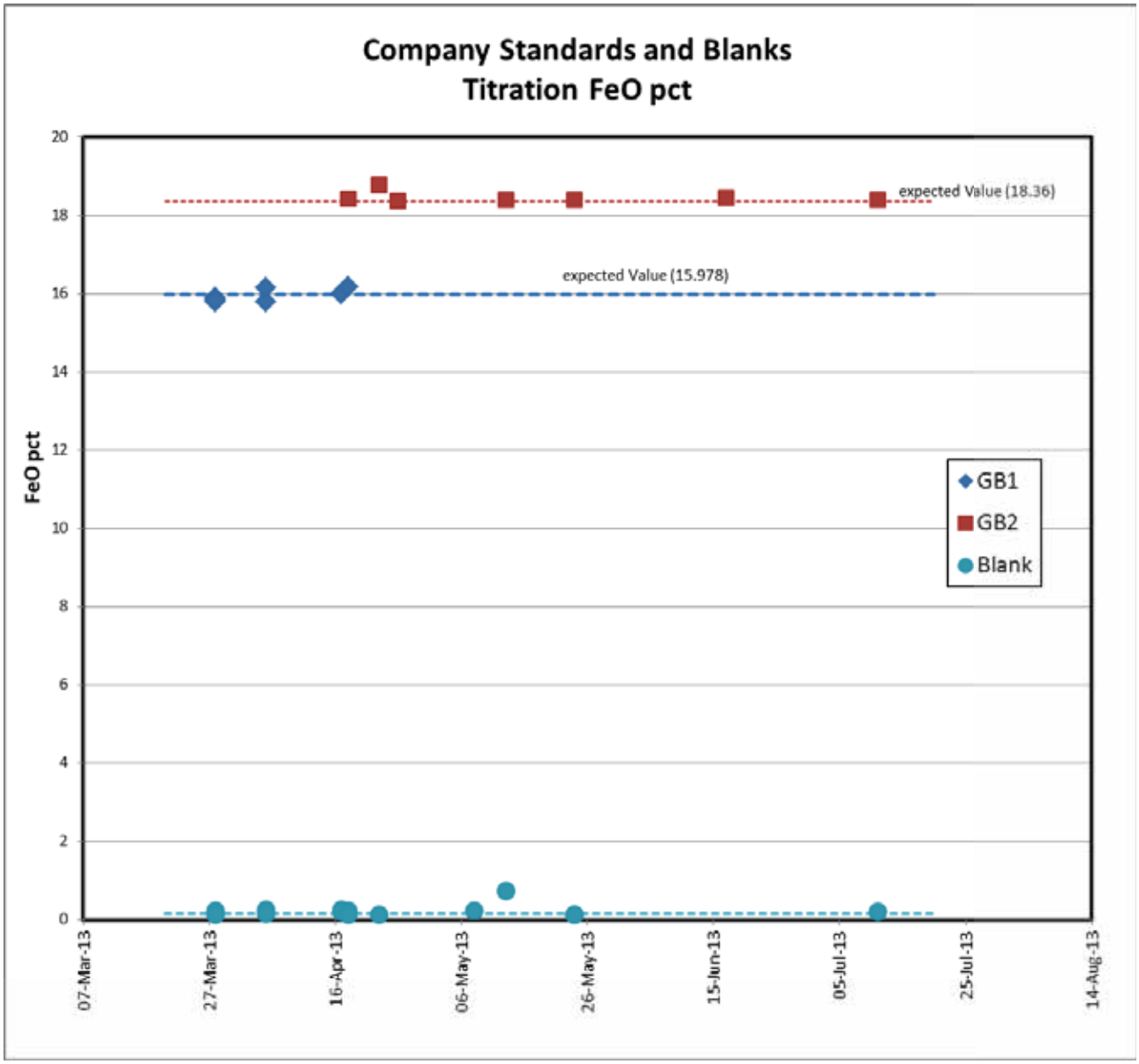

Figure 11-5: Standards Titration FeO % & Reproducibility over time

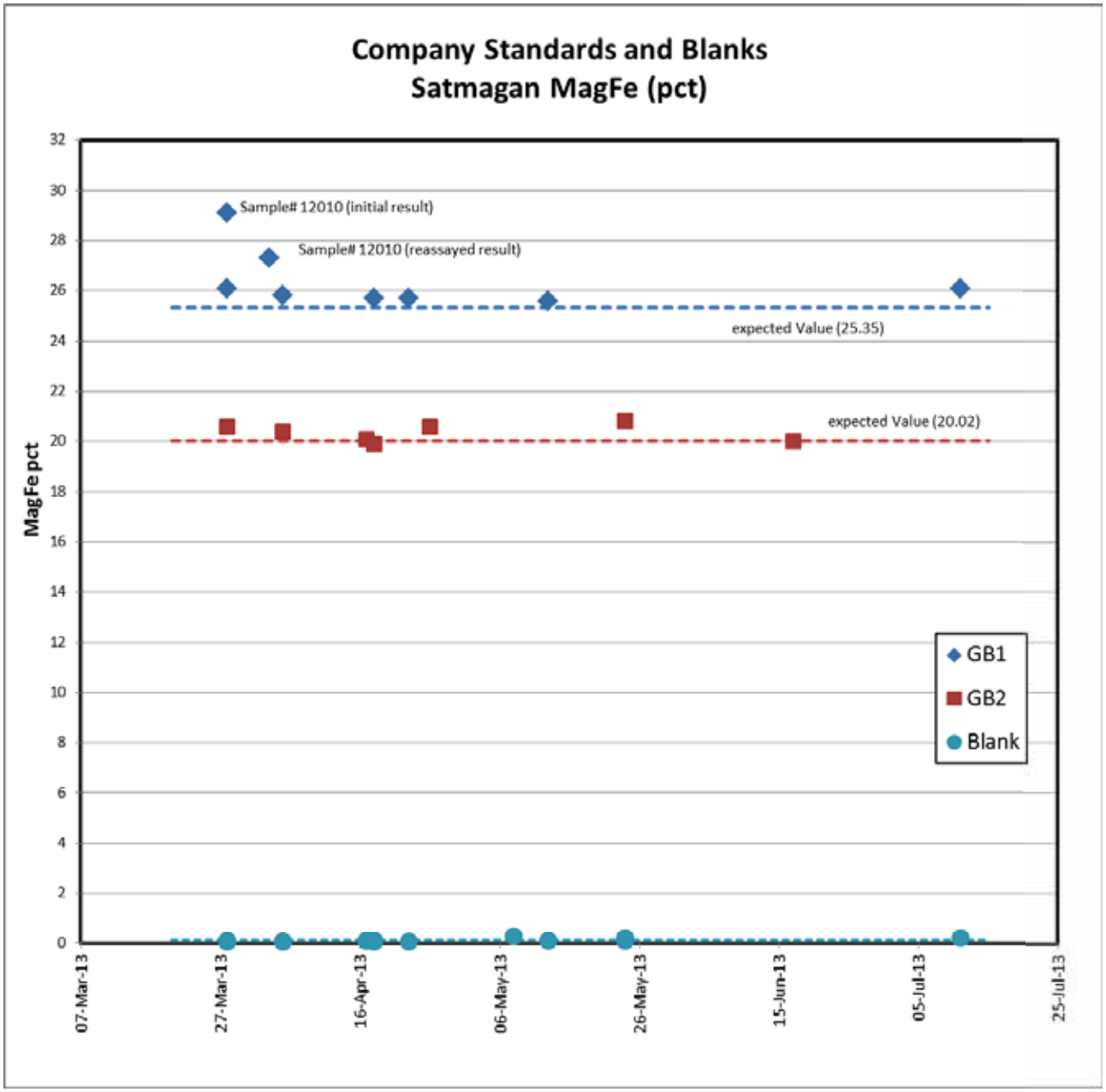

Figure 11-6: Standards Satmagan % & Reproducibility over time

11.4.5 In-Lab QA/QC

SGS-Lakefield carries out in-house QA/QC during the preparation and assaying of their clients samples. Analytical and Preparation Blanks, Certified Reference Standards and Preparation and Analytical Duplicates are inserted into the sample stream in the lab and analysed along with the samples received.

The tables below summarize results for in-lab Certified Reference Standards. Table 11-2 shows results of the Standards accompanying XRF analysis at SGS-Lakefield during the program. It shows that eight different Standards and one blank were used and these were assayed a total of 32 times during the course of the assaying program. Standard 607-1 from the *Institut de Recherches de la Sidérurgie Française*, France was used the most frequently. Results for all instances are excellent as the results measured in the laboratory are close to the Certified Value for the Standard and the measured minimum and maximum values are close to the averages.

Table 11-2: Ranges for SGS-Lakefield Standards and Blanks used in XRF Fe2O3 Analyses

Standard	Count	Min	Max	Average Fe2O3%	Certified Value Fe2O3%
607-1	3	44.00	44.20	44.10	44.16
GIOP-39	2	80.80	81.10	80.95	80.92
OREAS_401	2	65.10	65.20	65.15	65.25
OREAS_406	1	88.20	88.20	88.20	87.84
SARM-12	7	94.90	95.70	95.31	95.24
SCH-1	3	86.50	87.50	87.10	86.81
SY4	4	6.23	6.29	6.26	6.21
TIL-4	1	5.75	5.75	5.75	5.63
Blank	14	0.01	0.33	0.05	0.05

