

**AMENDED AND RESTATED ARRANGEMENT AGREEMENT
BETWEEN**

NEVORO INC.

- and -

SHEFFIELD RESOURCES LTD.

Dated: June 9, 2008

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SCHEDULE “A” FORM OF ARRANGEMENT RESOLUTION
SCHEDULE “B” FORM OF PLAN OF ARRANGEMENT

AMENDED AND RESTATED ARRANGEMENT AGREEMENT

THIS AMENDED AND RESTATED ARRANGEMENT AGREEMENT
dated the 9th day of June, 2008 (the "**Agreement**").

AMONG:

NEVORO INC.,

a corporation incorporated under the laws of Canada,
(**"Nevoro"**)

- and -

SHEFFIELD RESOURCES LTD.,

a corporation continued under the laws of the Province of
British Columbia,
(the **"Company"** or **"Sheffield"**)

RECITALS:

- (A) Upon the terms and subject to the conditions set out in this Agreement (as defined below), the parties hereto intend to propose a statutory plan of arrangement under Section 288 of the *Business Corporations Act* (British Columbia) whereby Nevoro will purchase all of the issued and outstanding shares of the Company, on the terms set out in the Plan of Arrangement (as defined below) on the basis that Nevoro will become the holder of all of the outstanding shares of the Company;
- (B) The board of directors of the Company has determined that the business combination to be effected by means of the Plan of Arrangement is advisable and in the best interests of the Company and has unanimously approved the transactions contemplated by this Agreement and determined to recommend approval of the Plan of Arrangement and other transactions contemplated hereby to the holders of common shares of the Company; and
- (C) In furtherance of such business combination, the board of directors of the Company has agreed to submit the Plan of Arrangement and other transactions contemplated hereby to the shareholders of the Company and the Court (as defined below) for approval.

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

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement, unless the context otherwise requires:

“Acquisition Proposal” has the meaning ascribed thereto in Section 8.1(1);

“Affiliate” means, unless otherwise specified an affiliate within the meaning of Section 1.2 of National Instrument 45-106 – Prospectus and Registration Exemptions;

“Agreement” or **“Arrangement Agreement”** means this amended and restated arrangement agreement entered into between Nevoro and the Company on the date written above as well as all schedules hereto, as amended or supplemented from time to time in accordance with its terms;

“Alternative Transaction” shall have the meaning ascribed thereto in Section 2.12;

“Appropriate Regulatory Approvals” means those consents, authorizations, waivers, permits, exemptions, reviews, orders, rulings, decisions and approvals of, and any registrations and filings with, Governmental Entities, and the expiry, waiver or termination of any waiting or suspensory periods, in each case in connection with, or required to permit the Parties to consummate, the Arrangement;

“Arrangement” means the arrangement involving Nevoro and the Company under the provisions of Section 288 of the BCBCA on the terms and subject to the conditions set forth in this Agreement resulting, *inter alia*, in the acquisition by Nevoro of all of the issued and outstanding shares of the Company, all on such terms and subject to the conditions set out in this Agreement and as more particularly described in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement and the Plan of Arrangement or made at the direction of the Court;

“Arrangement Filings” means the records and information provided to the Registrar under Section 292(a) of the BCBCA that the Registrar requires, and the records filed under Section 292(a) of the BCBCA that the Registrar requires to give effect to the Arrangement, together with a copy of the Final Order;

“Arrangement Resolution” means the special resolution of the Shareholders, approving the Arrangement, substantially in the form of Schedule “A” attached hereto;

“Board of Directors of the Company” means the board of directors of the Company from time to time;

“Board of Directors of Nevoro” means the board of directors of Nevoro from time to time;

“BCBCA” means the *Business Corporations Act* (British Columbia) S.B.C., 2002, c. 57 as amended from time to time;

“Business Day” means any day of the week, other than a Saturday, a Sunday or a statutory or civic holiday observed in Toronto, Ontario or Vancouver, British Columbia;

“Canadian GAAP” means accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time applied on a consistent basis;

“Circular” means the notice of the Meeting and accompanying information circular, including all schedules and exhibits thereto, to be sent by the Company to the Company Securityholders in connection with the Meeting;

“commercially reasonable efforts” means, with respect to each party hereto, the agreement of such party to cooperate and to cause its affiliates to cooperate and to use and to cause its affiliates to use their respective reasonable efforts consistent with reasonable commercial practice without payment or incurrence of unreasonable expense or the requirement to engage in litigation;

“Company” means Sheffield Resources Ltd., a company continued under the laws of the Province of British Columbia;

“Company Balance Sheet” has the meaning ascribed thereto in Section 4.11;

“Company Common Share” means an issued and outstanding common share in the capital of the Company;

“Company Contacts” has the meaning ascribed thereto in Section 9.3;

“Company Disclosure Letter” means the letter of the Company dated as of the date of this Agreement and delivered by the Company to Nevoro;

“Company First Preferred Share” means a first preferred share in the capital of the Company, of which there are none issued or outstanding;

“Company Interested Person” has the meaning ascribed thereto in Section 4.20;

“Company Mining Rights” has the meaning ascribed thereto in Section 4.12;

“Company Option” means an outstanding option issued pursuant to the Company’s Stock Option Plan to acquire one Company Common Share;

“Company Optionholder” means a holder of a Company Option;

“Company Public Documents” means all forms, reports, schedules, statements and other documents required to be filed by the Company since January 1, 2006 with all applicable Securities Regulatory Authorities, or the TSX-V under applicable Laws;

“Company Second Preferred Share” means a second preferred share in the capital of the Company, of which there are none issued or outstanding;

“Company Securityholders” means, collectively, the Shareholders, Company Optionholders and Company Warrantholders;

“Company Stock Option Plan” means the stock option plan of the Company whereby each holder of a Company Option has the right to acquire one common share in the stock of the Company at an exercise price set by the Board of Directors of the Company;

“Company Warrant” means an outstanding common share purchase warrant to purchase a common share in the stock of the Company at an exercise price indicated in the applicable warrant certificate;

“Company Warrantholder” means a holder of a Company Warrant;

“Constating Documents” means, with respect to any corporate or other entity, the certificate and articles of incorporation, by-laws, articles of organization, limited liability company agreement, partnership agreement, formation agreement, joint venture agreement, unanimous shareholder agreement or declaration or other similar governing documents of such person;

“Contaminants” means any pollutant, contaminant or waste of any nature or any other substance or material regulated by or pursuant to any Environmental Laws, including, without limitation, any hazardous waste,

hazardous substance, hazardous material, toxic substance, dangerous substance, dangerous good, or deleterious substance, as defined, judicially interpreted or identified in or for the purposes of any Environmental Laws;

"Court" means the Supreme Court of British Columbia;

"Dissent Rights" means the rights of dissent as provided in the BCBCA in favour of registered Shareholders in respect of the Arrangement;

"Dissenting Shareholders" means Shareholders who, being entitled to do so, validly exercise Dissent Rights;

"Effective Date" means the date upon which all conditions to the completion of the Arrangement as set out in Article 6 of this Agreement have been satisfied or waived in accordance with this Agreement and all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably, and on which the Arrangement Filings are filed with the Registrar;

"Effective Time" means 12:01 a.m. (Toronto Time) on the Effective Date;

"Encumbrance" includes any mortgage, pledge, assignment, charge, lien, claim, statutory trust, security interest, adverse interest, other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

"Engagement Agreement" means the letter agreement between Nevoro and the Company dated April 24, 2008;

"Environmental Approvals" means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals and the like issued or required by any Governmental Entity pursuant to any Environmental Laws;

"Environmental Condition" means the generation, discharge, emission or release into the environment (including, without limitation, ambient air, surface water, groundwater or land), spill, receiving, handling, use, storage, containment, treatment, transportation, shipment or disposition prior to the Effective Date of any Contaminants by any Person or the presence or migration of any Contaminant in respect of which remedial action could be required under or pursuant to any Environmental Laws or as to which any liability is currently or in the future could be imposed upon any Person based upon the acts or omissions of any Person prior to the Effective Date;

“Environmental Laws” means all applicable Laws, including agreements with Governmental Entities, relating to the protection of the environment and employee and public health and safety, and includes Environmental Approvals;

“Final Order” means the final order of the Court approving the Arrangement as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;

“Governmental Entity” means (i) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign; (ii) any subdivision, agency, commission, commissioner, board, or authority of any of the foregoing; (iii) any Securities Regulatory Authority, self-regulatory authority, the TSX or the TSX-V; or (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“Interim Order” means the interim order of the Court made pursuant to the application therefor contemplated by Section 2.2 (or any variation thereof);

“Laws” means all laws (including common law and civil law), by-laws, statutes, rules, regulations, principles of law and equity, orders, ordinances, judgments, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity and the term “applicable” with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;

“Material Adverse Change” means, in respect of Nevoro or the Company, any one or more changes, events or occurrences and; **“Material Adverse Effect”** means, in respect of Nevoro or the Company, any fact or state of facts, circumstance, change, effect, occurrence or event which, in either case, either individually is or in the aggregate are, or could reasonably be expected to be, material and adverse to the condition (financial or otherwise), properties, affairs, assets, liabilities (contingent or otherwise), obligations (whether absolute, accrued, conditional or otherwise), capitalization, business, operations, results of operations or prospects of Nevoro and its Subsidiaries, or the Company and its Subsidiaries, respectively, taken as a whole, other than any change, event or occurrence attributable or relating to:

- (a) changes in general economic conditions or the securities markets;
- (b) changes affecting generally the precious and/or base metals mining sectors in which Nevoro or the Company conducts business, respectively;
- (c) the announcement of this Agreement or the consummation of the transactions contemplated by this Agreement, or any actions by Nevoro or the Company taken pursuant to this Agreement, taken as a whole; or
- (d) a change in the market price or trading volume of Nevoro Common Shares or Company Common Shares provided, however, that any fact, circumstance, change, effect, occurrence or event underlying such change in the market price or trading volume that is not excluded under clauses (a) and (b) hereof, may be considered in determining whether there has been a Material Adverse Change or Material Adverse Effect.

provided, however, that such effect (in (a) or (b) above) does not primarily relate only to (or have the effect of primarily relating only to) Nevoro or its Subsidiaries, or the Company or its Subsidiaries, respectively, or disproportionately adversely affect Nevoro or its Subsidiaries or, the Company or its Subsidiaries, taken as a whole, compared to other companies operating in the industry in which Nevoro or its Subsidiaries or, the Company or its Subsidiaries, operate, in which case, the relevant exclusion from this definition of Material Adverse Effect referred to above shall not be applicable. The terms "material" and "materially" shall, when used in this Agreement, be construed, measured or assessed on the basis of whether the matter would materially affect a Party and its affiliates, taken as a whole;

"Meeting" means the special meeting of the Shareholders, including any adjournment, adjournments, postponement or postponements thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

"Meeting Date" means the date on which the Meeting is held, which date shall be on or before July 25, 2008;

"Misrepresentation" has the meaning ascribed thereto in the Securities Act;

"Nevoro" means Nevoro Inc., a corporation incorporated under the laws of Canada;

"Nevoro Balance Sheet" has the meaning ascribed thereto in Section 3.13;

"Nevoro Common Share" means a common share in the capital of Nevoro;

"Nevoro Disclosure Letter" means the letter of Nevoro dated as of the date of this Agreement and delivered by Nevoro to the Company;

"Nevoro Option" means an option to acquire one Nevoro Common Share issued pursuant to the Nevoro Stock Incentive Plan;

"Nevoro Public Documents" means all forms, reports, schedules, statements and other documents required to be filed by Nevoro since January 1, 2007 with all applicable Securities Regulatory Authorities or the TSX under applicable Laws;

"Nevoro Stock Incentive Plan" means the stock incentive plan adopted by Nevoro dated May 16, 2007, as amended;

"Nevoro Warrants" means the outstanding share purchase warrants to purchase an aggregate of 2,089,262 Nevoro Common Shares at an exercise price of \$0.25, of which 904,500 expire October 7, 2008, 45,762 expire December 29, 2008, 1,124,000 expire February 5, 2009 and 15,000 expire March 7, 2009;

"Outside Date" means December 31, 2008, or such other date as may be mutually agreed to by the Parties in writing;

"Parties" means the Company and Nevoro; and **"Party"** means any one of them;

"Person" includes an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrator, legal representative, Governmental Entity or any other entity, whether or not having legal status;

"Plan of Arrangement" means, in relation to the Arrangement, the plan of arrangement substantially in the form and having the content of Schedule "B" hereto, together with any and all amendments or variations thereto made in accordance with the provisions hereof or made at the direction of the Court;

"Prohibited Payments" mean any offer, gift, payment, promise to pay or authorization to pay money or anything of value to or for the use or benefit of any government official (including employees and directors of government-owned companies and other state enterprises), political party, party official, candidate for public office or employee of a public international organization

in an effort to win or retain business or secure any improper advantage or that otherwise would violate any Laws or is generally considered to be improper or inappropriate;

“Registrar” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA;

“Replacement Option” has the meaning ascribed thereto in Section 2.4(c);

“Securities Act” means the *Securities Act* (Ontario), and the rules, regulations and published policies made thereunder, as now in effect and as may be amended from time to time prior to the Effective Date;

“Securities Laws” means all applicable provincial and territorial securities laws, rules and regulations and published policies thereunder in Canada;

“Securities Regulatory Authorities” means the applicable securities commission or regulatory authority in each province and territory of Canada;

“SEDAR” means the System for Electronic Document Analysis and Retrieval;

“Share Consideration” means 0.80 of one Nevoro Common Share issued pursuant to the Arrangement for each Company Common Share issued and outstanding immediately prior to the Effective Time;

“Shareholder” means a holder of a Company Common Share;

“Subsidiary” means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at any time directly or indirectly owned by such Person and shall include any body corporate, partnership, joint venture or other entity in which it exercises direction or control or which is in a like relation to a Subsidiary;

“Superior Proposal” has the meaning ascribed thereto in Section 8.1(2);

“Tax Act” means the *Income Tax Act* (Canada), and the regulations promulgated thereunder, as now in effect and as it may be amended from time to time prior to the Effective Date;

“Taxes” includes any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Entity, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect

thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping duties, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions;

"Tax Return(s)" includes all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by law in respect of Taxes;

"Termination Fee" has the meaning ascribed thereto in Section 7.2(1);

"Termination Fee Event" has the meaning ascribed thereto in Section 7.2(1);

"Title Opinion" has the meaning ascribed thereto in Section 6.2(q);

"Transaction" means the transaction contemplated herein;

"TSX" means the Toronto Stock Exchange;

"TSX-V" means the TSX Venture Exchange; and

"United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

Section 1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, Subsections and Paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, Subsection, Paragraph or Schedule by number or letter or both refer to the Article, Section, Subsection, Paragraph or Schedule, respectively, bearing that designation in this Agreement. References in this Agreement to "including" shall be deemed to have the meaning "including, without limitation".

Section 1.3 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender include

all genders. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 1.4 Date for Any Action

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

Section 1.5 Currency

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

Section 1.6 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement in respect of the Company shall have the meanings attributable thereto under Canadian GAAP and all determinations of an accounting nature in respect of the Company required to be made shall be made in a manner consistent with Canadian GAAP, and with the Company's past practice.

Unless otherwise stated, all accounting terms used in this Agreement in respect of Nevoro shall have the meanings attributable thereto under Canadian GAAP and all determinations of an accounting nature in respect of Nevoro required to be made shall be made in a manner consistent with Canadian GAAP, and with the Company's past practice.

Section 1.7 Construction

The language used in this Agreement is the language chosen by the Parties to express their intent, and no rule of construction to the effect that any ambiguity is to be resolved against the drafting Party shall be applied against any Party.

Section 1.8 Statutory References

A reference to a statute includes all rules, regulations, policies and blanket orders made pursuant to such statute and, unless otherwise specified, the provisions of any statute, regulation, rule, policy or blanket order which amends, supplements, replaces or supersedes any such statute, regulation, rule, policy or blanket order.

Section 1.9 Knowledge

In this Agreement, unless otherwise stated, references to "the knowledge of" the Company or its Subsidiaries means the actual knowledge of the directors and executive officers of the Company or its Subsidiaries, after reasonable inquiry.