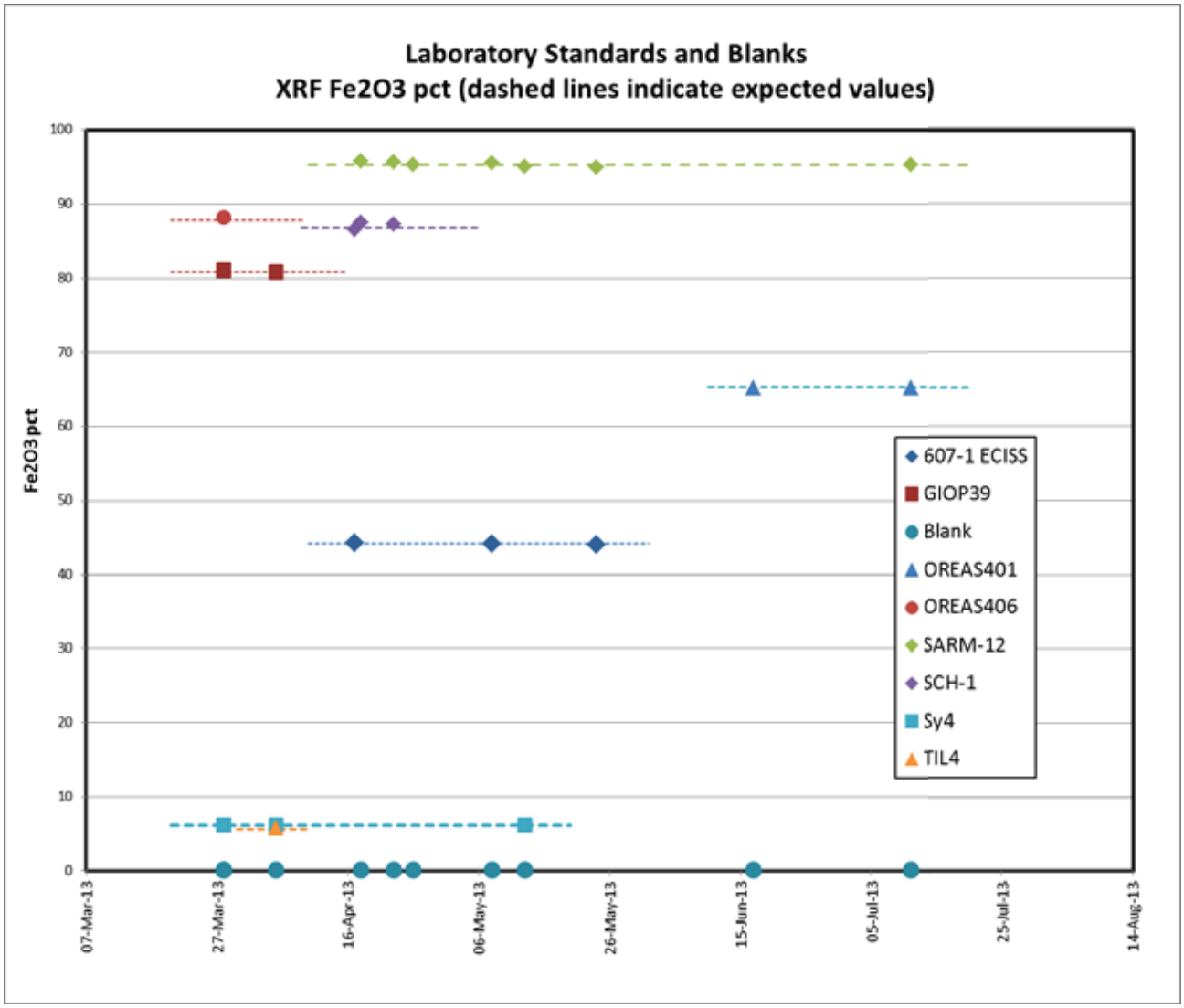

Figure 11-7: Fe_2O_3 by XRF in Laboratory-inserted Standards and Blanks over time

11.4.6 Reference Laboratory Checking

No reference laboratory assaying was done in this program.

11.4.7 Magnetic Fe determined by Satmagan versus Davis Tube and Fe Balance

The distribution of Fe^{++} and Fe^{+++} to magnetite was done assuming the iron in magnetite is 33.3% Fe^{++} and 66.6% Fe^{+++}. The estimation method also assumes all iron in silicates, carbonates and sulphides is Fe^{++} and there are no other iron oxide species present in the mineralization, to a significant extent, other than hematite and magnetite. This latter assumption is believed to be substantially true in unaltered or

unweathered taconite and metataconite iron deposits. Where alteration or weathering is prevalent, this causes in the development of extensive limonite, goethite, and earthy hematite after magnetite. Under this condition, this assumption is not true. The earthy hematite is pervasive and could be economically important. Limonite and goethite iron hydroxides are sporadic in occurrence and could present metallurgical challenges, but extensive mineralization of this type is not known on the Property.

Because there are three different and independent Fe determinations (TFe, MagFe, and FeO_{Total}) available for all samples and certain relationships between permissible values are stoichiometrically defined, it is possible to infer potential assay errors by inspection of the relationships between the three iron assays on a sample by sample basis as a verification check.

For most Head or Whole Rock samples, %TFe was determined by XRF, $\%FeO_{Total}$ by titration, and %MagFe by Satmagan. Hematitic Fe was estimated by subtracting the iron in magnetite (determined from Satmagan) and the iron from the FeO_{Total} analysis, in excess of what can be attributed to the iron in the magnetite, from %TFe, and then restating this excess iron as hematitic Fe, as below:

1. $\%hmFe = \%TFe - (Fe^{+++}_{\text{computed from Satmagan}}) + Fe^{++}_{\text{(computed from FeO)}})$
   In practice, %OtherFe (equation 2) was computed as the first step in the calculation. %OtherFe is assumed to represent the Fe in sulphides, carbonates and/or silicates and is the iron represented by Fe++ from FeO_{Total} that is not in magnetite:

2. $\%OtherFe=Fe^{++}_{\text{from FeO}} - magFe_{\text{fromSatmagan}}*0.333$
   Subsequently, %hmFe (equation 3) is calculated from the difference between total Fe and magFe and OtherFe:

3. %hmFe = %TFe - (%magFe+%OtherFe)

The review of Sample and Assay QAQC also included a review of the iron balance between TFe, MagFe and FeO_{Total} completed on all samples and review of magFe determined by Satmagan versus Davis Tube tests. A total of 90 routine samples were analysed by Davis Tube test.

The permissible relationships between Fe species are developed from the above equations 2 and 3. Three error types are defined.

1. Where %Other Fe (from equation 3) is less that -2%, assay error is suspected.
2. Where %hmFe (from equation 2) is less that -2%, error is also suspected.
3. Where magFe exceeds TFe, error is suspected.

In the process of calculation of %OtherFe and %hmFe, small negative values greater than -2 are ignored and these parameters are replaced with 0. Neither TFe nor magFe are revised, only %hmFe can be reduced, so TFe from XRF is not exceeded by the sum of MagFe, HmFe, and OtherFe. Table 11-3 shows the information on the cross-checks.

Table 11-3: Calculated Fe Cross-checks

Error type	Total Samples	Warning Category	No of samples	Fail Category	No. of samples	Reassay notes
1	377	Other Fe: 0 to -2%	37	FeOther < 2%	0	
2	377	%hmFe: 0 to -2%	18	%hmFe < -2%	3	all 3 samples passed QAQC on reassay
3	377	Total Fe > MagFe	0	< 2%	3	all 3 samples passed QAQC on reassay

Out of a total of 377 samples, the review of final assays returned only three samples that failed (the same samples failed for both Error types 2 and 3). All three samples together with the adjacent samples were sent for reassay and all passed QAQC Fe balance checks on reassay. Based on the magnitudes of the differences, i.e., the size of the negative residuals and their infrequency, the suspected assay errors are few and don't materially affect the results. This method serves as a secondary QAQC validation of the types of Fe analyses.

11.5 Relationship of Issuer to Sample Analysis

No one related to the Issuer as an employee, officer, director, or associate was involved with the samples at any time during sampling, transportation, sample preparation, or assaying.

The Issuer has no relationship with SGS Mineral Services (SGS-Lakefield) and is totally independent of the company.

11.6 Security

The samples were selected, cut, packed, and shipped in a secure manner within a closed and locked building. The sample tracking and notifications among the field lab, database manager, and analytical lab were close with no reported discrepancies in sample numbers and expected quantities. Samples were shipped and arrived at the laboratory in sealed and strapped pallets with no reports of signs of tampering or damage. Only KBW personnel handled the samples during the field process. The QAQC procedures indicated that there were no unexpected sample data that was not immediately checked with the laboratory to KBW satisfaction prior to release to the Issuer.