In this Agreement, unless otherwise stated, references to “the knowledge of” Nevoro or its Subsidiaries means the actual knowledge of the directors and executive officers of Nevoro or its Subsidiaries, after reasonable inquiry.

Section 1.10 Disclosure Letters

For the purpose of the representations and warranties in Article 4, the Company has contemporaneously with the execution of this Agreement delivered to Nevoro the Company Disclosure Letter arranged in sections and subsections corresponding with sections and subsections of Article 4 with the disclosure in any section or subsection of the Company Disclosure Letter qualifying the corresponding section or subsection of Article 4. The Company Disclosure Letter also contains disclosure in respect of certain covenants of the Company contained in Article 5 arranged in sections and subsections corresponding with sections and subsections of Article 5 with the disclosure in any section or subsection of the Company Disclosure Letter qualifying the corresponding section or subsection of Article 5. Disclosure by the Company in any particular schedule, section, subsection or exhibit of the Disclosure Letter will be deemed to be disclosure of the information for all purposes of this Agreement.

For the purpose of the representations and warranties in Article 3, Nevoro have contemporaneously with the execution of this Agreement delivered to the Company the Nevoro Disclosure Letter arranged in sections and subsections corresponding with sections and subsections of Article 3 with the disclosure in any section or subsection of the Nevoro Disclosure Letter qualifying the corresponding section or subsection of Article 3.

Section 1.11 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Schedule “A” - Form of Arrangement Resolution

Schedule “B” - Plan of Arrangement

ARTICLE 2 ARRANGEMENT AND RELATED MATTERS

Section 2.1 The Arrangement

The Parties agree to carry out the Arrangement in accordance with this Agreement on the terms set out in the Plan of Arrangement, subject to such changes as may be mutually agreed to by the Parties in accordance with this Agreement.

Section 2.2 Implementation Steps by the Company

The Company covenants in favour of Nevoro that the Company shall:

- (a) as soon as reasonably practicable and in any event on or before June 23, 2008, bring an application before the Court pursuant to section 291 of the BCBCA for the Interim Order in a manner and form acceptable to Nevoro, acting reasonably, providing for, among other things, the calling and holding of the Meeting, and thereafter proceed with and diligently pursue obtaining the Interim Order in such form;
- (b) fix a record date for the purposes of determining Company Securityholders entitled to receive notice of the Meeting and Shareholders entitled to vote thereat of June 20, 2008, and shall not change the record date without the prior written consent of Nevoro;
- (c) convene and hold the Meeting as soon as reasonably practicable and in any event on or before July 25, 2008 in accordance with the Interim Order and applicable Laws for the purpose of considering the Arrangement Resolution and for any other proper purpose as may be set out in the Circular and agreed to by Nevoro;
- (d) except to the extent required by a Governmental Entity, not adjourn, postpone or cancel (or propose any adjournment, postponement or cancellation of) the Meeting without the prior written consent of Nevoro;
- (e) solicit and take all steps necessary (including relevant disclosure in the Circular) to allow Nevoro directly or through representatives, to solicit from Shareholders proxies in favour of the Arrangement Resolution and against any resolution submitted by any other Shareholders and take all other action that is necessary or desirable to secure the approval of the Arrangement Resolution by Shareholders;
- (f) provide notice to Nevoro of the Meeting and allow representatives of Nevoro and its legal counsel to attend and speak at the Meeting;
- (g) subject to obtaining such approvals as are contemplated by the Interim Order, bring an application, as soon as reasonably practicable after the Meeting but in any event not later than three (3) Business Days thereafter, before the Court pursuant to section 291 of the BCBCA for the Final Order in a manner and form acceptable to Nevoro, acting reasonably, and thereafter proceed with and diligently pursue obtaining the Final Order in such form;

- (h) subject to obtaining the Final Order and the satisfaction or waiver of the conditions set forth in Article 6, take all steps and actions, including without limitation, making all necessary filings with Governmental Entities, including the Arrangement Filings, to give effect to the Arrangement, in a manner and form acceptable to Nevoro acting reasonably;
- (i) instruct counsel of the Company to bring the applications referred to in subsections (a) and (g) of this Section 2.2 in co-operation with Nevoro's counsel on a timely basis;
- (j) comment upon drafts of all materials prepared by Nevoro and its legal counsel to be filed by the Company with the Court or any Securities Regulatory Authority in connection with the Arrangement (including the Circular and any supplement thereto or amendment thereof) prior to the service and/or filing of those materials and work with Nevoro to ensure that the same are in compliance with the Company's disclosure obligations under applicable Laws. In addition, the Company will not object to legal counsel of Nevoro making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided the same, in the reasonable opinion of the Company or its counsel, are not in any manner detrimental, adverse or prejudicial to the Company or the Company Securityholders. The Company shall also provide to Nevoro's counsel on a timely basis with copies of any notice of appearance and evidence or other court documents served on the Company or counsel to the Company in respect of the application for the Interim Order and the Final Order or any appeal therefrom and of any notice, whether written or oral, received by the Company indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order; and
- (k) not (i) file any material with the Court in connection with the Arrangement or serve any such material, or agree to modify or amend material so filed or served, or (ii) send to the Registrar, for endorsement and filing by the Registrar, the Arrangement Filings, except in either case with Nevoro's prior written consent, such consent not to be unreasonably withheld or delayed.

Section 2.3 Interim Order

The notice of motion in respect of the application for the Interim Order referred to in Section 2.2(a) shall request that the Interim Order provide:

- (a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Meeting and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the Arrangement Resolution shall be two-thirds of the votes cast on the Arrangement Resolution by the Shareholders, present in person or by proxy at the Meeting;
- (c) that, in all other respects, the terms, restrictions and conditions of the Company's notice of articles and articles, including quorum requirements and all other matters, shall apply in respect of the Meeting;
- (d) for the grant of the Dissent Rights as contemplated in the Plan of Arrangement;
- (e) for notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (f) that the Meeting may be adjourned or postponed from time to time by management of the Company with the consent of Nevoro, without the need for additional approval of the Court; and
- (g) that the record date for Shareholders entitled to vote at the Meeting will not change in respect of any adjournment(s) or postponement(s) of the Meeting.

Section 2.4 Plan of Arrangement

The parties to this Agreement will implement the Plan of Arrangement in accordance with the provisions of this Agreement including Schedule "B" of this Agreement. On the Effective Date, the Arrangement Filings shall be filed with the Registrar. The Arrangement Filings shall be in form satisfactory to Nevoro and the Company, each acting reasonably. As set out more particularly in the Plan of Arrangement, the Arrangement Filings shall provide that:

- (a) Nevoro shall purchase each Company Common Share issued and outstanding immediately before the Effective Date and in consideration each Shareholder shall receive the Share Consideration;
- (b) In accordance with the terms of the Company Warrants, each holder of a Company Warrant shall receive, upon the subsequent exercise of such holder's Company Warrant, and shall accept in lieu of each Company Common Share to which such holder was entitled prior to the Effective Date, 0.80 of a Nevoro Common Share;

- (c) In accordance with the terms of the Company Stock Option Plan, each holder of a Company Option shall receive such number of Nevoro Options issued pursuant to the terms of the Nevoro Stock Incentive Plan (each a “**Replacement Option**”) equal to the product of: (i) the number of Company Options held immediately prior to the Effective Date, and (ii) 0.80. Each Replacement Option shall be exercisable to acquire one Nevoro Common Share. The exercise price per Nevoro Share subject to any such Replacement Option shall be an amount equal to the quotient of (A) the exercise price per Company Common Share subject to such Company Option immediately before the Effective Date divided by (B) 0.80. Each Replacement Option shall have an expiration date which is identical to that of the Company Option which it was issued in order to replace; and
- (d) Nevoro will become the holder of all of the outstanding securities of the Company.

Section 2.5 No Fractional Shares or Options

Any fractional Nevoro Common Share or Replacement Option issuable to any Company Securityholder upon or as a result of the Arrangement shall be rounded down to the nearest whole number, and no cash or other payment in lieu of such fractional shares or options shall be paid or payable to any person pursuant to the Arrangement.

Section 2.6 Circular

As promptly as reasonably practicable after the execution and delivery of this Agreement, Nevoro, in consultation with the Company, shall prepare the Circular together with any other documents required by Securities Laws, the BCBCA, the rules and policies of the TSX-V or other applicable Laws in connection with the Arrangement and the Meeting. The Circular and such other documents, together with any amendments thereto, shall be in form and substance satisfactory to the Company and its counsel acting reasonably. The Company will file the Circular and any other documentation required to be filed under the Interim Order and applicable Law in all jurisdictions where the Circular is required to be filed by the Company and mail or cause to be mailed the Circular and any other documentation required to be mailed under the Interim Order and applicable Law to the Company Securityholders (including registered and beneficial Shareholders), the Board of Directors of the Company, the auditors of the Company and any other required Persons in accordance with the terms of the Interim Order and applicable Law. In a timely and expeditious manner, Nevoro shall prepare (in consultation with the Company) and file amendments or supplements to the Circular (which amendments or supplements shall be in a form satisfactory to the Company, acting reasonably) required by applicable Laws or as otherwise agreed between the Company and

Nevoro with respect to the Meeting. The Company shall mail or otherwise publicly disseminate such amendments or supplements, as required by the Interim Order and in accordance with all applicable Laws, in and to all jurisdictions where such amendments or supplements are required to be mailed or disseminated, complying in all material respects with all applicable Laws on the date of the mailing or dissemination thereof.

Section 2.7 Preparations of Filings, etc.

- (a) Nevoro and the Company shall cooperate in the preparation of the Circular as described in Section 2.6 and in the preparation of applications, filings, submissions and requests for the approval of, and appropriate notification of, any Governmental Entity with jurisdiction over the transactions contemplated hereby (including the Appropriate Regulatory Approvals) and the preparation of any documents reasonably deemed by Nevoro to be necessary or desirable to discharge their respective obligations under applicable Laws in connection with this Agreement or the Arrangement and to obtain the Appropriate Regulatory Approvals at the earliest possible date. The Company agrees that, if requested to do so by Nevoro, it will participate in any meeting(s) with any Governmental Entity in respect of any applications, filings, submissions, requests, investigations or other inquiry related to this Agreement or the Appropriate Regulatory Approvals.
- (b) Each of Nevoro and the Company shall furnish to the other, on a timely basis, all information as may be reasonably required to effectuate the foregoing actions, and each covenants that no information so furnished by it in writing in connection with those actions or otherwise in connection with the consummation of the Arrangement will contain any Misrepresentation. Each of the Parties will ensure that the information relating to it and its Subsidiaries, which is provided in the Circular will not contain any Misrepresentation.
- (c) Each of the Company and Nevoro shall promptly notify the other if at any time before the Effective Date it becomes aware that the Circular, an application for Appropriate Regulatory Approvals or any other filing under corporate or Securities Laws contains a Misrepresentation, or that an amendment or supplement to the Circular or such other document, as the case may be, is otherwise required that corrects that Misrepresentation, and the Company will cause the same to be distributed to the Company Securityholders (including registered and beneficial Shareholders), the Board of Directors of the Company, the

auditors of the Company and any other required Persons and filed as required under applicable Law.

- (d) The Company shall ensure that the Circular complies with all applicable Laws and, without limiting the generality of the foregoing, that the Circular does not contain a Misrepresentation (other than any information provided in writing for the purpose of inclusion provided by Nevoro, which Nevoro shall ensure does not contain a Misrepresentation). Without limiting the generality of the foregoing, the Company shall ensure that the Circular provides the Company Securityholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Meeting and include in the Circular a statement that the Board of Directors of the Company is of the opinion that the consideration to be received by Company Securityholders under the Arrangement is fair, from a financial point of view, to the Company Securityholders and has unanimously, after receiving legal advice, determined that the Arrangement Resolution is in the best interests of the Company and that the Board of Directors of the Company unanimously recommends that Shareholders vote to approve the Arrangement Resolution.
- (e) Nevoro shall ensure that the information provided by Nevoro for inclusion in the Circular will constitute full, true and plain disclosure of all material facts relating to the Nevoro Common Shares, Nevoro Options and Nevoro Warrants to be issued pursuant to the Arrangement.

Section 2.8 Dissenting Shareholders

Registered Shareholders may exercise Dissent Rights with respect to their Company Common Shares in connection with the Arrangement pursuant to and in the manner set forth in the Plan of Arrangement. The Company shall give Nevoro (i) prompt notice of any written notice of a dissent, withdrawal of such notice, and any other documents delivered pursuant to such Dissent Rights and received by the Company, and (ii) the opportunity to participate in all negotiations and proceedings with respect to any such notice of dissent. The Company shall not make any payment or settlement offer prior to the Effective Time with respect to any such notice of dissent unless Nevoro shall have given its written consent to such payment or settlement offer.

Section 2.9 Amendments

- (1) This Agreement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by

mutual written agreement of the Parties hereto without, subject to applicable Law (including, for greater certainty, the Interim Order and the Final Order), further notice to or authorization on the part of any of the Company Securityholders, and any such amendment may, without limitation:

- (a) change the time for the performance of any of the obligations or acts of the Parties including an extension of the Outside Date;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document to be delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants contained herein or waive or modify the performance of any of the obligations of the Parties; and
- (d) waive compliance with and modify any conditions precedent herein contained;

provided, however, that after receipt of approval of the Arrangement Resolution by the Shareholders, there shall be no amendment that by Law requires further approval by the Shareholders without further approval of such Shareholders.

- (2) The Plan of Arrangement may also be amended as provided for therein.

Section 2.10 Securityholders Communications

The Company and Nevoro agree to cooperate in the preparation of presentations to investors, if any, regarding the Arrangement prior to the making of such presentations. Except as required by applicable Law or applicable stock exchange requirements, neither Nevoro nor the Company shall make any public announcement or statement with respect to the Arrangement or this Agreement or make any filing with any Governmental Entity with respect thereto without the approval of the Company or Nevoro, respectively, such approval not to be unreasonably withheld or delayed, except to the extent necessary to comply with Law or applicable stock exchange requirements. Moreover, in any event, to the extent practicable given time constraints, each party agrees to give prior notice to the other of any public announcement relating to the Arrangement or this Agreement and agrees to consult with each other prior to issuing each such public announcement and in making any filing with any Governmental Entity with respect thereto and shall provide the other Party with the opportunity to review and comment within a reasonable time period on all such press releases, public announcements and filings prior to the release or filing thereof, subject in all cases to applicable Law and stock exchange requirements.

Section 2.11 Company Approval of the Arrangement

- (1) The Company represents and warrants to and in favour of Nevoro, and acknowledges that Nevoro is relying upon such representations and warranties in entering into this Agreement, that, as of the date of this Agreement:
 - (a) the Board of Directors of the Company, following consultation with its legal advisors has unanimously: (A) determined that the Arrangement is fair to the Company Securityholders and it is in the best interests of the Company for the Arrangement to be consummated and the Board of Directors of the Company to support it on the terms of this Agreement; and (B) approved the entering into of this Agreement and the making of a recommendation that Shareholders vote in favour of the Arrangement Resolution; and
 - (b) each director and officer of the Company intends to vote, in his or her capacity as a Shareholder, in favour of the Arrangement Resolution.
- (2) At the reasonable request of Nevoro from time to time, the Company shall provide Nevoro with a list (in both written and electronic form) of the Shareholders, Company Optionholders and Company Warrantholders, together with their addresses and respective holdings of Company Common Shares, Company Options or Company Warrants, as applicable, and a list of participants and book based nominee registrants such as CDS & Co. and CEDE & Co. and non-objecting beneficial owners of Company Common Shares, together with their addresses and respective holdings of securities. The Company shall from time to time require that its registrar and transfer agent furnish Nevoro with such additional information, including updated or additional lists of Shareholders, Company Optionholders or Company Warrantholders, and lists of securities positions and other assistance as Nevoro may reasonably request in order to be able to communicate with respect to the Arrangement to the Company Securityholders entitled to vote on the Arrangement Resolution under applicable Laws, or to the Company Optionholders or Company Warrantholders, as applicable or required.

Section 2.12 Alternative Transaction Structure

If Nevoro proposes an alternative transaction structure ("**Alternative Transaction**"), such as a take-over bid or other form of arrangement that if consummated would result in substantially the same economic benefit accruing to the Company Securityholders as would accrue under the Arrangement were it to proceed, then the Company agrees to co-operate in a reasonable fashion with Nevoro, and to take all necessary steps to support the Alternative Transaction. In the event that the Transaction structure is modified, the relevant provisions of this

Agreement shall be modified as necessary in order that they shall apply with full force and effect, mutatis mutandis, but with the adjustments necessary to reflect the revised transaction structure, and the parties hereto shall execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF NEVORO

Nevoro hereby represents and warrants to the Company as follows, and acknowledges that the Company is relying upon these representations and warranties in connection with the entering into of this Agreement:

Section 3.1 Organization

- (1) Nevoro is a company continued under the laws of Canada. Nevoro has all necessary corporate power and authority to own its respective assets and conduct its respective businesses as now owned and conducted. Nevoro is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its respective properties or the nature of its respective activities make such qualification necessary, except where the failure to be so qualified will not, individually or in the aggregate, have a Material Adverse Effect.
- (2) All of the outstanding securities of Nevoro and its Subsidiaries are duly authorized, validly issued, fully paid and non-assessable (and, where required, properly registered) and were issued in compliance with all applicable Laws. All of the outstanding securities of Nevoro's Subsidiaries are owned, directly or indirectly, by Nevoro or a Subsidiary of Nevoro. Except pursuant to restrictions on transfer contained in the articles or by-laws (or their equivalent) of the applicable Subsidiary of Nevoro, the outstanding securities of each Subsidiary of Nevoro which are owned by Nevoro (or by another Subsidiary of Nevoro) are owned free and clear of all Encumbrances and neither Nevoro nor any of its Subsidiaries is liable to any Subsidiary of Nevoro or to any creditor in respect thereof.
- (3) Nevoro has made available to the Company complete and correct copies of its Constating Documents as well as the Constating Documents of each of its subsidiaries, in each case as in effect on the date of this Agreement.

Section 3.2 Authority Relative to this Agreement

Nevoro has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Nevoro and the consummation of the Arrangement have been

duly authorized by the appropriate governing body of Nevoro and no other corporate proceedings on the part of Nevoro are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Nevoro and constitutes a valid and binding obligation of Nevoro, enforceable by the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

Section 3.3 No Conflict; Required Filings and Consent

The execution and delivery by Nevoro of this Agreement and the performance by it of its obligations hereunder and the completion of the Arrangement will not violate, conflict with or result in a breach of any provision of: (i) the Constatting Documents of Nevoro; or (ii) the Laws or any agreement, document or instrument to which Nevoro is subject or by which Nevoro is bound.

No consent, approval, order or authorization of, or declaration or filing with, or waiver of any right of, any Governmental Entity or other Person is required to be obtained or made by Nevoro in connection with the execution and delivery of this Agreement or the consummation by Nevoro of the Arrangement and the transactions contemplated hereby other than (i) any approvals required pursuant to the Interim Order, and (ii) the Final Order, (iii) filings with the Registrar under the BCBCA and filings with and required by Securities Regulatory Authorities and stock exchanges (iv) such registrations and other actions required under federal, state, provincial, and territorial Securities Laws as are contemplated by this Agreement; (v) such consents and approvals as required under contracts disclosed in the Nevoro Disclosure Letter; and (vi) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not have, individually or in the aggregate, a Material Adverse Effect on Nevoro or prevent or materially delay the consummation of any of the transactions contemplated hereby or materially impair the ability of Nevoro to perform its obligations hereunder.

Section 3.4 Compliance with Laws, Licences

Nevoro and each of its Subsidiaries is in compliance in all material respects with all applicable Laws, each of Nevoro and its Subsidiaries has all material licenses, permits, concessions, orders, leases, authorizations or approvals of, and has made all required registrations with, any Governmental Entity that is required in connection with the ownership of their respective assets or the conduct of their respective operations as presently carried on or as contemplated to be carried on in the future and each of them has complied in all material respects with and is in compliance with all such licenses, permits, concessions, orders, leases, authorizations, approvals and registrations. None of Nevoro or any of its

Subsidiaries has received any written or, to the knowledge of Nevoro, oral notice of revocation or non-renewal of any such licenses, permits, concessions, orders, leases, authorizations, approvals or registrations, or of any intention of any Governmental Entity to revoke, refuse to renew or amend any of such licenses, permits, concessions, orders, leases, authorizations, approvals and registrations and, to the knowledge of Nevoro, all such licenses, permits, concessions, orders, leases, authorizations, approvals and registrations should continue to be effective in accordance with their terms in order for Nevoro and its Subsidiaries to continue to conduct their respective businesses as they are currently being conducted and as they are contemplated to be conducted in the future. None of Nevoro or any of its Subsidiaries is in conflict with, or in default (including cross defaults) under or in violation of: (i) its articles or by-laws, or (ii) any agreement, arrangement or understanding to which it or by which any of its properties or assets is bound or affected. Except as set forth in the Nevoro Disclosure Letter, no person or entity other than Nevoro or its Subsidiaries owns or has any proprietary, financial or other interest (direct or indirect) in any of the licenses, permits, concessions, orders, leases, authorizations, approvals or registrations referred to in this Section 3.4.

Section 3.5 Subsidiaries

The only Subsidiaries of Nevoro are Nevoro Platinum Limited, Nevoro Resource Inc., Nevoro Platinum Inc. and Nevoro Nevada Inc. (formerly Goodsprings Development Corporation) and Nevoro does not own a direct or indirect interest of greater than 10% in any other entity.

Section 3.6 Capitalization and Listing

The authorized capital of Nevoro consists of an unlimited number of Nevoro Common Shares. As at the date of this Agreement: (i) there are 75,163,585 Nevoro Common Shares validly issued and outstanding as fully paid and non-assessable shares in the capital of Nevoro; (ii) there are outstanding Nevoro Options providing for the issuance of 10,340,000 Nevoro Common Shares upon the exercise thereof; and (iii) there are outstanding Nevoro Warrants providing for the issuance of 2,089,262 Nevoro Common Shares upon the exercise thereof. Except for the Nevoro Options, and Nevoro Warrants there are no options, warrants, conversion privileges, entitlements, calls or other rights, shareholder rights plans, agreements, arrangements, understandings, commitments, or obligations (pre-emptive, contingent or otherwise) of Nevoro or any of its Subsidiaries to issue or sell any shares or other securities of Nevoro or of any of its Subsidiaries. There are no outstanding bonds, debentures or other evidences of indebtedness of Nevoro or any Subsidiary. No Nevoro shareholder is entitled to any pre-emptive or other similar right granted by Nevoro or any of its Subsidiaries.

Section 3.7 Reports

Nevoro has filed (including, as applicable, on SEDAR) or furnished, as applicable, with the Securities Regulatory Authorities and all applicable self-regulatory authorities the Nevoro Public Documents. The Nevoro Public Documents, at the time filed or furnished, (i) did not contain any Misrepresentation and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Regulatory Authorities having jurisdiction over Nevoro. As of their respective dates (or, if amended prior to the date hereof, as of the date of such amendment) the Nevoro Public Documents filed or furnished with the Ontario Securities Commission did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading. Nevoro has not filed any confidential material change or other report or other document with any Securities Regulatory Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential. Except as disclosed in the Nevoro Public Documents, since March 31, 2008 there has not been a Material Adverse Change with respect to Nevoro.

Section 3.8 Shares

- (1) The Nevoro Common Shares constituting the Share Consideration to be issued pursuant to the transactions contemplated herein and any Nevoro Common Share issued pursuant to the exercise of a Replacement Option or a Company Warrant will, upon issue, be issued as fully paid and non-assessable shares and not subject to any Liens, or pre-emptive rights and will be listed and posted for trading on the TSX.
- (2) The Nevoro Common Shares to be issued in connection with the transactions contemplated herein will not be subject to any statutory hold or restricted period under the securities legislation of any province or territory of Canada and, subject to restrictions contained therein in respect of "control distributions", will be freely tradeable within Canada by the holders thereof.
- (3) The Nevoro Common Shares to be issued pursuant to the transactions contemplated herein will not be subject to any statutory hold or restricted period under the Securities Act or the rules promulgated thereunder, or the rules of the TSX, subject to restrictions on transfer applicable to "affiliates" (as defined under the Securities Act) of Nevoro following the Effective Date.

Section 3.9 Listing Requirements

Nevoro and its Subsidiaries have complied and are in compliance, in all material respects, with any applicable listing and corporate governance rules and

regulations of the TSX. Nevoro is a reporting issuer in good standing under the Securities Act.

Section 3.10 No Cease Trade

Nevoro is not subject to any cease trade or other order of any applicable stock exchange or Securities Regulatory Authority and, to the knowledge of Nevoro, no investigation or other proceedings involving Nevoro which may operate to prevent or restrict trading of any securities of Nevoro are currently in progress or pending before any stock exchange or Securities Regulatory Authority.

Section 3.11 Litigation, Etc.

There are no actions, suits, inquiries, investigations or proceedings pending against Nevoro or any of its subsidiaries, or, to the knowledge of Nevoro, threatened against Nevoro or any of its subsidiaries before any Governmental Entity which, to the knowledge of Nevoro, would have a Material Adverse Effect or prevent or materially delay consummation of the transactions contemplated by this Agreement. Neither Nevoro nor any of its subsidiaries, nor their respective assets and properties, is subject to any outstanding judgment, order, writ, injunction or decree that has had or would have a Material Adverse Effect on Nevoro or its existing or, to its knowledge, that would prevent or materially delay consummation of the transactions contemplated by this Agreement.

Section 3.12 Financial Statements

The audited consolidated financial statements of Nevoro as at and for the 12 month periods ended on each of December 31, 2006 and December 31, 2007, and the interim financial statements of the Company as at and for the 3 month period ended on March 31, 2008, including the notes thereto, the report by Nevoro's auditors thereon and the related management discussion and analysis including the notes thereto have been, and in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with Canadian GAAP applied on a basis consistent with prior periods and present fairly the consolidated financial position and results of operations of Nevoro and its Subsidiaries taken as a whole, as of the respective dates thereof and for the respective periods covered thereby (except as otherwise indicated in such financial statements or the notes thereto). There are no outstanding loans made by Nevoro or any of its Subsidiaries to any executive officer or director of Nevoro or any of its Subsidiaries.

Section 3.13 Undisclosed Liabilities

Neither Nevoro nor any of its Subsidiaries has any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (i) liabilities and obligations that are disclosed on the consolidated balance sheet of the Nevoro as of December 31, 2007 (the "**Nevoro Balance Sheet**"), in the notes thereto, and (ii)

liabilities and obligations incurred in the ordinary course of business consistent with past practice since December 31, 2007. Without limiting the foregoing, the Nevoro Balance Sheet reflects reasonable reserves in accordance with Canadian GAAP for contingent liabilities relating to pending litigation and other contingent obligations of the Company and its Subsidiaries as at December 31, 2007.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Nevoro, and acknowledges that Nevoro is relying upon these representations and warranties in connection with the entering into of this Agreement and the completion of the Arrangement:

Section 4.1 Organization and Qualification

Each of the Company and each of its Subsidiaries has been incorporated or formed under the laws of its jurisdiction of incorporation or formation, is validly subsisting and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. The Company Disclosure Letter sets forth the jurisdiction of incorporation or formation of the Company and each of its Subsidiaries. Each of the Company and each of its Subsidiaries is registered, licensed or otherwise qualified as an extra-provincial corporation or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not, individually or in the aggregate, have a Material Adverse Effect. True and complete copies of the articles and by-laws (or their equivalent) of the Company and each of its Subsidiaries have been delivered to Nevoro and neither the Company nor any of its Subsidiaries has taken any action to amend such documents.

All of the outstanding securities of the Company and its Subsidiaries are duly authorized, validly issued, fully paid and non-assessable (and, where required, properly registered). All of the outstanding securities of the Company's Subsidiaries are owned, directly or indirectly, by the Company. Except pursuant to restrictions on transfer contained in the articles or by-laws (or their equivalent) of the applicable Subsidiary of the Company, the outstanding securities of each Subsidiary of the Company which are owned by the Company (or by another Subsidiary of the Company) are owned free and clear of all Encumbrances and neither the Company nor any of its Subsidiaries is liable to any Subsidiary of the Company or to any creditor in respect thereof.

Section 4.2 Authority Relative to this Agreement

The Company has the requisite corporate power and authority to enter into this Agreement and all other agreements and instruments to be executed by the Company as contemplated by this Agreement and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated by this Agreement have been duly authorized by the Board of Directors of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement (other than the approval of the Shareholders and the Court as provided in this Agreement). This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable by Nevoro against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

Section 4.3 No Conflict or Breach; Required Filings and Consent

Except as set forth in the Company Disclosure Letter, the execution and delivery by the Company of this Agreement and the performance by it of its obligations hereunder and the completion of the Arrangement do not and will not: (i) violate, conflict with or result in a breach of any provision of: (a) the Constatting Documents of the Company or any of its Subsidiaries; (b) any agreement, joint venture arrangement, contract, indenture, deed of trust, mortgage, bond, instrument, license or permit to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or of which the Company or any of its Subsidiaries is the beneficiary; or (c) any Law to which the Company or any of its Subsidiaries is subject or by which the Company or any of its Subsidiaries is bound; (ii) give rise to any right of termination, or the acceleration, prepayment, novation, the triggering of any "make-whole payment" or cancellation of any indebtedness, or the reduction, diminishment or extinguishment of any right, benefit or entitlement, under any agreement, joint venture arrangement, contract, indenture, deed of trust, mortgage, bond, instrument, license or permit of the Company or any of its Subsidiaries; (iii) result in the imposition of any Encumbrance upon any of the property or assets of the Company or any of its Subsidiaries, or restrict, hinder, impair or limit the ability of the Company or any of its Subsidiaries to conduct its respective business as and where it is now being conducted or as it is contemplated to be conducted in the future; (iv) give rise to any rights of first refusal, or trigger any change in control or influence provisions or any restriction or limitation, or trigger or increase any obligation or liability under any such agreement, joint venture arrangement, contract, indenture, deed of trust, mortgage,

bond, instrument, license or permit, otherwise have an adverse financial impact on the Company or any of its Subsidiaries, or result in the imposition of any Encumbrance upon any of the Company's assets or the assets of any of its Subsidiaries; or (v) except as disclosed in the Company Disclosure Letter, result in any payment (including termination, severance, unemployment compensation, change of control, "golden parachute", bonus or other payments) becoming due to any employee, director or officer of the Company or any Subsidiary of the Company or increase any benefits otherwise payable under any benefit plan or result in the acceleration of the time of payment or vesting of any such benefits.

No consent, approval, order or authorization of, or declaration or filing with, or waiver of any right of, any Governmental Entity or other Person is required to be obtained or made by the Company or any Subsidiary in connection with the execution and delivery of this Agreement or the consummation by the Company of the Arrangement and the transactions contemplated hereby other than: (i) any approvals required pursuant to the Interim Order and the Final Order, (ii) filings with the Registrar under the BCBCA and filings with and required by Securities Regulatory Authorities and stock exchanges (iii) the approval of the Arrangement by the Shareholders; (iv) such registrations and other actions required under federal, state, provincial, and territorial Securities Laws as are contemplated by this Agreement; (v) such consents and approvals as required under the agreements disclosed in the Company Disclosure Letter; and (vi) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not have, individually or in the aggregate, a Material Adverse Effect on the Company or prevent or materially delay the consummation of any of the transactions contemplated hereby or materially impair the ability of the Company to perform its obligations hereunder.

Section 4.4 Subsidiaries

The only Subsidiary of the Company is American Sheffield Inc. and the Company does not own a direct or indirect interest of greater than 10% in any other entity.

Section 4.5 Compliance with Laws, Licenses

- (1) The Company and each of its Subsidiaries is in compliance in all material respects with all applicable Laws, each of the Company and its Subsidiaries has all material licenses, permits, concessions, orders, leases, authorizations or approvals of, and has made all required registrations with, any Governmental Entity that is required in connection with the ownership of their respective assets or the conduct of their respective operations as presently carried on or as contemplated to be carried on in the future and each of them has complied in all material respects with and is in compliance

with all such licenses, permits, concessions, orders, leases, authorizations, approvals and registrations.