Lyons is of the opinion that the opportunity for manipulation of the iron oxide samples under these conditions to be negligible and no evidence of such manipulation was observed by several independent checks.

12 DATA VERIFICATION

12.1 Field Verification

Lyons visited the Snelgrove Property twice during the drilling program to verify that all aspects of the technical data collection, sampling, and security protocols were being followed, and, as QP for KBW on the Issuer's behalf, he conferred frequently with the field team responsible for the daily execution of the works described herein. Lyons observed and monitored the field data collection procedures described above and is satisfied that these are acceptable industry practice.

Lyons knows of no known limitations regarding the field data and considers these to be adequate for the purposes of the technical report.

12.2 Database Verification

Lyons reviewed a subset of the SGS Lakefield analytical certificates with the database entries and found no discrepancies. He also checked the drill logs for conformity with the core logging protocols. KBW database personnel reviewed all the analytical data importation and found them to be satisfactory using the QAQC checks in AcQuire as discussed in Section 11 above.

Lyons knows of no known limitations regarding the database data and considers these to be adequate for the purposes of the technical report.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

13.1 Historical Testwork

Historical testwork is taken from a technical report entitled "Independent Technical Report on Altius Minerals Corporation Snelgrove Lake Project", dated July 11th 2012 and prepared by Snowden Mining Industry Consultants Pty Ltd. ("Snowden"). The report was supplied to BBA Inc. ("BBA") by Mamba Minerals Ltd. ("Mamba") and includes exploratory grindability and metallurgical testwork results from samples selected from the Snelgrove property. All samples were identified as hematite-magnetite iron. The test program was executed at SGS Lakefield in Ontario, Canada.

Grindability testwork was done on a single bulk sample. Head assay and selected grindability test results are presented in Table 13-1 and Table 13-2 respectively.

Table 13-1: Head Assay of Bulk Sample

Fe (%)	SiO_2 (%)	S (%)	Fe_3O_4 (%)	MagFe (%)	Mag Rec Fe (%)
31.6	53.0	-0.01	13.8	10	31.6

Table 13-2: Grindability Testwork Results

Sample Name	Relative Density	Axb	Ta	CEET Ci	SPI (min.)	CWi (kWh/t)	RWi (kWh/t)	BWi (kWh/t)
Mini bulk #2	3.48	31.0	0.23	9.3	184	17.7	18.6	17.7

Metallurgical testwork was done on four magnetite-rich and two hematite-rich samples, pulverized to a P_{100} of 45 µm. Tests included Davis tube (DT) testing with DT tailings being tested by heavy liquid separation (HLS). Weight recoveries of 30-55% and Fe grades of 64-69.5% were reported.

13.2 Preliminary Testwork Program

Though earlier testwork explored the possibility of beneficiation by magnetic and gravity separation, the follow-up testwork was re-oriented on exploring the potential of mineralized material from the Snelgrove property as direct shipping ore (DSO) material. The testwork program remained preliminary in nature.

13.2.1 Sample Selection

Seven samples were involved in the test program. Four samples from the Snelgrove Lake deposit were submitted to grindability testing, while three crushed core samples were used in metallurgy testwork along with one grindability test reject. Samples were selected by Mamba. BBA did not visit the site or Mamba's core shack facilities.

13.2.2 Grindability Testing

Four samples were selected by Mamba for CEET® Crusher Index, SAG Power Index (SPI®), and Bond ball mill grindability testing at SGS Lakefield. Test results are summarized in Table 13-3:

Table 13-3: Head Assay of Bulk Sample

Sample Name	CEET Ci	SPI (minutes)	BWi (kWh/t)
MMET-01 H	2.5	184.3	12.4
MMET-02 H	0.9	147.8	14.0
MMET-03 H	2.9	192.0	17.9
MMET-04 H	1.9	179.2	16.4

These results were consistent with the exploratory testwork supervised by Snowden in showing a fairly competent material. Comparison by SGS Lakefield of these results against their database led to their qualification of the material as "very hard". The Bond ball mill grindability (BWi) test results were average when compared to SGS Lakefield's database. Based upon BBA's experience, the BWi is consistent with other iron ore properties in the region.

13.2.3 Metallurgy Testing

Metallurgy tests were conducted to explore the material's potential as DSO. For this purpose, tests were limited to crushing, scrubbing and screening, size fraction analyses (SFA), HLS, and whole rock analysis (WRA) characterization. Test results are summarized in Table 13-4.

Table 13-4: Head Assay of Bulk Sample

Sample	Test	Particle Size µm	Calc Head		Grade		Test Recovery		
			Fe %	SiO_2 %	Fe %	SiO2 %	Wt. %	Fe %	SiO_2 %
MET-1305	HLS-1	-3350	54.1	19.5	56.7	16	95.4	99.4	78.7
	S-1	-3350/+212	54.1	19.5	54.4	19.3	84.8	84.8	81.4
	S-5	-850/+20	54.4	19.3	54.6	18.8	92	92.3	91
MET-1306	HLS-2	-3350	44.1	34.2	46.6	30.5	90.1	98.9	74.7
	S-2	-3350/+212	44.1	34.2	44.7	33.6	84.9	84.9	83.9
	S-6	-850/+20	44.7	33.6	44.4	34.1	91.4	91.2	92.1
MET-1308	HLS-3	-3350	41.2	38.6	46.1	31.6	85.5	98.6	66.4
	S-3	-3350/+212	41.2	38.6	40.5	39.9	85	85	84.4
	S-7	-850/+20	40.5	39.9	40.7	39.4	92	91.6	92.7
MMET-03H	HLS-4	-3350	38.6	42.3	42.7	36.7	89.9	98.8	77.8
	S-4	-3350/+212	38.6	42.3	38.2	43.3	91.6	91.6	91.6
	S-8	-850/+20	38.2	43.3	38.3	43.1	92.1	92	92.5

For all cases, SFA analyses showed virtually no deportment of the iron according to size fraction (results are not presented here). HLS tests (identified as tests HLS-"1-4") were done at a P_{100} of 3,350 µm and showed marginal upgrading of the sink fraction from the head. Scrubbing and screening tests were also done at 212 and 20 µm (identified as tests S-"1-8") with material at a P_{100} of 3,350 and 850 µm, respectively. For all cases, upgrade of the material proved negligible with very high SiO_2 content remaining.