- (2) None of the Company or any of its Subsidiaries has received any written or, to the knowledge of the Company, oral notice of revocation or non-renewal of any such licenses, permits, concessions, orders, leases, authorizations, approvals or registrations, or of any intention of any Governmental Entity to revoke, refuse to renew or amend any of such licenses, permits, concessions, orders, leases, authorizations, approvals and registrations and all such licenses, permits, concessions, orders, leases, authorizations, approvals and registrations should continue to be effective in accordance with their terms in order for the Company and its Subsidiaries to continue to conduct their respective businesses as they are currently being conducted and as they are contemplated to be conducted in the future.
- (3) None of the Company or any of its Subsidiaries is in conflict with, or in default (including cross defaults) under or in violation of: (i) its articles or by-laws, or (ii) any material agreement, arrangement or understanding to which it, or by which any of its properties or assets, is bound or affected.
- (4) Except as set forth in the Company Disclosure Letter, no person or entity other than the Company or its Subsidiaries owns or has any proprietary, financial or other interest (direct or indirect) in any of the licenses, permits, concessions, orders, leases, authorizations, approvals or registrations referred to in this Section 4.5.

Section 4.6 Capitalization and Listing

- (1) The authorized capital of the Company consists of an unlimited number of Company Common Shares without par value, an unlimited number of Company First Preferred Shares without par value, and an unlimited number of Company Second Preferred Shares without par value. As at the date of this Agreement there are: (i) 35,422,497 Company Common Shares validly issued and outstanding as fully paid and non-assessable shares in the capital of the Company; (ii) 12,223,628 Company Warrants outstanding; and (iii) 3,542,249 Company Options outstanding. Except as disclosed in the Company Disclosure Letter, there are no options, warrants, conversion privileges, entitlements, calls or other rights, shareholder rights plans, agreements, arrangements, understandings, commitments, or obligations (pre-emptive, contingent or otherwise) of the Company or any of its Subsidiaries to issue or sell any shares or other securities of the Company or of any of its Subsidiaries. Except as set forth in the Company Disclosure Letter, there are no outstanding bonds, debentures or other evidences of indebtedness of the Company or any Subsidiary. No Shareholder is entitled

to any pre-emptive or other similar right granted by the Company or any of its Subsidiaries.

- (2) There are no outstanding contractual obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Company Common Shares or any securities of any of its Subsidiaries. No Subsidiary of the Company owns any Company Common Shares.

Section 4.7 Shareholder and Similar Agreements

Neither the Company nor any of its Subsidiaries is party to any shareholder, pooling, voting trust or other agreement relating to the issued and outstanding shares or other securities of the Company or any of its Subsidiaries.

Section 4.8 Reports

The Company has filed (including, as applicable, on SEDAR) or furnished, as applicable, with the Securities Regulatory Authorities and all applicable self-regulatory authorities the Company Public Documents. The Company Public Documents at the time filed or furnished: (i) did not contain any Misrepresentation; and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Regulatory Authorities having jurisdiction over the Company, except where such non-compliance has not and would not reasonably be expected to have a Material Adverse Effect on the Company. As of their respective dates (or, if amended prior to the date hereof, as of the date of such amendment) the Company Public Documents filed or furnished with the Securities Regulatory Authorities did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading. The Company has not filed any confidential material change or other report or other document with any Securities Regulatory Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential.

Section 4.9 No Cease Trade

The Company is not subject to any cease trade or other order of any applicable stock exchange or Securities Regulatory Authority and no investigation or other proceedings involving the Company which may operate to prevent or restrict trading of any securities of the Company are currently in progress or pending before any stock exchange or Securities Regulatory Authority.

Section 4.10 Financial Statements

- (1) The audited consolidated financial statements of the Company as at and for the 12 month periods ended on each of December 31, 2007, December 31, 2006 and December 31, 2005, and the interim financial statements of the Company

as at and for the 3 month period ended on March 31, 2008, including the notes thereto and the related management's discussion and analysis have been, and in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with Canadian GAAP applied on a basis consistent with prior periods and present fairly the consolidated financial position and results of operations of the Company and its Subsidiaries taken as a whole, as of the respective dates thereof and for the respective periods covered thereby (except as otherwise indicated in such financial statements or the notes thereto). There are no outstanding loans made by the Company or any of its Subsidiaries to any executive officer or director of the Company or any of its Subsidiaries.

- (2) Since January 1, 2006: (i) neither the Company nor any of its Subsidiaries nor any director, officer, employee, auditor, accountant or representative of the Company or any of its Subsidiaries has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or any of its Subsidiaries or their respective internal accounting controls, including any complaint, allegation, assertion, or claim that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no legal counsel representing the Company or any of its Subsidiaries, whether or not employed by the Company or any of its Subsidiaries, has reported evidence of a material violation of Securities Laws, breach of fiduciary duty or similar violation by the Company, any of its Subsidiaries or any of their respective officers, directors, employees or agents to the Board of Directors of the Company or any committee thereof or to any director or officer of the Company or to the board of directors of any of its Subsidiaries or any committees thereof or to any director or officer of any Subsidiary.
- (3) The Company has provided adequate accruals in accordance with Canadian GAAP in its audited consolidated financial statements for the periods ending December 31, 2005, December 31, 2006 and December 31, 2007 and in its unaudited interim financial statements for the period ending March 31, 2008 for any unpaid liability of the Company and each of its Subsidiaries in respect of Taxes for the period covered by such financial statements, whether or not such liability is shown as being due on any Tax Return.

Section 4.11 Undisclosed Liabilities

Neither the Company nor any of its Subsidiaries has any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (i) liabilities and obligations that are disclosed on the consolidated balance sheet of the Company as of December 31, 2007 (the "**Company Balance Sheet**"), in the

notes thereto, and (ii) liabilities and obligations incurred in the ordinary course of business consistent with past practice since December 31, 2007. Without limiting the foregoing, the Company Balance Sheet reflects reasonable reserves in accordance with Canadian GAAP for contingent liabilities relating to pending litigation and other contingent obligations of the Company and its Subsidiaries as at December 31, 2007.

Section 4.12 Title to Properties

Except as disclosed in the Company Disclosure Letter, each of the Company and its Subsidiaries has sufficient title (whether in fee simple or equivalent or by means of an exploration, retention, reconnaissance, development or mining permit, right, concession, lease or license or similar (collectively, the “**Company Mining Rights**”)), free and clear of any title defect, royalty or Encumbrance, to permit it to explore, develop, extract and process ore from its mineral projects. There are no conflicting mining claims that could constitute a material defect in the Company’s or its Subsidiaries’ title to any of the Company Mining Rights. There are no pending or threatened, suits, claims, actions, proceedings or investigations of any nature affecting the Company, its Subsidiaries or the Company Mining Rights. There are no material restrictions on the use, transfer or ability to otherwise exploit any such Company Mining Rights, except as required by applicable Laws or the terms of the Company Mining Rights. Neither the Company nor any Subsidiary has received notice from any Governmental Entity of any proposal or intention to withdraw, revoke, amend or terminate any of the Company Mining Rights or has any reason to believe that any such withdrawal, revocation, amendment or termination is pending or threatened or will occur in the future and all material obligations in respect of the Company Mining Rights have been complied with at all times and no action, claim, demand, dispute or liability in respect of the same is outstanding or, to the knowledge of the Company, threatened.

Section 4.13 Property

Except for the real property and leasehold interests set forth in the Company Disclosure Letter, the Company and its Subsidiaries do not have, directly or indirectly, any legal or beneficial interest in any real property or leasehold interests or in the right to use, occupy or acquire any real property or leasehold interests. Except as set forth in the Company Disclosure Letter, the Company has such rights by lease, licence, other agreement or otherwise to use, all of its properties and assets (real and personal, immovable and movable, tangible and intangible, including leasehold interests) sufficient to carry on its business as currently conducted, except where the failure to have such title or rights would not have a Material Adverse Effect on the Company.

Section 4.14 Employment Matters

Except as set forth in the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is party to any employment, consulting or retention agreements currently in effect.

Section 4.15 Absence of Certain Changes or Events

Since January 1, 2007: (i) the Company and its Subsidiaries have conducted their respective businesses only in the ordinary course of business and consistent with past practice; (ii) neither the Company nor any Subsidiary has incurred or suffered a Material Adverse Change; (iii) there has not been any acquisition or sale by the Company or any Subsidiary of any material property or assets thereof; (iv) neither the Company nor any Subsidiary has entered into or adopted any, or materially amended any, benefit plan; (v) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is reasonably likely to, individually or in the aggregate, have a Material Adverse Effect has been incurred; (vi) there has not been any event, circumstance or occurrence which is reasonably likely to give rise to a Material Adverse Effect; (vii) there has not been any change in the accounting practices used by the Company or its Subsidiaries, other than generally applicable changes in Laws or in Canadian GAAP; (viii) except as disclosed in the Company Disclosure Letter and except for ordinary course increases consistent with past practice, there has not been any increase in the salary, bonus, or other remuneration payable to any employees, officers, directors, contractors or consultants of any of the Company or its Subsidiaries; there has not been any redemption, repurchase or other acquisition of securities of the Company or its Subsidiaries, by the Company or its Subsidiaries, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, shares or property) with respect to the Company Common Shares or any securities of the Subsidiaries except for ordinary course dividends or distributions consistent with past practice; (ix) except as disclosed in the Company Disclosure Letter, the Company and its Subsidiaries have not entered into or amended any material contract; (x) there has not been any satisfaction or settlement or any claims or liabilities that were not reflected in the Company's financial statements, other than the settlement of liabilities incurred in the ordinary course of business consistent with past practice none of which settlement of liabilities were material; and (xi) neither the Company nor any of its Subsidiaries have invested in any third party (non-bank sponsored) backed commercial paper including, without limitation, liquidity backed notes, extendible notes or medium term notes issued by any such issuer.

Section 4.16 Litigation, Etc.

There is no claim, action, grievance, complaint, proceeding or investigation existing, pending or, to the knowledge of the Company, threatened against or

relating to the Company or any of its Subsidiaries or the business of the Company or any of its Subsidiaries, or the directors, officers or employees thereof, or affecting any of their properties, permits, orders, licences, or assets, before or by any Governmental Entity, nor are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, proceeding or investigation. Neither the Company nor any of its Subsidiaries is subject to any outstanding order, writ, injunction or decree.

Section 4.17 Taxes

- (1) The Company and each of its Subsidiaries has duly filed, or has caused to be filed, within the times and in the manner prescribed under the applicable Law all federal, provincial, territorial, local and foreign Tax Returns required to be filed by it and those Tax Returns were true, complete and correct in all material respects and reflect accurately all liabilities for Taxes for the period(s) covered thereby and that no material fact has been omitted therefrom. The Company and each of its Subsidiaries has paid, collected, withheld and remitted, or caused to be paid, collected, withheld and remitted to the appropriate Governmental Entity, all Taxes that are due and payable, collectible or remittable by it including any such amounts payable, collectible or remittable by it in connection with amounts paid or credited to any present or former employee, on or before the date of this Agreement. No extension of time in which to file any Tax Returns is in effect. Since December 31, 2007, neither the Company, nor any of its Subsidiaries has incurred any liability in respect of Taxes, other than in the ordinary course of its business none of which liabilities in respect of Taxes are material. No Encumbrance for Taxes has been filed or exists other than for Taxes not yet due and payable.
- (2) Except as set out in the Company Disclosure Letter: (i) there are no claims or reassessments of Taxes in respect of the Company or any Subsidiary that have been issued and are outstanding and there are no outstanding issues which have been raised and communicated to the Company or any Subsidiary by any Governmental Entity in any jurisdiction, whether or not the Company or any of its Subsidiaries files Tax Returns in such jurisdiction; (ii) no Governmental Entity has challenged, disputed or questioned the Company or any Subsidiary in respect of Taxes or Tax Returns; (iii) none of the Company or any Subsidiary is negotiating any draft assessment or reassessment with any Governmental Entity; (iv) there are no contingent liabilities for Taxes of the Company or any Subsidiary, other than as disclosed in the audited consolidated financial statements of the Company for the periods ending December 31, 2006 and December 31, 2007; (v) none of the Company or any Subsidiary has received any indication from any Governmental Entity that an assessment or reassessment of the Company or any Subsidiary is proposed in respect of any Taxes, regardless of its merits,

and (vi) none of the Company or any Subsidiary has executed or filed with any Governmental Entity any agreement or waiver extending the period for assessment, reassessment or collection of any Taxes.

- (3) Neither the Company, nor any of its Subsidiaries is subject to, party to or a member of any partnership or other arrangement or contract that is treated as a partnership for income tax purposes.
- (4) For all material transactions between (i) the Company or any of its Subsidiaries and (ii) any non-resident Person with whom any of them was not dealing at arm's length during a taxation year commencing after 1998 and ending on or before the Effective Date, the Company or any of its Subsidiaries, as the case may be, has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act.
- (5) There are no circumstances existing which could result in the application of section 17, section 78, section 79, or sections 80 to 80.04 of the Tax Act, or any equivalent provision under applicable provincial law, to the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries is subject to any liability for Taxes of any other person.
- (6) The Company has delivered to Nevoro correct and complete copies of all Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by the Company and its Subsidiaries since December 31, 2005.

Section 4.18 Books and Records

The corporate records and minute books of the Company and its Subsidiaries have, since the Company's incorporation in Alberta by Articles of Incorporation under the *Business Corporations Act* (Alberta) on October 15, 1998 with the name "Specialty Woods Inc.", and since the date of incorporation in the case of each Subsidiary, been maintained in accordance with all applicable Laws in all material respects and the minute books of the Company and each of its Subsidiaries are complete and accurate in all material respects. Financial books and records and accounts of the Company and each of its Subsidiaries in all material respects: (i) have been maintained in accordance with good business practices on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of assets of the Company and its Subsidiaries; and (iii) accurately and fairly reflect the basis for the Company's consolidated financial statements.

Section 4.19 Insurance

Except as disclosed in the Company Disclosure Letter, neither the Company nor its Subsidiaries maintain any insurance policies in respect of their properties, assets or operations.

Section 4.20 Non-Arm's Length Transactions

No current or former director, officer or employee (a "**Company Interested Person**") is indebted to the Company or any Subsidiary, nor is the Company or any Subsidiary indebted to any Company Interested Person, except such indebtedness as is expressly disclosed in the Company Disclosure Letter and except for usual employee reimbursements and compensation paid in the ordinary and normal course of the business. Except for employment agreements, agreements with non-executive directors regarding their services as directors of the Company or any Subsidiary (that do not impose any material payment obligations on the Company or any Subsidiary) and other than as disclosed in the Company Disclosure Letter, neither the Company nor any Subsidiary is a party to any written or oral agreement, arrangement, understanding or commitment with any Company Interested Person. Except as is disclosed in the Company Disclosure Letter, no Company Interested Person: (i) owns, directly or indirectly, in whole or in part, any property that the Company or any Subsidiary uses in the operation of the business; or (ii) has any cause of action or other claim whatsoever against, or is owed any amount by the Company or any Subsidiary in connection with the business, except for any liabilities reflected in the consolidated financial statements of the Company for the period ended December 31, 2007 and claims in the ordinary course of business such as for accrued expense reimbursements, vacation pay and benefits under any benefit plans.

Section 4.21 Environmental

- (1) There has been no Environmental Condition, and in respect of the Company and each Subsidiary of the Company, there exists no Environmental Condition, which, individually or in the aggregate, has a Material Adverse Effect. Neither the Company, nor any of its Subsidiaries has received a notice, directive, advisory or other communication from any Governmental Entity of any Environmental Condition that could, individually or in the aggregate, have a Material Adverse Effect.
- (2) The Company and each Subsidiary of the Company has all Environmental Approvals required pursuant to Environmental Laws in respect of the current operations of the Company and each such Subsidiary of the Company and is in compliance with such Environmental Approvals except where any non-compliance could not, individually or in the aggregate, have a Material Adverse Effect.

- (3) With the exception of: (i) reports and documents which are Company Public Documents; and (ii) reports and documents of no force or effect as of the Effective Date and pursuant to which there are no current, outstanding, or threatened claims, liabilities, or obligations of or against the Company in effect as of the Effective Date, the Company Disclosure Letter lists all reports and documents which are in the possession or under the control of the Company and which relate to the environmental matters affecting the Company, the Company Mining Rights or the real property and leasehold interests set forth in the Company Disclosure Letter pursuant to Section 4.21 hereof. Copies of all such reports and documents have been provided to Nevoro. There are no other such reports or documents which have not been made available to Nevoro, whether by reasons of confidentiality restrictions or otherwise.

Section 4.22 Restrictions on Business Activities

Except as set forth in the Company's Constatng Documents there is no agreement, judgement, injunction, order or decree binding upon the Company or any of its Subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any current business activity of the Company, any of its Subsidiaries, any acquisition of property by the Company or any of its Subsidiaries (in any locality or otherwise) or the conduct of business by the Company or any of its Subsidiaries as currently conducted or as currently contemplated to be conducted.

Section 4.23 Material Agreements

Neither the Company nor any of its Subsidiaries is in material breach or default under any material agreement or is aware of any condition that with the passage of time or the giving of notice or both would result in such a material breach or default. Neither the Company nor any of its Subsidiaries knows of, or has received written notice of, any material breach or default under (nor does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default under) any material agreement by any other party thereto. Prior to the date of this Agreement, the Company has made available to Nevoro or its representatives true and complete copies of all material agreements relating to the Company or any of its Subsidiaries.

Section 4.24 No Prohibited Payments

Neither the Company, nor any Subsidiary, officer, director, employee, shareholder, agent or other Person acting on behalf of any of the Company or any of its Subsidiaries, (i) has made any Prohibited Payments, (ii) has made any payments or provided services that, even though not Prohibited Payments, were not legal to make or provide or that were not legal for the Persons receiving them to receive, (iii)

has received any payments, services or gratuities that were not legal to receive or that were not legal for the Person making them to provide, (iv) has engaged in any transactions or made or received payments that were not properly recorded on the accounting books and records or properly disclosed on its financial statements, or (v) has maintained any off-book bank or cash account or “slush funds”.

Section 4.25 No Option on Assets

Other than the agreements and options disclosed in the Company Disclosure Letter, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from the Company or any of its Subsidiaries of any of the material assets of the Company or any of its Subsidiaries.

Section 4.26 Full Disclosure

The Company has made available to Nevoro all material information concerning the Company and each of its Subsidiaries through Company Public Documents filed on SEDAR, or otherwise by delivery of such material information to Nevoro, including financial, operational and other information and documentation and all such information as made available to Nevoro was true and correct at the date of filing or delivery to Nevoro in all material respects and no material fact or facts were omitted therefrom which would make such information misleading and neither the Company, nor any of its Subsidiaries have approved or entered into a binding agreement in respect of, or have any knowledge of, the purchase of any material property or assets or any interest therein or the sale or transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company or its Subsidiaries, whether by asset sale, transfer of shares or otherwise.

Section 4.27 Fees

The Company Disclosure Letter sets out all financial advisory and other fee arrangements of the Company or any of its Subsidiaries (including details of the maximum amount of advisory fees, success fees, brokerage commissions, finder’s fees or other like payments payable by the Company or any of its Subsidiaries) in connection with the Arrangement.

ARTICLE 5 COVENANTS

Section 5.1 Conduct of Business by the Company

The Company covenants and agrees that, prior to the earlier of: (i) the Effective Date; and (ii) the date on which this Agreement has been terminated pursuant to Article 7, unless Nevoro shall otherwise agree in writing or as otherwise expressly contemplated or permitted by this Agreement:

- (a) the Company shall, and shall cause each of its Subsidiaries to, conduct its and their respective businesses in the ordinary course of business consistent with past practice except as may be required in order to comply with the terms of this Agreement and to use best efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships;
- (b) without limiting the generality of subsection (a) above, and except as otherwise expressly permitted or required by this Agreement, the Company shall not, directly or indirectly, and shall cause each of its Subsidiaries not to:
 - (i) amend or propose to amend the memorandum and articles of association or other Constatting Documents of the Company or any of its Subsidiaries;
 - (ii) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any securities of the Company or any Subsidiary;
 - (iii) issue, sell, award, pledge, dispose of, encumber or agree to issue, sell, award, pledge, dispose of or encumber any Company Common Shares, or other securities of the Company or any shares or other securities of its Subsidiaries, or any calls, conversion privileges or rights of any kind to acquire any Company Common Shares or other securities of the Company or any shares or other securities of its Subsidiaries, except as disclosed in the Company Disclosure Letter;
 - (iv) redeem, purchase or offer to purchase any Company Common Shares or other securities of the Company or any shares or other securities of any of its Subsidiaries;
 - (v) split, consolidate, combine or reclassify any outstanding Company Common Shares or other securities of the Company or any Subsidiary or undertake any other capital reorganization;
 - (vi) adopt resolutions or enter into any agreement providing for the reorganization, consolidation, liquidation, dissolution, amalgamation, merge or other extraordinary transaction in respect of the Company or any of its Subsidiaries with any other Person;

- (vii) reduce the stated capital of the shares of the Company or of the securities of any of its Subsidiaries;
- (viii) sell, pledge, lease, assign, dispose of, encumber or agree to sell, pledge, lease, assign, dispose of or encumber any material property or assets of the Company or any of its Subsidiaries or any interest in any material property or asset of the Company or any of its Subsidiaries;
- (ix) acquire or agree to acquire (by merger, amalgamation, acquisition of stock or assets or otherwise) any Person, or make any investment either by purchase of shares or securities, contributions of capital, property transfer or purchase of any property or assets of any other Person or enter into any new joint venture, partnership or other such arrangement;
- (x) enter into, directly or indirectly, an investment in or acquisition of, whether individually or with any other Person, any material asset or an interest in any material asset;
- (xi) waive, release, authorize, amend, recommend or propose any release or relinquishment of any material contractual right, any license, lease, contract, production sharing agreement, government land concession or other document or any other legal rights or claims;
- (xii) except as set forth in the Company Disclosure Letter incur, authorize, agree or otherwise commit to incur any indebtedness for borrowed money or any other material liability or obligation, issue any debt securities, or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances, except for (i) the borrowing of working capital in the ordinary course of business consistent with past practice which borrowings will not, individually or in the aggregate, be material, or guarantee, endorse or otherwise (as an accommodation) become responsible for, the obligations of any other Person or make any loans or advances or (ii) as is necessary to fund the payment of the Termination Fee;
- (xiii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company or any of its Subsidiaries;

- (xiv) except as set forth in the Company's Disclosure Letter, pay, discharge, satisfy or settle any claims, liabilities or obligations other than (i) the payment, discharge, settlement or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in the Company's financial statements or incurred in the ordinary course of business consistent with past practice and which are not material and (ii) any claims, liabilities or obligations incurred by the Company in connection with the preparation, negotiation, and consummation of this Agreement and the transactions contemplated hereby;
- (xv) waive, release, grant or transfer any rights of value, including Company Mining Rights, or modify or change any existing material licence, lease, production sharing agreement, government land concession contract or other document;
- (xvi) enter into or terminate any interest rate, currency swaps, hedges, caps, collars, forward sales or other similar financial instruments;
- (xvii) enter into any agreements with its directors or officers or their respective affiliates;
- (xviii) except as required by Canadian GAAP, or any other generally accepted accounting principles to which any Subsidiary may be subject or any applicable Laws, make any changes to the existing accounting practices of the Company or any Subsidiary;
- (xix) amend or file any Tax Returns, except as required by Law;
- (xx) abandon or fail to pursue any application for any material licence, permit, order, authorization, consent, approval or registration;
- (xxi) terminate the employment of any senior management employee, except if such termination is for just cause;
- (xxii) take any action or enter into any transaction which would, or which reasonably may be expected to: (i) render any representation or warranty made by the Company in this Agreement inaccurate, (ii) result in a breach of any of the Company's covenants or obligations under this Agreement, (iii) cause any condition in Section 6.1 or Section 6.2 to become

incapable of satisfaction, or (iv) materially delay the successful completion of the transactions contemplated by this Agreement or render the transactions contemplated by this Agreement incapable of completion;

- (xxiii) pay, discharge, settle or compromise any claim, action, litigation, arbitration or proceeding;
 - (xxiv) make or rescind any express or deemed election relating to Taxes;
 - (xxv) settle or compromise any assessment, reassessment, claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; or
- (c) it shall not, and it shall cause its subsidiaries not to, without prior consultation with and the consent of Nevoro, enter into new commitments of a capital expenditure nature or incur any new contingent liabilities other than (i) ordinary course expenditures, including, but not limited to, reasonable planned expenditures for ongoing exploration (ii) expenditures required by law, (iii) expenditures made in connection with transactions contemplated in this Agreement, and (iv) capital expenditures required to prevent the occurrence of a material adverse effect;
 - (d) in no case shall the Company or its subsidiaries create any new obligations or liabilities or modify or in any manner amend any existing obligations and liabilities to pay any amount, including loan amounts, to its or their officers, directors, employees and consultants, other than for salary, bonuses under its or their existing bonus arrangements and directors' fees in the ordinary course, in each case in amounts consistent with historic practices and obligations or liabilities or arising in the ordinary and usual course of business;
 - (e) it shall not, and it shall cause its subsidiaries not to, without prior consultation with and the consent of Nevoro, adopt or amend or make any contribution to any bonus, profit sharing, option, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

- (f) it shall not, and it shall cause its subsidiaries not to otherwise take actions that could reasonably be expected to be prejudicial to Nevoro's interest in the business, property or assets of the Company and its subsidiaries following the closing of the Transaction.
- (g) the Company shall use its reasonable commercial efforts to maintain the listing of the Company Common Shares on the TSX-V until the Effective Date and shall cooperate with Nevoro and use reasonable commercial efforts to take, or cause to be taken, all actions and do or cause to be done all things, reasonably necessary, proper or advisable on its part under applicable Laws and rules and policies of the TSX-V to enable the delisting by the Company of the Company Common Shares from the TSX-V as promptly as practicable after the Effective Date;
- (h) the Company shall execute and deliver, or cause to be executed and delivered, at the closing of the Arrangement and the transactions contemplated hereby such customary agreements, certificates, resolutions, opinions and other closing documents as may be reasonably requested by Nevoro;
- (i) the Company shall use its commercially reasonable efforts to complete the transactions contemplated hereby by the Outside Date;
- (j) the Board of Directors of the Company shall recommend to the Shareholders the approval of the Arrangement, shall not withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to Nevoro such recommendation or the obtaining of Shareholder approval that is inconsistent with such recommendation, and shall promptly publicly reconfirm such recommendation upon the reasonable request from time to time of Nevoro, except as expressly permitted by Article 8.

Section 5.2 Filings and Authorizations

- (1) Each of Nevoro and the Company, as promptly as practicable after the execution and delivery of this Agreement, will: (i) make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required or desirable for Nevoro and the Company to consummate the Arrangement, and (ii) use all commercially reasonable efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfil its obligations under this Agreement including fulfilling as soon as is practicable any reasonable requests for additional information from any Governmental Entity. Subject to any applicable Laws, the Parties will

coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including providing each other with copies of all notices and information supplied or filed with any Governmental Entity (except for notices and information which Nevoro or the Company, in each case acting reasonably, considers confidential and sensitive which may be exchanged on a “counsel only” basis and filed on a confidential basis), and all notices and correspondence received from any Governmental Entity.

- (2) Each of Nevoro and the Company shall furnish to the other, on a timely basis, all information as may be reasonably required to effectuate the foregoing actions, and each covenants that no information so furnished by it in writing in connection with those actions or otherwise in connection with the consummation of the Arrangement will contain any Misrepresentation.

Section 5.3 Transitional Matters

The Company acknowledges that it is Nevoro’s intent to assume control of the Board of Directors and operations of the Company on and after the Effective Date. The existing directors and senior officers of the Company identified by Nevoro shall tender letters of resignation on the Effective Date.

Section 5.4 Additional Agreements

The Company shall perform, and shall cause each of its Subsidiaries to perform all obligations required or desirable to be performed by the Company or any of its Subsidiaries under this Agreement, co-operate with Nevoro in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and without limiting the generality of the foregoing, the Company shall, and where appropriate, shall cause each of its Subsidiaries to:

- (a) except as expressly contemplated or permitted by this Agreement and applicable Laws use all commercially reasonable efforts to obtain the approval of the Arrangement Resolution by the Shareholders;
- (b) use all commercially reasonable efforts to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements required or deemed advisable with the Arrangement;
- (c) use all commercially reasonable efforts to defend all lawsuits or other legal, regulatory or other proceedings challenging this Agreement or

the consummation of the Arrangement or any other related matters contemplated hereby;

- (d) use all commercially reasonable efforts to oppose, cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the Arrangement or any other related matters contemplated hereby; and
- (e) use all commercially reasonable efforts to effect all necessary or appropriate registrations and other filings and submissions of information requested by Governmental Entities.

Section 5.5 Notices of Certain Actions

The Company and Nevoro shall advise the other promptly of any breach by the Company or Nevoro, respectively, of any covenant or agreement contained in this Agreement, any event occurring subsequent to the date hereof that would render any representation or warranty of the Company or Nevoro, as applicable, contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.

Section 5.6 Securityholder Claims

The Company shall notify Nevoro promptly of any claim brought by (or threatened to be brought by) any present, former or purported holder of any securities of the Company in connection with the Arrangement or the transactions contemplated herein prior to the Effective Time. The Company shall not settle or compromise, or agree to settle or compromise any such claim prior to the Effective Time without the prior written consent of Nevoro.

Section 5.7 Mutual Covenants

Subject to the terms and conditions of this Agreement, each of the Parties agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Arrangement and all related matters contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts:

- (a) to obtain all consents, approvals and authorizations as are required to be obtained by the Company or any Subsidiary under any applicable Laws or from any Governmental Entity which would, if not obtained, prevent or materially impede the completion of the Arrangement and the transactions contemplated hereby or have a Material Adverse Effect;

- (b) not take any action or permit any of its Subsidiaries to take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to the Effective Date or termination of this Agreement, whichever is first; and
- (c) to fulfill all conditions and satisfy all provisions of this Agreement.

Section 5.8 Additional Financing

The Company acknowledges and agrees that Nevoro may issue additional Nevoro Common Shares or additional Nevoro Warrants after the date hereof in connection with a subsequent equity or convertible security financing, or in connection with an acquisition, and that as a result the *pro forma* ownership interest in Nevoro held by the Company Securityholders may be diluted to a material degree.

Section 5.9 Indemnification

- (1) Nevoro agrees that all rights to indemnification for acts or omissions occurring prior to the Effective Time existing as of the date of this Agreement in favour of the directors or officers of the Company as provided in its Constatting Documents or in written contracts in effect on the date of this Agreement, shall survive the Arrangement and shall continue in full force and effect until the earlier of the expiration of the applicable statute of limitations with respect to any claims against directors or officers of the Company arising out of such acts or omissions and the sixth anniversary of the Effective Date, and Nevoro hereby assumes, effective upon consummation of the Arrangement, all such indemnification obligations of the Company with respect to any matters arising prior to the Effective Time.
- (2) In the event the Company or any of its successors or assigns: (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger; or (ii) transfers all or substantially all of its properties and assets to any person, then, and in such case, proper provision shall be made so that Nevoro shall assume the obligations set forth in this Section 5.9.

Section 5.10 Additional Covenants of Nevoro

- (1) During the term of this Agreement and for a period of nine-months following the closing of the Transaction, Nevoro covenants that it shall not conduct any consolidation of Nevoro Common Shares issued pursuant to the Transaction.
- (2) Nevoro shall promptly advise the Company in writing of any:

- (a) event, condition or circumstance that might be reasonably expected to cause any representation or warranty of Nevoro contained in this Agreement to be untrue or inaccurate on the Effective Date (or, in the case of any representation or warranty made as of a specified date, as of such specified date);
 - (b) Material Adverse Effect on Nevoro or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect on Nevoro; and
 - (c) material breach by Nevoro of any of its covenants, obligations or agreements contained in this Agreement.
- (3) Nevoro shall perform all obligations required to be performed by it under this Agreement, cooperate with the Company in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, Nevoro shall use commercially reasonable efforts to satisfy or cause to be satisfied as soon as reasonably practicable all conditions precedent applicable to or relating to it that are set forth in Article 6.