Desliming (desanding) tests were also included in the testwork program, but results showed only a slight decrease of the grade of the sand and the production of slime with a grade marginally better than the head.

13.2.4 SEM Analyses

Iron-rich core samples were randomly selected by SGS Lakefield for scanning electron microscopy (SEM) and energy dispersive spectroscopy (EDS) analyses. Images presented finely disseminated silica and iron oxide. An example of selected section is presented in Figure 13-1with the spectroscopy results in Table 13-5.

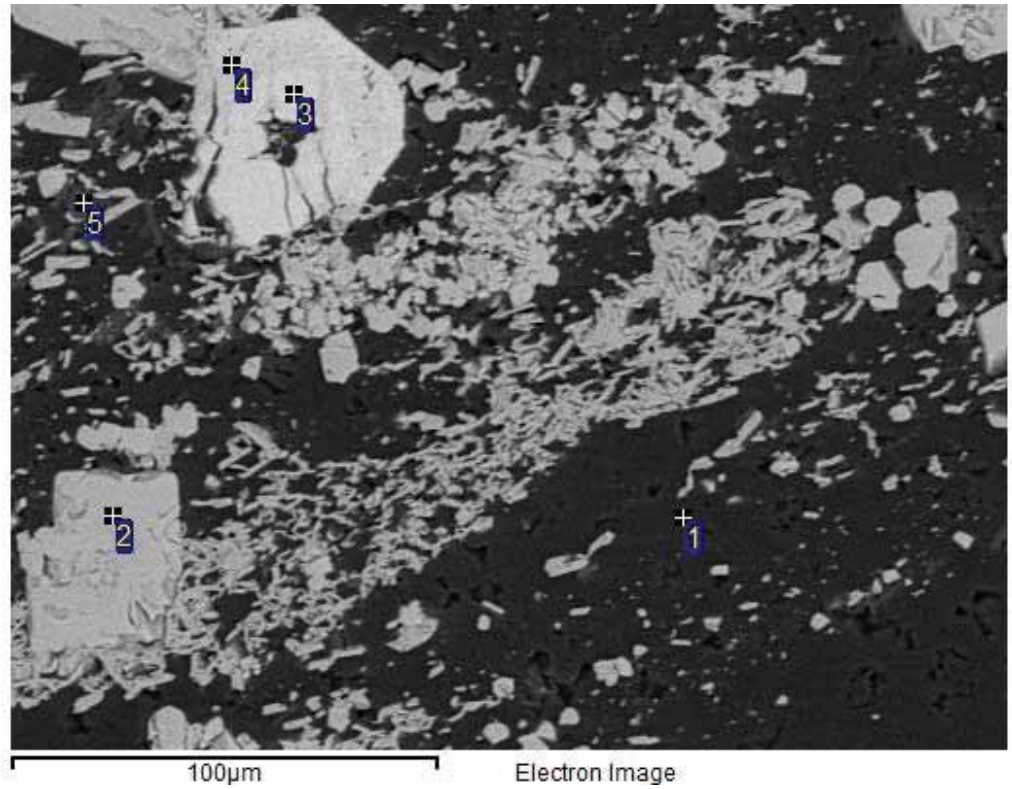

Figure 13-1: MMET-04 SEM Imaging

Table 13-5: MMET-04 Spectroscopy Results

Spectrum	O (%)	Si (%)	Mn (%)	Fe (%)	Total (%)	Mineral ID
1	50.8	48.5		0.8	100	Quartz
2	30.7	0.7	0.7	67.9	100	Fe Oxide
3	30.6			69.4	100	Fe Oxide

All results in weight %

13.2.5 Metallurgical Recommendations

The material sampled from the Snelgrove property did not prove amenable to traditional direct shipping processing. Based on test results and SEM analyses from the submitted samples, BBA would qualify the material as DSO at this point and would recommend reorienting the testwork objectives to explore the amenability of this same material to beneficiation by magnetic or gravity separation.

14 MINERAL RESOURCE ESTIMATES

Not applicable.

15 MINERAL RESERVE ESTIMATES

Not applicable.

16 MINING METHODS

Not applicable.

17 RECOVERY METHODS

Not applicable.

18 PROJECT INFRASTRUCTURE

Not applicable.

19 MARKET STUDIES AND CONTRACTS

Not applicable.

20 ENVIRONMENTAL STUDIES, PERMITTING, AND SOCIAL OR COMMUNITY IMPACT

This section provides a general overview of any known potential environmental and or social effects of the project provide a synopsis of the regulatory considerations for both the Federal and Provincial governments and an overview of the Aboriginal groups whom will likely be associated with any development work on the Snelgrove project.

20.1 Environmental Baseline Study (EBS)

Based on the early stage exploration works on the property, the Issuer has yet to conduct any environmental baseline work on the Snelgrove property and there is no known historical environmental work completed by previous claim-holders. Due to the lack of significant development projects in the direct vicinity of the project, there is little information available on any environmental considerations which could potentially affect development of the Snelgrove project. During consultations with Aboriginal groups and provincial regulators, no potential environmental negative effects were identified.

There is no known mining or quarrying of bedrock on the Property.

20.2 Ore, Waste, and Tailings Characterization

An environmental characterization of ore, waste (and if possible tailings) must be carried out on the property at some stage of project development. This is particularly important for the Snelgrove project since little carbonate is present in the ore and possibly in the waste rocks as well.

The following tests must be performed:

- Elements content by partial acid digestion (aqua regia);
- Acid Generation Potential (Modified Acid Base Accounting) ;
- Static leaching tests (TCLP-USEPA1311, SPLP-USEPA1312, Environment Canada CTEU-9) and characterization of leachates.

Kinetic tests could be necessary to confirm the results of the static tests.

These tests can be considered during the next phase of exploration.