ARTICLE 6 CONDITIONS

Section 6.1 Mutual Conditions Precedent

The respective obligations of each Party to complete the transactions contemplated by this Agreement shall be subject to the satisfaction, or if permissible, waiver, of the following conditions precedent at or before the Effective Date:

- (a) the Interim Order shall have been obtained in form and substance satisfactory to each of the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved by the Shareholders at the Meeting in accordance with the requirements of the Interim Order;
- (c) the Final Order shall have been obtained in form and on terms satisfactory to each of Nevoro and the Company, acting reasonably, and shall not have been set aside or modified in a manner

unacceptable to such parties, acting reasonably, on appeal or otherwise;

- (d) the Arrangement Filings shall be in form and substance satisfactory to the Parties hereto, acting reasonably; and
- (e) there shall not be in force any Laws, ruling, order or decree, and there shall not have been any action taken under any Laws or by any Governmental Entity or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement and the transactions contemplated hereby in accordance with the terms hereof or that results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the transactions contemplated hereby which has a Material Adverse Effect.

The foregoing conditions are for the mutual benefit of the Parties hereto and may be waived in respect of a Party hereto, in whole or in part, by such Party hereto in writing at any time.

Section 6.2 Additional Conditions Precedent to the Obligations of Nevoro

The obligations of Nevoro to complete the transactions contemplated by this Agreement shall also be subject to the fulfilment of each of the following conditions precedent:

- (a) all Company Shareholder approvals required by applicable laws shall have been obtained;
- (b) all consents, authorizations, waivers, permits, exemptions, reviews, orders, rulings, decisions and approvals of, and any registrations and filings with, any Governmental Entity and the expiry, waiver or termination of any waiting or suspensory periods, in each case that Nevoro reasonably considers to be necessary or desirable in connection with, or required to permit the Parties to consummate the Arrangement shall have been obtained, received or concluded or, in the case of waiting or suspensory periods, shall have expired or been terminated, each on terms that are satisfactory to Nevoro, acting reasonably;
- (c) no orders or decrees restricting the Transaction shall have been issued, no proceedings in relation to the Transaction shall have been taken or threatened, and no other similar legal impediments to the Transaction shall exist;

- (d) all third party and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements or arrangements that Nevoro reasonably considers to be necessary or desirable shall have been obtained or received on terms that are satisfactory to Nevoro acting reasonably, and reasonable evidence of this shall have been delivered to Nevoro;
- (e) all representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects and there shall have been no Misrepresentation in the Company Public Documents;
- (f) the Company shall have complied with all covenants and obligations in all material respects that are to be complied with under this Agreement at or prior to the Effective Date and Nevoro shall have received a certificate of the Chief Executive Officer of the Company addressed to Nevoro and dated as of the Effective Date confirming the same, such certificate to be in form and substance satisfactory to Nevoro, acting reasonably;
- (g) Nevoro shall have determined, in its sole discretion acting reasonably, that there shall have occurred no Material Adverse Change in the business, assets or condition (financial or otherwise) of the Company and no property, subsidiary or legal right of any kind of the Company or its subsidiaries shall have been lost, impaired or materially adversely affected that might make it inadvisable for Nevoro to proceed with the Transaction, provided that changes to the price of copper, changes to Canadian and United States financial markets or changes to the copper mining industry generally (and which do not disproportionately affect the Company and its subsidiaries) shall not be considered to constitute a Material Adverse Change and for further clarity, the coming into force of the proposed Hardrock Mining and Reclamation Act of 2007 shall not constitute a Material Adverse Change in the business, assets or condition (financial or otherwise) of the Company;
- (h) there shall not be any action taken, any law enacted, entered, enforced or deemed applicable by any Governmental Entity or pending or threatened any suit, action or proceeding by any Governmental Entity seeking to prohibit or materially limit the ownership or operation by Nevoro, the Company, or any of their respective Subsidiaries of any material portion of the business or assets of Nevoro, the Company or any of their respective Subsidiaries or seeking to prohibit or limit the

ability of Nevoro or any of its Subsidiaries from effectively controlling in any material respect the business or operations of the Company and its Subsidiaries or imposing any condition or restriction that in the judgment of Nevoro, acting reasonably, would constitute a Material Adverse Change to the future operations or business of any business unit of the Company or any of its Subsidiaries after the closing of the Transaction;

- (i) the Board of Directors of the Company shall not have withdrawn or changed in any way its recommendation to the Shareholders to vote in favour of the Transaction;
- (j) the Company shall have mailed the Circular in respect of the Meeting no later than June 30, 2008, except that to the extent that such Circular is mailed after June 30, 2008 as a result of a delay caused solely by Nevoro and its counsel, such date shall be extended by the number of days of any such delay;
- (k) the transaction herein shall have closed no later than December 31, 2008;
- (l) the completion of any necessary reorganizations of the Company's business, operations and assets or such other transaction as Nevoro may reasonably request prior to the Effective Date;
- (m) the satisfactory completion of due diligence investigations by Nevoro and its advisors, as determined solely by Nevoro, acting reasonably, and in any event prior to entering into this Agreement;
- (n) Dissent Rights shall not have been exercised with respect to more than 10% of the Company Common Shares in connection with the Arrangement and Nevoro shall have received a certificate dated the day immediately preceding the Effective Date of the officer of the Company to such effect;
- (o) without prior consultation with and the consent of Nevoro, there shall not have occurred any reorganization of the Company and its affiliates and subsidiaries or any other action or inaction that would have adverse tax consequences in respect of certain shares of affiliates or subsidiaries and other non-depreciable capital property of the Company;
- (p) the TSX shall have conditionally approved the listing thereon of Nevoro Common Shares to be issued pursuant to the Arrangement as

of the Effective Date, or as soon as possible thereafter, subject only to compliance with the usual requirements of the TSX; and

- (q) Nevoro shall have received an opinion (the “**Title Opinion**”) of Company’s counsel, in form and substance reasonably satisfactory to Nevoro, as to the Company’s interest in the Company Mining Rights located in the State of California.

The foregoing conditions are for the exclusive benefit of Nevoro and may be waived by Nevoro in whole or in part at any time.

Section 6.3 Additional Conditions Precedent to the Obligations of the Company

The obligations of the Company to complete the transactions contemplated by this Agreement shall also be subject to the fulfilment of each of the following conditions precedent:

- (a) any Nevoro securityholder approvals required by applicable laws shall have been obtained;
- (b) all required regulatory approvals shall have been obtained on terms and conditions satisfactory to the Company in its sole discretion, acting reasonably, including that the Nevoro Common Shares comprising the Share Consideration, and any Nevoro Common Share issued pursuant to the exercise of a Replacement Option or a Company Warrant, which are issuable at the Effective Time shall have been approved for listing on the TSX and, subject to any restrictions applicable to a control person of Nevoro, will be freely tradeable by the holders thereof;
- (c) no orders or decrees restricting the transaction contemplated herein shall have been issued, no proceedings in relation to the transaction shall have been taken or threatened, and no other similar legal impediments to the transaction shall exist;
- (d) all required Nevoro third party consents, if any, shall have been obtained;
- (e) all representations and warranties of Nevoro contained in this Agreement shall be true and correct in all material respects and there shall have been no Misrepresentation in the Nevoro Public Documents; and

- (f) Nevoro shall have complied with all covenants and obligations in all material respects that are to be complied with under this Agreement by Nevoro at or prior to the Effective Date, except where any breach or non-compliance would not materially impede the completion of the Arrangement.

The foregoing conditions are for the exclusive benefit of the Company and may be waived by the Company in whole or in part at any time.

ARTICLE 7 TERMINATION, AMENDMENT AND WAIVER

Section 7.1 Termination

This Agreement may be terminated by notice in writing:

- (a) at any time prior to the Effective Time by mutual consent of Nevoro and the Company;
- (b) by either Party, if the Company Shareholders do not approve the Arrangement Resolution in the manner directed by the Court;
- (c) by either Party, if a Governmental Entity or court of competent jurisdiction shall have issued a non-appealable final order, decree or ruling or taken any other non-appealable final action, in each case, having the effect of permanently restraining, enjoining or otherwise prohibiting the transactions contemplated hereby; provided that the right to terminate this Agreement under this Section 7.1(c) shall not be available to any Party whose material failure to fulfill any obligation under this Agreement has been the principal cause of or resulted in such order, decree, ruling or action;
- (d) by Nevoro, if Nevoro is not in material breach of its obligations under this Agreement and there has been a breach of or failure to perform any covenant or agreement on the part of the Company set forth in this Agreement which failure, breach or failure to perform (i) would cause the conditions set forth in Section 6.1 or Section 6.2 not to be satisfied, and (ii) either cannot be cured by the Company or is not waived by Nevoro at or before the Effective Time and has not been cured prior to the tenth Business Day following receipt by the Company of written notice of such breach from Nevoro;
- (e) by Nevoro, if the Company has failed to hold the Meeting by the Outside Date, provided that the right to terminate this Agreement pursuant to this Section 7.1(e) shall not be available if such failure

results from an adjournment of such Meeting for not more than seven Business Days due to the Company's obligation to adjourn such Meeting in circumstances contemplated in Section 8.3(1);

- (f) by Nevoro if: (i) the Board of Directors of the Company withdraws, modifies, changes or qualifies (or resolves to do so) its approval or recommendation of this Agreement or the Arrangement in a manner adverse to Nevoro; or (ii) the Board of Directors of the Company or any committee thereof or the board of directors or any committee thereof of any of the Subsidiaries approves or recommends an Acquisition Proposal or the Company or any Subsidiary enters into a written agreement in respect of an Acquisition Proposal; or (iii) the Board of Directors of the Company or any committee thereof fails to publicly recommend or reaffirm its approval or recommendation of the Arrangement within two calendar days of any written request to do so by Nevoro; or (iv) the Board of Directors of the Company or the board of directors of any of the Subsidiaries or the Company or any of its Subsidiaries publicly proposes or publicly states its intention to do any of the foregoing;
- (g) by Nevoro, if Nevoro are not in material breach of their respective obligations under this Agreement and there has been an intentional, wilful or deliberate breach or failure to perform any covenant or agreement on the part of the Company, any of its subsidiaries or any of their respective directors, officers, employees, agents, consultants or any other representative, as applicable, set forth in this Agreement;
- (h) by the Company, if the Company is not in material breach of its obligations under this Agreement and there has been a breach of or failure to perform any covenant or agreement on the part of Nevoro set forth in this Agreement, which failure, breach or failure to perform (i) would cause the conditions set forth in Section 6.1 or Section 6.3 not to be satisfied, and (ii) either cannot be cured or is not waived by the Company at or before the Effective Time and has not been cured prior to the tenth Business Day following receipt by Nevoro of written notice of such breach from the Company; and
- (i) by the Company, if the Company proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with the provisions of Article 8, provided that the Company has previously paid to Nevoro the applicable Termination Fee and further provided that the Superior Proposal did not result from a breach by the Company of its obligations under Section 8.2 of this Agreement.

Section 7.2 Termination Fee

- (1) Nevoro shall be entitled to a termination fee equal to the greater of (a) 3.5% of the value of a Superior Proposal, and (b) \$650,000 (the “**Termination Fee**”) upon the occurrence of any of the following events (each a “**Termination Fee Event**”) which shall be paid by the Company to Nevoro within the time specified in respect of each such Termination Fee Event:
 - (a) this Agreement is terminated by Nevoro pursuant to Section 7.1(e),
 - (b) this Agreement is terminated pursuant to Section 7.1(f) or Section 7.1(i); or
 - (c) this Agreement is terminated in accordance with Section 7.1(b) in circumstances where the Shareholders have not approved the Arrangement Resolution in the manner directed by the Court, and a *bona fide* Acquisition Proposal has been publicly announced by any person other than Nevoro and not withdrawn more than five Business Days prior to the Meeting, and an agreement in respect of an Acquisition Proposal is entered into or agreed to by the Company or any of its Subsidiaries or an Acquisition Proposal is completed during the twelve (12) months following the termination of this Agreement, in which case the Termination Fee shall be paid to Nevoro on the earlier of the date that an Acquisition Proposal is entered into or agreed to or concurrently with the consummation of the Acquisition Proposal.
- (2) The Company acknowledges that the agreements contained in Section 7.2(1) are an integral part of the transactions contemplated by this Agreement and that, without these agreements, Nevoro would not enter into this Agreement. For greater certainty:
 - (a) the Company shall not be obligated to make more than one payment under Section 7.2(1) if one or more of the events specified therein occurs;
 - (b) the Termination Fee shall be paid by the Company to Nevoro by wire transfer in immediately available funds to an account specified by Nevoro; and
 - (c) the obligations of the Company under this Section 7.2 shall survive the termination of this Agreement, regardless of the circumstances thereof.

Section 7.3 Effect of Termination

The Company acknowledges that the payment amount set out in Section 7.2 is payment of liquidated damages, which is a genuine pre-estimate of the damages

which Nevoro will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement, and is not a penalty. The Company hereby irrevocably waives any right it may have to raise as a defence that any such damages are excessive or punitive. If this Agreement is terminated in accordance with the provisions of Section 7.1, no Party shall have any further liability to perform its obligations hereunder except for the provisions of this Section 7.3 and Section 7.2. The Parties agree that the payment of the Termination Fee under Section 7.2 is the sole remedy of Nevoro under this Agreement.

ARTICLE 8 NON-SOLICITATION

Section 8.1 Non-Solicitation

- (1) **“Acquisition Proposal”** means, other than from Nevoro or a subsidiary of Nevoro, any merger, amalgamation, statutory arrangement, recapitalization, take-over bid, sale of material assets (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale of material assets), liquidation, winding-up, sale or redemption of a material number of shares or rights or interests therein or thereto or similar transactions involving the Company and/or its subsidiaries, or a written proposal to do so, excluding the transaction herein contemplated;
- (2) **“Superior Proposal”** means any *bona fide* written proposal, other than the transaction herein contemplated, by a third party, directly or indirectly, to acquire all or substantially all of the assets of the Company (on a consolidated basis) or more than 20% of the Company Common Shares, whether by way of merger, amalgamation, arrangement, share exchange, take-over bid, recapitalization, sale of assets or otherwise, and that the Board of Directors of the Company determines in its good faith (based upon the written advice from its financial advisors and outside legal counsel) (a) is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal, (b) is fully financed or is reasonably capable of being fully financed, and (c) would, if consummated in accordance with its terms, result in a transaction more favourable to the Shareholders from a financial point of view than the terms of the Transaction and provides for consideration per Company Common Share that has a value that is greater than the consideration per Company Common Share provided under the terms of the Transaction by more than 5% (including any adjustment to such terms proposed by Nevoro as contemplated by Section 8.2(2));

Section 8.2 Covenants Regarding Non-Solicitation

- (1) Sheffield shall, and shall direct and cause its representatives and its subsidiaries and their representatives to immediately cease and cause to be terminated any solicitation, encouragement, activity, discussion or negotiation with any parties that may be ongoing with respect to an Acquisition Proposal whether or not initiated by the Company and in connection therewith, the Company shall request (and exercise all rights it has to require) the return of information regarding the Company and its subsidiaries previously provided to such parties and shall request (and exercise all rights it has to require) the destruction of all materials including or incorporating any confidential information regarding the Company and its subsidiaries.
- (2) Subject to Section 8.3, the Company agrees that it shall not, and shall not authorize or permit any of its subsidiaries or any of its or its subsidiaries' representatives, directly or indirectly, to (i) solicit, initiate, encourage or facilitate, including by way of furnishing information or entering into any form of agreement, arrangement or understanding, any inquiries or the making of any proposals regarding an Acquisition Proposal, (ii) participate in any discussions or negotiations regarding any Acquisition Proposal, (iii) withdraw, modify, qualify or change in a manner adverse to Nevoro, or publicly propose to withdraw, modify, qualify or change in a manner adverse to Nevoro the approval, recommendation or declaration of advisability of the Board of Directors of the Company of the transactions contemplated hereby (it being understood that failing to affirm the approval or recommendation of the Board of Directors of the Company of the transactions contemplated hereby after an Acquisition Proposal has been publicly announced shall be considered an adverse modification), (iv) approve or recommend any Acquisition Proposal or (v) enter into any agreement, arrangement or understanding related to any Acquisition Proposal or requiring the Company to abandon, terminate or fail to consummate the Transaction or providing for the payment of any break, termination or other fees or expenses to any person in the event that the Company or any of its subsidiaries completes the transactions contemplated hereby or any other transaction with Nevoro or any of its affiliates agreed to prior to any termination of this Agreement. Notwithstanding the preceding sentence and any other provisions of this Agreement, the Board of Directors of the Company may, prior to the approval of the Transaction by the Shareholders, consider, participate in any discussions or negotiations with, or provide information in accordance with the last sentence of this paragraph to, any person who has delivered a bona fide written Acquisition Proposal which was not solicited or encouraged after the date of this Agreement and did not otherwise result from a breach of this Section 8.2 and that the Board of Directors of the Company determines in

- good faith, after consultation with its financial advisors and outside legal counsel, is a Superior Proposal; provided, however, that prior to taking any such action, (x) the Board of Directors of the Company must receive written advice of outside counsel that it is necessary for the Board of Directors of the Company to take such action in order to discharge properly its fiduciary duties, and (y) the Company must obtain a confidentiality agreement from the person making such Acquisition Proposal that is substantively the same as the confidentiality agreement between the parties hereto, and on terms no more favourable to such person than such confidentiality agreement including a standstill provision at least as stringent as contained in such confidentiality agreement; provided further that the Company shall not commence or participate in discussions or negotiations with, or provide information to any person who has delivered an unsolicited bona fide written Acquisition Proposal until 48 hours after the Company shall have advised Nevoro of its determination that such Acquisition Proposal would, if completed, constitute a Superior Proposal and of its intention to take such actions. The Company shall not consider, negotiate, accept, approve or recommend an Acquisition Proposal or provide information to any person proposing an Acquisition Proposal, in each case after the date of the approval of the Transaction by the Shareholders. If the Company receives a request for material non-public information from a person who has made an unsolicited bona fide written Acquisition Proposal and the Company is permitted, as contemplated under the second sentence of this Section 2, to negotiate the terms of such Acquisition Proposal, then, and only in such case, the Board of Directors of the Company may, subject to the execution by such person of the confidentiality agreement as described in (y) above, provide such person with access to information regarding the Company; provided that the Company sends a copy of any such confidentiality agreement to Nevoro promptly upon its execution and Nevoro is provided with a list of, and copies of, the information provided to such person and is immediately provided with access to similar information to which such person was provided.
- (3) From and after the date of this Agreement, the Company shall promptly (and in any event within 24 hours) notify Nevoro, at first orally and then in writing, of any inquiries, proposals or offers relating to or constituting an Acquisition Proposal, or any request for non-public information relating to the Company or any of its subsidiaries. Such notice shall include a description of the terms and conditions of any proposal, inquiry or offer, the identity of the person making such proposal, inquiry or offer and provide such other details of the proposal, inquiry or offer as Nevoro may reasonably request. The Company shall keep Nevoro fully informed on a prompt basis of the status, including any change to the material terms, of any such inquiry, proposal or offer.

- (4) Nothing contained in Section 8.2(2) above shall prohibit the Board of Directors of the Company from withdrawing, modifying, qualifying or changing its recommendation to the Shareholders in respect of the transactions contemplated hereby prior to the approval of the Transaction by the Shareholders, if the Board of Directors of the Company determines, in good faith (after receiving written advice of outside counsel) that such withdrawal, modification, qualification or change is necessary for the Board of Directors of the Company to act in a manner consistent with its fiduciary duties or applicable Laws; provided that (i) not less than 48 hours before the Board of Directors of the Company considers any proposal in respect of any such withdrawal, modification, qualification or change, the Company shall give Nevoro written notice of such proposal and promptly advise Nevoro of the proposed consideration of such proposal, including a summary of the reasons for the proposal withdrawal, modification, qualification or change, a copy of the written opinion of outside counsel and all other materials to be presented to the Board of Directors of the Company in respect of its consideration of such proposal, and (ii) the foregoing shall not relieve the Company from its obligation to proceed to call and hold the Meeting to approve the Transaction, except in circumstances where this Agreement is terminated in accordance with the terms hereof.
- (5) The Company shall ensure that its officers, directors and employees and its subsidiaries and their officers, directors and employees and any financial advisors or other advisors or representatives retained by it are aware of the provisions of this Section 8.2, and it shall be responsible for any breach of this Section 8.2 by such officers, directors, employees, financial advisors or other advisors or representatives.

Section 8.3 Right to Accept a Superior Proposal

- (1) If the Company has complied with Section 8.2 with respect thereto, the Company may accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal prior to the approval of the Transaction by the Shareholders and terminate this Agreement if, and only if (with the exception of a confidentiality agreement the execution of which shall not be subject to the conditions of this Section 8.3), (i) the Company has provided Nevoro with a copy of the Superior Proposal document, (ii) seven business days shall have elapsed from the later of (x) the date Nevoro received written notice (a "**Section 8.3 Notice**") advising Nevoro that the Board of Directors of the Company has resolved, subject only to compliance with this Section 8.3, to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal, specifying the terms and conditions of such Superior Proposal and identifying the person making such Superior Proposal, and (y) the date

- Nevoro received a copy of such Superior Proposal, (iii) the Board of Directors of the Company has determined in good faith (based upon the written opinion of its outside legal counsel) that it is necessary for the Board of Directors of the Company to take such action in order to discharge properly its fiduciary duties and thereby withdrawing or modifying its approval or recommendation of this Agreement and approving or recommending such Superior Proposal, (iv) such Superior Proposal does not provide for the payment of any break, termination or other fees or expenses to the other party in the event that the Company or any of its subsidiaries completes the transactions contemplated by this Agreement or any similar other transaction with Nevoro or any of its affiliates agreed to prior to any termination of this Agreement, (v) taking into account any revised proposal made by Nevoro since receipt of the Section 8.3 Notice, such Superior Proposal remains a Superior Proposal and the Board of Directors of the Company has again made the determinations referred to in this Section 8.3(1) and (vi) the Company has previously or concurrently will have paid to Nevoro the Termination Fee, if any, payable under Section 7.2. In the event that the Company provides Nevoro with a Section 8.3 Notice on a date that is less than seven business days prior to the Meeting, the Company shall adjourn such Meeting (without notice on the Transaction or any related matters) to a date that is not less than five business days and not more than 10 business days after the date of the Section 8.3 Notice.
- (2) During the seven business day period referred to in Section 8.3(1)(ii), the Company agrees that Nevoro shall have the right, but not the obligation, to offer to amend the terms of this Agreement. A stock offer by Nevoro shall be considered the equivalent of a cash offer, price to be determined based on a 20-day weighted average price of Nevoro Common Shares on the TSX (ending on the day the Superior Proposal was received by the Company). The Board of Directors of the Company will review any proposal by Nevoro to amend the terms of this Agreement in good faith in order to determine, in its discretion in the exercise of its fiduciary duties, whether Nevoro's amended proposal upon acceptance by the Company would result in such Superior Proposal ceasing to be a Superior Proposal. If the Board of Directors of the Company so determines, it will enter into an amended agreement with Nevoro reflecting Nevoro's amended proposal. If the Board of Directors of the Company continues to believe, in good faith and after consultation with financial advisors and outside counsel, that such Superior Proposal remains a Superior Proposal and therefore rejects Nevoro's amended proposal, the Company may, on termination of this Agreement in accordance with Article 7 and payment of the Termination Fee as required pursuant to Section 7.4, accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of such Superior Proposal.

- (3) The Company also acknowledges and agrees that each successive material modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of Section 8.2 and the requirement in Section 8.3(1)(ii) to initiate an additional seven business day notice period.

ARTICLE 9 GENERAL PROVISIONS

Section 9.1 Further Assurances

Subject to the conditions herein provided each Party agrees to use all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as is practicable the transactions contemplated by the Arrangement and this Agreement, including (i) the execution and delivery of such documents as the other Party may reasonably require and (ii) using reasonable commercial efforts to obtain all necessary waivers, consents and approvals, including those contemplated by Section 3.3 and Section 4.3 and to effect all necessary registrations and filings, including filings under applicable Laws and submissions of information requested by Governmental Entities. Each of the Parties shall cooperate in all reasonable respects with the other Party in taking such actions.

Section 9.2 Notification of Certain Matters

Each Party shall give prompt notice to the others of: (i) the occurrence or failure to occur of any event, which occurrence or failure would cause or may cause any representation or warranty on its part contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the earlier of the Effective Date and the termination of this Agreement; and (ii) any failure of such Party, or any officer, director, employee or agent thereof, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder.

Section 9.3 Access to Information

Upon reasonable notice, but subject to all applicable Laws, the Company agrees to provide Nevoro and its representatives access during normal business hours to all books, records, information and files in the Company's or any of its Subsidiaries' possession and control, access to the Company's and any of its Subsidiaries' personnel (including senior management) on an as requested basis as well as access to the Company's and each of its Subsidiaries' properties in order to allow Nevoro and its representatives to conduct such investigations as they may consider necessary or advisable for due diligence, strategic planning and other business reasons, and further agrees to assist them in all reasonable ways in any investigations which they may wish to conduct (including reasonable access to directors, officers, employees, consultants, agents, advisors, union representatives,

retirees, suppliers, creditors or customers of the Company and/or its affiliates (collectively, the “**Company Contacts**”). Any investigation by Nevoro hereto and its representatives after the date of this Agreement shall not mitigate, diminish or affect the representations and warranties of the Company contained in this Agreement or any document or certificate given pursuant hereto, except to the extent that as a result of such investigations Nevoro becomes aware that a representation, warranty or statements by the Company is incorrect or untrue Nevoro may not close over the breach and subsequently claim for damages as a result of it.

Section 9.4 Expenses

Each Party shall pay its own expenses incurred in connection with this Agreement, the completion of the transactions contemplated hereby and/or the termination of this Agreement, irrespective of the completion of the transactions contemplated hereby.

Section 9.5 Notices

All notices, requests, demands and other communications hereunder shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the Party for whom it is intended or delivered, or if sent by facsimile transmission, upon confirmation that such transmission has been properly effected, to the Person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Person. The date of receipt of any such notice or other communication if delivered personally shall be deemed to be the date of delivery thereof, or if sent by facsimile transmission the date of such transmission if sent on a Business Day, failing which it shall be deemed to have been received on the next Business Day.

If to Nevoro:

Nevoro Inc.
141 Adelaide Street West
Suite 420
Toronto, ON M5H 3L5
Canada

Attention: William Schara
Facsimile: (416) 363-7238

with copies (which shall not constitute notice) to:

Stikeman Elliott LLP
5300 Commerce Court West

199 Bay Street
Toronto, ON M5L 1B9
Canada

Attention: Jay C. Kellerman
Facsimile: (416) 947-0866

If to the Company:

Sheffield Resources Ltd.
Suite 480
789 West Pender Street
Vancouver, British Columbia
V6C 1H2

Attention: David Jenkins
Facsimile: (604) 689-7654

with copies (which shall not constitute notice) to:

Sally Bowes Harwardt LLP
Suite 1750 - 1185 West Georgia Street
Vancouver British Columbia
V6E 4E6

Attention: Paul Bowes
Facsimile: (604) 688-0778

Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 9.5.

Section 9.6 Severability

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. 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 to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 9.7 Entire Agreement, Assignment and Governing Law

- (1) This Agreement and the Engagement Agreement constitute the entire agreement and supersede all other prior agreements and undertakings, both written and oral, between the Parties with respect to the subject matter hereof. Other than as set forth in such agreements, no representation or warranty has been given by any Party to another.
- (2) This Agreement: (i) shall not be assigned by operation of law or otherwise, except that Nevoro may assign all or any portion of its rights under this Agreement to any Affiliate provided such Affiliate executes and delivers a counterpart of this Agreement pursuant to which it agrees to be bound by the terms of this Agreement as if it were Nevoro but no such assignment shall relieve Nevoro of its obligations hereunder; and (ii) shall be governed in all respects, including validity, interpretation and effect, exclusively by the Laws of British Columbia, and the Laws of Canada applicable therein, without giving effect to the principles of conflict of laws thereunder.

Section 9.8 Amendment

This Agreement may not be amended except by written instrument signed by each of the Parties.

Section 9.9 Waiver

At any time prior to the Effective Date, either Nevoro or the Company may: (i) extend the time for the performance of any of the obligations or other acts of the other Party; or (ii) waive compliance with any of the agreements of the other Party or with any conditions to its own obligations, in each case only to the extent such obligations, agreements or conditions are intended for its benefit.

Section 9.10 Third Party Beneficiaries

This Agreement shall not confer any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns.

Section 9.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce more than one counterpart.

IN WITNESS WHEREOF the parties have executed this Agreement.

NEVORO INC.

By: (signed) "Victor H. Bradley"

Name: Victor H. Bradley

Title: Executive Deputy
Chairman

SHEFFIELD RESOURCES LTD.

By: (signed) "David Jenkins"

Name: David Jenkins

Title: President

SCHEDULE "A"
FORM OF ARRANGEMENT RESOLUTION

RESOLVED THAT:

1. The arrangement (the "Arrangement") under Section 288 of the *Business Corporations Act* (British Columbia) (the "BCBCA") involving Sheffield Resources Ltd. (the "Company"), pursuant to the arrangement agreement (the "Arrangement Agreement") between the Company and Nevoro Inc. dated ●, 2008, all as more particularly described and set forth in the Management Information Circular (the "Circular") of the Company dated ●, 2008, accompanying the notice of this meeting (as the Arrangement may be or may be modified or amended) is hereby approved.
2. The plan of arrangement (the "Plan of Arrangement") involving the Company and implementing the Arrangement, the full text of which is set out as Schedule "B" to the Arrangement Agreement (as the Plan of Arrangement may be or may have been modified or amended) is hereby approved.
3. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Company are hereby authorized and empowered without further notice to or approval of the shareholders of the Company: (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
4. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute, under the seal of the Company or otherwise, and to deliver such documents as are necessary or desirable to the Registrar under the BCBCA in accordance with the Arrangement Agreement for filing.
5. Any officer or director of the Company 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.