20.3 Regulatory Framework

20.3.1 Provincial Government (Newfoundland and Labrador)

The Snelgrove Property is situated within the Province of Newfoundland and Labrador (“NL”). Mining projects that fall within the province of NL are all governed by provincial guidelines, regulations and legislation. All mining projects would be subject to an Environmental Assessment (“EA”) under the provincial Environmental Protection Act, SNL 2002 cE-14.2 (“Act”), and associated Environmental Assessment Regulations, 2003.

20.3.2 Provincial Environmental Assessment

A development of a mine at the Snelgrove Project would be subject to a Provincial Environmental Assessment. As identified in the Government of Newfoundland and Labrador, Department of Environment and Conservation, Environmental Assessment Guide 2012, ("Guide"), the purpose of Environmental Assessment is as follows:

The purpose of the Act is "to facilitate the wise management of the natural resources of the province and to protect the environment and quality of life of the people of the province". It requires anyone who plans a project that could have a significant impact on the natural, social or economic environment to present the project for examination. The EA process ensures that development projects proceed in an environmentally acceptable manner. When the potential environmental effects of projects are of concern, the EA process generates real benefits by: (i) providing for comprehensive project planning and design, (ii) maximizing environmental protection, (iii) enhancing government coordination, accountability and information exchange, and (iv) facilitating permitting and regulatory approval of projects.

The Environmental Assessment Division of the Department of Environment and Conservation administers the EA process including: (i) consulting at every stage with interested government departments and the public, (ii) evaluating submissions by proponents and reviewers, (iii) advising the Minister on potential environmental effects prior to decisions and (iv) monitoring approved undertakings to ensure compliance and effectiveness of mitigation."

The Environmental Assessment process for Newfoundland and Labrador is:

"STEP ONE: REGISTRATION AND REVIEW

An undertaking that is subject to the Act is required to be registered with the Department for examination. The registration describes the proposed project and outlines how it will affect the bio-physical and socio-economic environments. Proponents must demonstrate in the registration document how the best practicable technology and methods will be used to minimize harmful effects.

STEP TWO: MINISTER'S DECISION

Within 45 days of receiving a registration, the Minister will advise the proponent of the decision on the undertaking. All decisions will be announced in the EA Bulletin within 10 days of notifying a proponent. There are four options for Ministerial decisions:

1. *The undertaking may be released*. The proponent may proceed as indicated in the registration, subject to any terms and conditions that the Minister may set, other Acts or regulations (federal, provincial or municipal). No permits, approvals or authorizations are to be issued or any associated physical activities are to proceed, until the project is released from the assessment process.

2. *An Environmental Preview Report (EPR) may be required*. An EPR is required when additional information is needed that is not contained in the registration. Upon receipt of the EPR the Minister may judge whether a project may be released or if an Environmental Impact Statement (EIS) is necessary.
3. *An Environmental Impact Statement (EIS) may be required*. The submission of an EIS is ordered where significant potential negative environmental effects are indicated or where there is significant public concern about a proposal. An EIS includes a comprehensive environmental review of a complete project description including alternatives, original research on the existing environment, identification and evaluation of potentially significant environmental effects, an evaluation of proposed mitigation measures to minimize harmful effects, and monitoring programs.
4. *The undertaking may be rejected*. This may occur if an unacceptable environmental effect is indicated, the undertaking is not in the public interest, and/or if the undertaking is inconsistent with an existing law or government policy. A decision to reject would be made by Cabinet.

STEP THREE: PREPARATION OF EPR/EIS GUIDELINES

Assessment Committee: When an EPR or EIS is ordered, the Minister will appoint an Assessment Committee, in accordance with section 5 of the Regulations. Committees are comprised of technical experts from both provincial and federal government departments with an interest in a given project. The committee is chaired by a staff person from the Environmental Assessment Division. The basic roles of committees include: (i) recommending EPR and EIS guidelines for issuance by the Minister, (ii) reviewing and evaluating the EPR and EIS documents submitted by the proponent, (iii) reviewing public submissions, (iv) providing advice to the Minister. Proponents are guided by the Committee during the course of preparing the guidelines, the EPR and the EIS documents.

EPR and EIS Guidelines: Guidelines are based on comments received during the review of the registration and meetings with the proponent, government agencies and public groups. The Assessment Committee will consult with the proponent during the course of preparing Guidelines. Guidelines will focus on the main unanswered questions in determining the significance of environmental effects. EPR Guidelines are issued by the Minister to the proponent within 60 days of the EPR decision and then made available to the public. EIS Guidelines are issued within 120 days of the EIS decision and are subject to a 40 day public review prior to approval by the Minister.

STEP FOUR: PROPONENT PREPARATION OF EPR/EIS

The Environmental Assessment Division will endeavour to facilitate the process for proponents at all stages.

Proponent prepares an Environmental Preview Report. An EPR will focus on the main unanswered questions in the registration, based on EPR Guidelines. EPRs typically rely on existing information and no original fieldwork is required.

Proponent prepares an Environmental Impact Statement. An EIS will focus on key issues relating to the effects of the project on both the bio-physical and socio-economic environments, based on EIS Guidelines. Original research is often required on the existing environment and anticipated effects. The EIS is required to contain information as outlined in Section 57 and 58 of the Act.

In the course of gathering data for an EIS, the proponent is required to implement a public information program for the area affected by the undertaking. Through such a program, local residents will be fully informed of the nature of the project and its effects on the environment, and copies of all reports on original studies undertaken for the EIS will be made available. The concerns of the public must be recorded and addressed in the EIS.

STEP FIVE: EPR/EIS REVIEW AND DECISION

The EPR approval process is contained in section 54 of the Act and section 7 of the Regulations including receipt of the EPR, Ministerial announcement, public review and comment, EA Committee recommendation and Minister's acceptance and decision.

The EIS approval process is defined in sections 57 to 67 of the Act and section 11 of the Regulations and includes the following steps: receipt of the EIS; Ministerial announcement; public review and comments; EA Committee recommendation and Minister's acceptance; Ministerial recommendation to Cabinet; and Cabinet decision. If there is strong public interest or concern regarding an undertaking, the Minister may request Cabinet to appoint an environmental assessment board for the purpose of conducting public hearings.