SCHEDULE "B"
FORM OF PLAN OF ARRANGEMENT

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

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.1 **Definitions**

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings hereinafter set forth:

"Arrangement" means the arrangement under section 288 of the BCBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of the Arrangement Agreement and Section 6.1 of this Plan of Arrangement, or made at the discretion of the Court in the Final Order (with the consent of Nevoro and the Company, each acting reasonably);

"Arrangement Agreement" means the Arrangement Agreement providing for, among other things, this Plan of Arrangement, among Nevoro and the Company, dated June ●, 2008, as the same may be amended, supplemented and/or restated from time to time, in accordance with its terms;

"Arrangement Resolution" means the special resolution of the Shareholders approving the Arrangement;

"Arrangement Filings" means the records and information provided to the Registrar under Section 292(a) of the BCBCA that the Registrar requires, and the records filed under Section 292(a) of the BCBCA that the Registrar requires to give effect to the Arrangement, together with a copy of the Final Order;

"BCBCA" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended from time to time;

"Business Day" means any day of the week, other than a Saturday, a Sunday or a statutory or civic holiday observed in Toronto, Ontario or Vancouver, British Columbia;

“Circular” means the notice of Meeting and accompanying information circular, including the schedules attached thereto and all amendments from time to time made thereto, sent to Company Securityholders in connection with the Meeting;

“Company” means Sheffield Resources Ltd., a corporation existing under the laws of the Province of British Columbia;

“Company Common Share” means an outstanding common share in the capital of the Company;

“Court” means the Supreme Court of British Columbia;

“Depository” means Equity Transfer & Trust Company at its principal office in Toronto;

“Dissent Rights” shall have the meaning ascribed thereto in Section 4.1;

“Dissenting Shareholder” means a registered holder of a Company Common Share who validly dissents in respect of the Arrangement Resolution in strict compliance with the Dissent Rights, and who is ultimately entitled to be paid fair value for its Company Common Share by Nevoro, but only in respect of the Company Common Share in respect of which Dissent Rights are validly exercised by such registered holder;

“Effective Date” means the date upon which all conditions to the completion of the Arrangement as set out in Article 6 of the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement and all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably, and on which the Arrangement Filings are filed with the Registrar;

“Effective Time” means 12:01 a.m. (Toronto Time) on the Effective Date;

“Exchange Ratio” shall have the meaning ascribed thereto in Section 3.2;

“Final Order” means the final order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of Nevoro and the Company, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended (provided that any such amendment shall be acceptable to each of Nevoro and the Company, each acting reasonably) on appeal;

"Former Shareholders" means, at and following the Effective Time, the registered holders of Company Common Shares immediately prior to the Effective Time;

"Interim Order" means the interim order of the Court, as the same may be amended by the Court (with the consent of Nevoro and the Company, each acting reasonably) providing for, among other things, the calling and holding of the Meeting in connection with the Arrangement;

"Letter of Transmittal" means the letter of transmittal for use by Shareholders;

"Nevoro" means Nevoro Inc., a corporation incorporated under the laws of Canada;

"Meeting" means the special meeting of the Company Securityholders, including any adjournment, adjournments, postponement or postponements thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

"Nevoro Common Share" means a common share in the capital of Nevoro;

"Person" includes any individual, partnership, association, limited or unlimited liability company, joint venture, body corporate, trustee, trust, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

"Registrar" means the Registrar of Companies appointed pursuant to section 400 of the BCBCA;

"Replacement Option" shall have the meaning ascribed thereto in Section 3.2;

"Share Consideration" means 0.80 of one Nevoro Common Share issued pursuant to the Arrangement for each Company Common Share issued and outstanding immediately prior to the Effective Time;

"Shareholders" means, at any time and unless the context otherwise requires, the registered holders of Company Common Shares at such time;

"Tax Act" means the *Income Tax Act* (Canada) including the regulations thereto, as amended; and

"this Plan", "Plan of Arrangement", "hereof", "herein", "hereto" and like references mean and refer to this plan of arrangement.

Words and phrases used herein that are defined in the Arrangement Agreement and not defined herein shall have the same meaning herein as in the Arrangement Agreement, unless the context otherwise requires. Words and phrases used herein that are defined in the BCBCA and not defined herein or in the Arrangement Agreement shall have the same meaning herein as in the BCBCA, unless the context otherwise requires.

Section 1.2 Interpretation Not Affected By Headings, etc.

The division of this Plan of Arrangement into Articles, Sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Gender and Number

Unless the context requires the contrary, words importing the singular only shall include the plural and vice versa and words importing the use of any gender shall include all genders.

Section 1.4 Date for Any Action

In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.5 Statutory References

A reference to a statute includes all rules, regulations, policies and blanket orders made pursuant to such statute and, unless otherwise specified the provisions of any statute, regulation, rule, policy or blanket order which amends, supplements, replaces or supersedes any such statute, regulation, rule, policy or blanket order.

**ARTICLE II
ARRANGEMENT AGREEMENT**

Section 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, and has been authorized by the Arrangement Resolution, which resolution authorizes this Arrangement.

ARTICLE III ARRANGEMENT

Section 3.1 Binding Effect

This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on (i) the Company, (ii) Nevoro, and (iii) all Company Securityholders.

Section 3.2 Arrangement

Commencing at the Effective Time, the following events or transactions shall occur sequentially in the order set out unless otherwise noted and shall be deemed to occur without any further act or formality required on the part of any Person, except as expressly provided herein:

- (a) The Company Common Shares in respect of which Shareholders who have exercised a Dissent Right in accordance with Section 4 (and the right of such Shareholder to dissent with respect to such Company Common Shares has not been terminated or ceased to apply to the Shareholder) will be deemed to have been transferred to Nevoro and such holders cease to have any rights as Shareholders other than the right to be paid the fair value of their Company Common Shares by Nevoro in accordance with Article 4;
- (b) Each Company Common Share issued and outstanding immediately prior to the Effective Date (other than Shares held by Dissenting Shareholders who are ultimately entitled to be paid the fair value of their Company Common Shares) will, without any further action on behalf of the Shareholder, be transferred to Nevoro in consideration for the allotment and issuance of 0.80 of one fully paid and non-assessable Nevoro Common Share (such number being the “**Exchange Ratio**”) to the holder of such Company Common Share, provided that if the foregoing would result in the issuance of a fraction of a Nevoro Common Share, then the number of Nevoro Common Shares otherwise issued shall be rounded down to the nearest whole number of Nevoro Common Shares.
- (c) Upon the transfer of Company Common Shares to Nevoro referred to in subsection 3.2(b), Nevoro shall allot, issue and deliver, or cause to be delivered, to each such Shareholder, that number of fully paid and non-assessable Nevoro Common Shares equal to the Exchange Ratio in exchange for each Company Common Share transferred and each such holder of Company Common Shares shall cease to be such a holder,

shall have his name removed from the register of holders of Company Common Shares and shall become a holder of the number of fully paid and non-assessable Nevoro Common Shares to which he is entitled as a result of the transfer and issuance referred to in this subsection 3.2(c) and such holder's name shall be added to the register of holders of Nevoro Common Shares accordingly.

- (d) Each holder of a Company Warrant issued and outstanding and having an expiry date on or after the Effective Date will, as at the Effective Date, without any further action on behalf of the Company Warrantholder and automatically under the terms of such Company Warrant, be entitled to receive upon the exercise of such Company Warrant, and shall accept in lieu of each Company Common Share which such Company Warrantholder was entitled upon such exercise prior to the Effective Date, but for the same aggregate consideration payable therefor, that number of fully paid and non-assessable Nevoro Common Shares equal to the Exchange Ratio, provided that if the foregoing would result in the issuance of a fraction of a Nevoro Common Share, then the number of Nevoro Common Shares otherwise issued upon the exercise of a Company Warrant shall be rounded down to the nearest whole number of Nevoro Common Shares.
- (e) Upon the exercise of a Company Warrant referred to in subsection 3.2(d) after the Effective Date but before the expiry date of such Company Warrant, Nevoro shall allot, issue and deliver, or cause to be delivered and otherwise shall do all things necessary to ensure delivery of, to each such Company Warrantholder, that number of fully paid and non-assessable Nevoro Common Shares equal to the Exchange Ratio, and each such holder of an exercised Company Warrant shall become a holder of the number of fully paid and non-assessable Nevoro Common Shares to which he is entitled as a result of the exercise of the Company Warrant and such holder's name shall be added to the register of holders of Nevoro Common Shares accordingly.
- (f) In accordance with the terms of the Company Stock Option Plan, each holder of a Company Option shall receive such number of Nevoro Options issued pursuant to the terms of the Nevoro Stock Incentive Plan (each a "**Replacement Option**") equal to the product of: (i) the number of Company Options held immediately prior to the Effective Date, and (ii) the Exchange Ratio. Each Replacement Option shall be exercisable to acquire one Nevoro Common Share, provided that if the foregoing formula would result in the issuance of a fraction of a

Replacement Option to the former Company Optionholder, then the number of Replacement Options otherwise issued shall be rounded down to the nearest whole number of Replacement Options. The exercise price per Nevoro Share subject to any such Replacement Option shall be an amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (A) the exercise price per Company Common Share subject to such Company Option immediately before the Effective Date divided by (B) the Exchange Ratio (provided that the aggregate exercise price payable on any particular exercise of Replacement Options shall be rounded up to the nearest whole cent). Except as set out above, each Replacement Option shall: (i) have the same terms as the Company Options exchanged therefore pursuant to the Company Stock Option Plan and any agreement evidencing the grant thereof prior to the Effective Date; (ii) have an expiration date which is identical to that of the Company Option which it was issued in order to replace pursuant to this section 3.2(f); and (iii) meet the requirements under subsection 7(1.4) of the *Income Tax Act* (Canada).

- (g) Upon the issuance of a Replacement Option referred to in subsection 3.2(f) after the Effective Date, each such replaced Company Option shall cease to exist (despite the existence of a certificate which, prior to the Effective Date, evidenced the existence of such Company Option), and each such former Company Optionholder shall have his name removed from the register of holders of Company Options and shall become a holder of the number of fully paid Replacement Options to which he is entitled as a result of the issuance referred to in subsection 3.2(f) and such holder's name shall be added to the register of holders of Nevoro Options according to the Nevoro Stock Incentive Plan.
- (h) The Exchange Ratio 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 Nevoro Common Shares or Company Common Shares), merger, reorganization, recapitalization or other like change with respect to Nevoro Common Shares or Company Common Shares occurring after the date of the Arrangement Agreement and prior to the Effective Date.

provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs.

Section 3.3 Post-Effective Time Procedures

On or immediately prior to the Effective Date, Nevoro shall deliver or arrange to be delivered to the Depositary certificates representing the requisite Nevoro

Common Shares required to be issued in accordance with the provisions of subsection 3.2(c) and the requisite Nevoro Options required to be issued in accordance with the provisions of subsection 3.2(f) hereof, which certificates shall be held by the Depositary as agent and nominee for Former Shareholders and former Company Optionholders for distribution to such Former Shareholders and former Company Optionholders in accordance with the provisions of Article V hereof.

Section 3.4 Transfers Free and Clear

Any transfer of any securities pursuant to the Arrangement shall be free and clear of any hypothecs, liens, claims, encumbrances, charges, adverse interests or security interests.

ARTICLE IV DISSENT PROCEDURES

Section 4.1 Rights of Dissent

Pursuant to the Interim Order, Shareholders may exercise rights of dissent with respect to their Company Common Shares pursuant to and in the manner set forth in section 238 of the BCBCA as modified by the Interim Order and this Article IV (the “**Dissent Rights**”), provided that written notice setting forth such a registered Shareholder’s objection to the Arrangement and exercise of Dissent Rights must be received by the Company not later than 5:00 p.m. (Pacific Time) on the Business Day which is two Business Days preceding the date of the Meeting, or, if the Meeting is adjourned or postponed, 5:00 p.m. (Pacific Time) on the Business Day which is two Business Days preceding the date of such adjourned or postponed Meeting. Registered Shareholders who duly and validly exercise their Dissent Rights and who:

- (a) are ultimately determined to be entitled to be paid the fair value of the Company Common Shares in respect of which they have exercised Dissent Rights will be deemed to have irrevocably transferred such Company Common Shares to Nevoro pursuant to section 3.2(a) and will be paid the fair market value by Nevoro; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for the Company Common Shares in respect of which they have exercised Dissent Rights will be deemed to have participated *nunc pro tunc* in the Arrangement on the same basis as a holder of Company Common Shares that has not exercised Dissent Rights as at and from the time specified in this section 4.1 above and will receive, and be entitled to receive, only the consideration for each Company Common Share on the basis set forth in subsections 3.2(b) and 3.2(c),

but in no case, except as expressly set out in this section 4.1, will Nevoro, the Company or any other person be required to recognize such holders as holders of Company Common Shares after the completion of the steps set forth in section 3.2, and each holder of Company Common Shares exercising Dissent Rights will cease to be entitled to the rights of a holder of Company Common Shares in respect of which such holder has exercised Dissent Rights and the central securities register for the Company will be amended to reflect that such Former Shareholder is no longer the holder of such Company Common Shares as and from the time of completion of the steps set forth in section 3.2 and that Nevoro will be recorded as the registered holder of the Company Common Shares so transferred.

ARTICLE V

DELIVERY OF NEVORO COMMON SHARES

Section 5.1 Letter of Transmittal

At the time of mailing the Circular, the Company shall forward to each Shareholder at the address of such holder as it appears on the register maintained by or on behalf of the Company in respect of the holders of Company Common Shares the Letter of Transmittal.

Section 5.2 Delivery of Share Consideration

- (a) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented one or more outstanding Company Common Shares which were cancelled in accordance with subsection 3.2(c) hereof, together with such other documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, a certificate representing the Nevoro Common Shares to which such holder is entitled to receive in accordance with subsection 3.2(b) hereof.
- (b) After the Effective Time and until surrendered for cancellation as contemplated by Section 5.2(a) hereof, each certificate which immediately prior to the Effective Time represented one or more Company Common Shares shall be deemed at all times to represent only the right to receive in exchange therefor the entitlement to the Share Consideration which the holder of such certificate is entitled to receive in accordance with subsections 3.2(b) and 5.2(a) hereof.

Section 5.3 Lost Certificates

In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding Company Common Shares which were cancelled in accordance with Section 3.2(c) hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, a certificate representing the Nevoro Common Shares which such holder is entitled to receive in accordance with subsections 3.2(b) and 5.2(a) hereof. When authorizing such delivery of a certificate representing the Nevoro Common Shares in exchange for such lost, stolen or destroyed certificate, the holder to whom a certificate representing such Nevoro Common Shares is to be delivered shall, as a condition precedent to the delivery of such Nevoro Common Shares, give a bond satisfactory to Nevoro and the Depositary in such amount as Nevoro and the Depositary may direct, or otherwise indemnify Nevoro and the Depositary in a manner satisfactory to Nevoro and the Depositary, against any claim that may be made against Nevoro or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of the Company.

Section 5.4 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Company Common Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Company Common Shares.

Section 5.5 Withholding Rights

Nevoro, the Company and the Depositary shall be entitled to deduct and withhold from the Share Consideration, all dividends or other distributions or any consideration otherwise payable to any Former Shareholder under this Arrangement such amounts as Nevoro, the Company or the Depositary is required, entitled or permitted to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Former Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

Section 5.6 Limitation and Proscription

To the extent that a Former Shareholder shall not have complied with the provisions of Section 5.2 or Section 5.3 hereof on or before the date which is six years after the Effective Date (the “**final proscription date**”), then the aggregate Share Consideration to which such Former Shareholder was entitled to receive shall be delivered to Nevoro by the Depositary, and the interest of the Former Shareholder in such Share Consideration to which it was entitled shall be terminated as of such final proscription date.

ARTICLE VI AMENDMENTS

Section 6.1 Amendments to Plan of Arrangement

- (a) Subject to Section 6.1(b), (d) and (e), Nevoro and the Company reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Nevoro and the Company, (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to the Company Securityholders if and as required by the Court.
- (b) Notwithstanding anything herein or in the Arrangement Agreement, Nevoro shall be entitled, at any time prior to or following the Meeting, to modify this Plan of Arrangement to increase the consideration Nevoro is prepared to make available to Company Securityholders pursuant to the Arrangement whether or not the Board of Directors of the Company has changed its recommendation, provided that Nevoro shall use its commercially reasonable efforts to provide not less than one Business Day’s prior written notice of such proposal to the Company. Any such amendment, modification or supplement to this Plan of Arrangement shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or Nevoro at any time prior to the Meeting, provided that the Company (except in the case of amendments contemplated in Section 6.1(b)), and Nevoro shall have consented thereto in writing, with or without any other prior notice or communication. Any such proposed amendment, modification or supplement to this Plan of Arrangement shall become part of this Plan of Arrangement for all purposes.

- (d) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if (i) it is consented to in writing by each of Nevoro and the Company (except in the case of amendments contemplated in Section 6.1(b)), (ii) it is filed with the Court (other than amendments contemplated in Section 6.1(b) or (e), which shall not require such filing), (iii) it is communicated to the Company Securityholders, and (iv) if required by the Court, consented to by holders of the Company Common Shares voting in the manner directed by the Court.
- (e) Any amendment, modification or supplement to this Plan of Arrangement may also be made following the Effective Time unilaterally by the merged company, provided that it concerns a matter which, in the reasonable opinion of the merged company, 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 the Former Shareholders. Notwithstanding the foregoing, no amendment, modification or supplement to this Plan of Arrangement made following the Effective Time shall be effective prior to the filing of the Arrangement Filings.

ARTICLE VII GENERAL

Section 7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement 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 any of them in order further to document or evidence any of the transactions or events set out herein.

Section 7.2 Paramountcy

From and after the Effective Time (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to Company Common Shares, Company Options and Company Warrants issued prior to the Effective Time, (b) the rights and obligations of Company Securityholders and any trustee and transfer agent therefore, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of actions, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating

to Company Common Shares shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.