Cabinet may reject any undertaking where (i) unacceptable impacts are identified, (ii) the undertaking is contrary to law or policy, and (iii) it is in the public interest to do so. "

20.3.3 Federal Government (Canada)

In August 2012, the federal government released a revised Federal Environmental Assessment process. The principle changes include:

- Screenings which were the lowest level of federal review have been eliminated with the goal of a fewer number of projects to be reviewed under CEAA
- the responsibility for carrying out federal environmental assessments has been concentrated into now three government bodies, CEAA, National Energy Board ("NEB"), and Canadian Nuclear Safety Commission ("CNSC"), rather than spread out across many federal authorities as before
- Environmental assessments would focus on federal aspects of designed projects, as the definition of environmental effects is now largely limited to federal matters
- The time limits for most environmental assessments must be completed in one year, while panel review assessments are limited to two years

- CEAA 2012 provides greater authority which the federal government likely intends to use to defer projects to provincial environmental assessments processes

Development projects in Canada are typically reviewed by both the Federal and Provincial governments. There is an established Federal-Provincial Integration process whereby if the Federal Minister of Environment is satisfied that the requirements as set out in the Canadian Environmental Assessment Agency ("CEAA") 2012 process can be met by a provincial process, the minister could make a decision about the project using an environmental assessment report prepared by the province.

During a Federal Environmental Assessment, the main factors which will be considered include:

- environmental effects, including environmental effects caused by accidents and malfunctions, and cumulative environmental effects,
- significance of those environmental effects,
- public comments,
- mitigation measures and follow-up program requirements,
- purpose of the designated project,
- alternative means of carrying out the designated project,
- changes to the project caused by the environment,
- results of any relevant regional study, and
- any other relevant matter

20.4 Territorial Claims and Regional Relations

The Snelgrove Project is wholly situated within the Province of Newfoundland and Labrador ("NL"). It is the responsibility of the province of NL to consult Aboriginal groups pertaining to project development on the Snelgrove Project; however the province may delegate procedural aspects of consultation to the Issuer to carry out. Should the Province delegate a procedural aspect to Mamba, it will remain the responsibility of the Province to ensure the delegated consultation is conducted in an effective manner.

During the permitting process for the 2013 exploration drill program, the Government of NL consulted five different aboriginal groups who assert Aboriginal rights to the area which the Snelgrove project is located. The five groups consist of:

- Innu Nation of Labrador ("Innu Nation")
- Council of La Nation Innu Matimekush-Lac John ("Matimekush-Lac John")
- Innu Takuaikan Uashat mak Mani-Utenam ("ITUM")
- Naskapi Nation of Kawawachikamach ("Naskapi Nation")
- NunatuKavut Community Council ("NunatuKavut")

Each of the aforementioned Aboriginal groups will likely continue to be consulted by the NL government during any and all work or development programs on the Snelgrove project. Each of the five groups

assert Aboriginal rights to the area of the Snelgrove project, with only the Innu Nation having advanced treaty negotiations to a stage of an Agreement in Principle. The Issuer has also consulted directly with each of the five groups to establish its own relationship and demonstrate its commitment to open and respectful communications with the communities.

The Innu Nation is comprised of two Innu First Nations, the Mushuau Innu First Nation located in Natuashish in North Eastern Labrador, and the Sheshatshiu Innu First Nation located in Sheshatshiu in central Labrador. Both first nations are governed by the Innu Nation. The Innu Nation signed an Agreement in Principle ("AIP") with the provincial government in September 2008. However the final agreement has yet to be signed and land claim negotiations are still ongoing between the Innu Nation, and the provincial and federal governments. Within the AIP, there is an area defined as the Economic Major Development Impacts and Benefits Agreement Area in which the Snelgrove property falls. As currently defined in the AIP, the rights in this area are focused towards the Innu Nation rights to acquire and Impact Benefit Agreement ("IBA") for a major development in this area, while continuing to have the rights to hunt and harvest in the region. The Innu Nation has signed IBA's with companies operating within the Schefferville region for projects that fall within the border of NL.

The communities Matimekush-Lac John and ITUM are located in Quebec and are part of the Ashuanipi Corporation, which has represented them in comprehensive territorial negotiations since 2006. Both Innu groups assert Aboriginal rights within both the province of Quebec and NL.

The community of Matimekush-Lac John is located in near the border of Northwestern Labrador and only 3.5 km from the town of Schefferville, QC. It is the closest community to the Snelgrove project. The town of Schefferville and community of Matimekush-Lac John are very familiar with iron ore exploration and development as it was established as a town by the Iron Ore Company of Canada in 1954 to support the iron mining in the area. The communities of ITUM are located near the town of Sept Iles, QC, which is located about 500km south of the Snelgrove Project. Both Matimekush-Lac John and ITUM have also signed IBA's with companies operating within the Schefferville region for projects that fall within the border of NL.

The Naskapi Nation of Kawawachikmach is also near the border of Northwestern Labrador and located 16km northeast of the town of Schefferville. The community is also familiar with iron ore mining and has also signed IBA's with companies operating within the Schefferville region for projects that fall within the border of NL.

NunatuKavut was previously known as the Labrador Metis Nation. However, in 2010, it changed its name to NunatuKavut to reflect its members' Inuit heritage. NunatuKavut has a number of communities along the Southeastern coast of Labrador. Only recently in 2012 and August 2013 has the NunatuKavut signed agreements with mining companies who operate in the Schefferville region for projects that fall within the province of NL.

The Issuer will need to continue its consulting efforts directly with the local Aboriginal groups, local communities and businesses to ensure a smooth process of project development. It will have to

consider the signing of IBA's with the Innu Nation, Matimekush-Lac John, ITUM, and the Naskapi Nation, and likely a cooperation agreement with the NunatuKavut as the project advances.

21 CAPITAL AND OPERATING COSTS

Not applicable.

22 ECONOMIC ANALYSIS

Not applicable.

23 ADJACENT PROPERTIES

The Snelgrove Lake Property is located on eastern edge of the Labrador Trough. The Labrador Iron Mines Limited's ("LIM") Sawyer Lake Deposit is located immediately southeast of the Property and Cap-Ex Iron Ore's Snelgrove Property borders the entire eastern side of the property. LIM reported the historical resource of the Sawyer Lake iron deposit, which is not-compliant with current NI 43-101 standards, as 61.8% Fe and 11.5% SiO_2 based on internal estimations from IOCC documents prior to 1983 (Labrador Iron Mines, 2012). The deposit characteristics may not necessarily be indicative of mineralisation on the Snelgrove Property. Lyons has not independently reviewed the reported non-compliant resource.

Century iron Mines Corporation ("Century") has large land holdings in the area, including the Attikamagen Project to the north of the Property.

There are currently no producing mines in the immediate vicinity of the Project. Most of the known iron ore deposits in the northern area of the Trough are located northwest of the Project.

24 OTHER RELEVANT DATA AND INFORMATION

No other relevant data or information is known to the author that is not disclosed in this report.

25 INTERPRETATION AND CONCLUSIONS

25.1 Interpretation

The iron-bearing Sokoman Formation is exposed on the property for over 40 km of unfolded strike length. The Sokoman Fm stratigraphy is partly reduced in volume by the co-deposition of Nimish basalt flows and volcaniclastics, which do not host iron oxide beds.

Three potentially economic target styles occur on the Property. The most widespread is the original magnetite-rich taconite chemical sediments, which have been metamorphosed to greenschist facies with modest recrystallization. This lithology covers the entire strike length on the property and is the original lithology from which the later oxidized mineral types were derived. The grades from the four drillholes in this material (MM-13-01 through -04) drilled in the Kenty Lake area in the northern part of the Property showed the typical grade distribution seen in the other taconite and metataconite iron deposits in the region with many samples in the 25-35% Fe range. The grain size noted in the initial metallurgical testwork is typically very fine. Mining technology and milling practice are well known for these types of mineralization.

The other two types depend on concentrations of iron as later hematite replacing the original taconite to increase the Fe-oxide grade from 40% to >55% Fe to locally form potential hematite ore. The alumina and silica levels must be low for these to be economic. The techniques and milling practices for these ores are known from the decades of mining experience by IOCC in the Schefferville area after WW 2 as well as modern experience in Australia. The principal known areas for these types of oxidized types lies in the southern half of the Property, although they may occur elsewhere toward the north and west.

One type is locally called “steel rail ore” and consists of steel-blue specular hematite with quartz gangue. Alumina, phosphorus, and other potentially deleterious elements are typically well below market maxima. The deposits appear to form as hypogene alteration, likely caused by dewatering of the basin or perhaps during diagenesis as the tectonic collapse of the Trough basin(s). These are similar to DSO replacement deposit styles in Australia and Brazil. These are localised by fault structures, rather than stratigraphic controls. To date in the Trough as well as on the Property, the “steel rail” type has not been found in larger continuous deposits. This may be a matter that the known occurrences form more in the central and eastern parts of the Trough, where outcrop is scarce. As well, given the high grades, such as at Sawyer Lake, immediately southeast of the Property, with +55% Fe, the size of the deposit can be much smaller than a taconite deposit to be equally economic. Thus the exploration techniques rely on detailed magnetic and gravity surveys to refine potential targets. The Phase 2 works reported here have developed a number of targets worthy of further exploration.

The second type is the earthy ferric hydroxides, including earthy hematite, limonite (“ochreous goethite”), and goethite. These replace the original taconite and may affect the “steel rail” type above by conversion to late hematite as well. This type has been the principal ore type for the IOCC DSO mines

around Schefferville. Their controls are thought to be governed by deep weathering processes along faults and fractures. They appear to overprint the steel rail type to some degree as well.

25.2 Conclusions

The Snelgrove Property includes over 40 km of Sokoman Formation iron horizons the length of the claims with high topographic relief. The presence of several economically important iron mineralization types occurring together that have been proven iron sources in the Labrador Trough increases the exploration potential. Work to date has focused to testing both the taconite type and two types of oxidized iron deposits. Given the size of the property, the Issuer has many targets to test.

The CLC area and other zones along the lower part of the Sokoman Fm show significant areas of enriched oxidized hematite replacing taconite. The CLC section with the best developed data shows the Sokoman Fm true width of approximately 150 m which has been tested to a vertical depth of at least 240 m. Drilling along the trend is on the order of 800 m spaced single drillholes across approximately 4km, with all holes showing mineralization of enriched oxidized hematite replacing taconite. This area appears to be a significant target for further exploration. Mineral processing testwork is needed to determine the recovery parameters of the material. The Issuer has already commenced this work; the recommended program includes allocation to complete the studies.

The interpretation of hole MM-09 and higher are based on visual estimation at this time, since no samples were analyzed from these holes.

Given the variable parameters of successful iron mines, the Issuer is implementing a geometallurgical approach to evaluating not only grades but also the aspects of recovery and upgrading of oxide mineral types. Careful development of such criteria will aid in efficient exploration expenditures as well as future resource estimations.

Taconite targets occur throughout the Property and offer additional targets.

The Snelgrove Property warrants further exploration work.

26 RECOMMENDATIONS

Based on past expenditures and unit costs, the proposed program for the next phase of work includes 5,000 metres of core drilling, significant metallurgical testwork to develop geometallurgical criteria, and associated analytical, field, office, overhead costs plus a contingency factor. The total budget is $ 5,460,000 as shown in Table 26-1 below. These costs and parameters are based on a summer-fall timeframe for execution.

Table 26-1: Proposed Phase 3 Budget

Item	Estimated Units	Cost
Drilling	5000m @ $350/m	$1,750,000
Assays	1500 samples @ $150	$225,000
Metallurgy		$400,000
Aircraft Support	550 hrs @ $1800	$990,000
Equipment Supplies		$250,000
Report Preparation		$35,000
Staff		$350,000
G&A	10%	$400,000
Sub-Total		$4,400,000
Contingency	15%	$660,000
Total		**$5,460,000**

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28 SIGNATURES & CERTIFICATES OF AUTHORS

This Technical Report, titled "Report on Geophysics and Diamond Drilling on the Snelgrove Property, Labrador Trough, Newfoundland and Labrador, Canada", is effective as of 20 December, 2013.

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