ARRANGEMENT AGREEMENT

TERRA VENTURES INC.

–AND –

HATHOR EXPLORATION LIMITED

MAY 6, 2011

Execution Copy

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is made May 6, 2011

BETWEEN:

TERRA VENTURES INC., a company existing under the laws of British Columbia

(“**Terra**”)

AND:

HATHOR EXPLORATION LIMITED, a company existing under the laws of Canada

(“**Hathor**”)

WHEREAS:

A. Hathor proposes to acquire all of the outstanding securities of Terra by way of a Plan of Arrangement under Section 288 of the *Business Corporations Act* (British Columbia);

B. Hathor and Terra have previously entered into a binding letter agreement dated April 15, 2011 (the “**Letter Agreement**”) establishing the terms for the business combination; and

C. The boards of directors of each of Terra and Hathor have determined that it would be in the best interests of Terra and Hathor, respectively, to combine the businesses carried on by each of them.

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

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words and terms will have the meanings ascribed to them below:

(a) “**1940 Act**” means the United States Investment Company Act of 1940, as amended from time to time;

(b) “**Agreement**” means this Arrangement Agreement (including the Schedules hereto) as the same may be supplemented or amended from time to time;

(c) “**Arrangement**” means the arrangement under Section 288 of the Business Corporations Act on the terms and conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance of the Plan of Arrangement or at the direction of the Court;

(d) "**Arrangement Resolution**" means the resolution to be approved by the Terra Shareholders substantially in the form and content set out in Schedule B;

(e) "**Business Corporations Act**" means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;

(f) "**Business Day**" means any day which is not a Saturday, Sunday or a day on which banks are not open for business in Vancouver, British Columbia;

(g) "**Change in Terra Recommendation**" has the meaning ascribed to that term in Section 4.4(f)(iii);

(h) "**Competing Proposal**" means any inquiry or the making of any proposal to Terra or Terra Shareholders from any Person which constitutes, or may reasonably be expected to result in (in either case whether in one transaction or a series of transactions): (i) an acquisition from Terra or Terra Shareholders of 20% or more of the voting securities of Terra; (ii) any acquisition of a substantial amount of assets of Terra; (iii) an amalgamation, arrangement, merger, or consolidation involving Terra; (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving Terra or its subsidiaries; or (v) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to Hathor under this Agreement or the Arrangement; except that for the purpose of the definition of "**Superior Proposal**", the references in the definition of "**Competing Proposal**" to "**20% or more of the voting securities**" shall be deemed to be references to "**50% or more of the voting securities**", and the references to "**a substantial amount of assets**" shall be deemed to be references to "**all or substantially all of the assets**";

(i) "**Confidentiality Agreement**" means the confidentiality agreement dated April 13, 2011 between Terra and Hathor;

(j) "**Contract**" means any contract, agreement, license, franchise, lease, arrangement, commitment, or other right or obligation (written or oral) to which a party or any of its subsidiaries is a party or by which a party or any of its subsidiaries is bound or affected or to which any of their properties or other assets is subject;

(k) "**Court**" means the Supreme Court of British Columbia;

(l) "**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in Article 4 of the Plan of Arrangement;

(m) "**Dissenting Shareholder**" means a registered Terra Shareholder that exercises his, her or its right to dissent with respect to the Arrangement in strict compliance with the requirements set out in the Interim Order;

(n) "**Effective Date**" means the date that is five Business Days after the last of the conditions precedent to the completion of the Arrangement have been satisfied or waived or such earlier or later date as is agreed to by the parties hereto;

(o) “**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date, or such other time on the Effective Date as may be agreed to in writing by Hathor and Terra;

(p) “**Encumbrance**” means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third party 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;

(q) “**Environmental Approvals**” means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Governmental Authority pursuant to any Environmental Laws;

(r) “**Environmental Laws**” means all applicable Laws, including applicable common law, relating to the protection of the environment and employee and public health and safety, and includes Environmental Approvals;

(s) “**Final Order**” means the final order of the Court approving the Arrangement as such order may be amended by the Court at any time prior to the Effective Date (with the consent of the parties, acting reasonably) or, if appealed then, unless such appeal is withdrawn or denied, as affirmed or amended on appeal;

(t) “**Foreign Private Issuer**” has the meaning ascribed thereto in Rule 405 under the U.S. Securities Act;

(u) “**GAAP**” means generally accepted accounting principles in Canada or International Financial Reporting Standards as the context requires;

(v) “**Governmental Authority**” means any applicable:

(i) multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasigovernment, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;

(ii) self-regulatory organization or stock exchange;

(iii) entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; and

(iv) corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies pursuant to the foregoing;

(w) “**Hathor Board**” means the board of directors of Hathor;

(x) “**Hathor Disclosure Letter**” means the disclosure letter delivered by Hathor to Terra, contemporaneously with the execution and delivery of this Agreement, with respect to certain matters in this Agreement;

(y) “**Hathor Financial Statements**” has the meaning set out in Section 3.2(i);

(z) “**Hathor Options**” means options to purchase Hathor Shares, including Terra Options that are deemed to be Hathor Options after the Effective Time pursuant to Section 2.7;

(aa) “**Hathor Public Documents**” means the public documents filed by Hathor in the two (2) years prior to the date hereof and available on SEDAR under Hathor’s profile;

(bb) “**Hathor Securities**” means, collectively, the Hathor Shares, the Hathor Warrants and the Hathor Options;

(cc) “**Hathor Shareholders**” means at any time the holders at that time of Hathor Shares;

(dd) “**Hathor Shares**” means the common shares in the capital of Hathor;

(ee) “**Hathor Warrants**” means warrants to purchase Hathor Shares, including Terra Warrants that are deemed to be Hathor Warrants after the Effective Time pursuant to Section 2.7;

(ff) “**Interim Order**” means the interim court order of the Court providing for, among other things, the calling and holding of the Terra Meeting, as the same may be amended, supplemented or varied by the Court (with the consent of the parties, acting reasonably);

(gg) “**Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, statutory body or self regulatory authority, and the term “**applicable**” with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities;

(hh) “**Letter of Transmittal**” means the letter of transmittal sent by Terra to the Terra Shareholders providing for delivery of certificates representing their Terra Shares to the depositary appointed by Hathor under the Arrangement;

(ii) “**Material Adverse Change**” means, in respect of a party, any change, event or occurrence, including any change, event or occurrence that is related to or arises as a result of previously disclosed information, representations or warranties concerning the affairs of such party, and “**Material Adverse Effect**” means, in respect of a party, any state of facts, which, either individually or in the aggregate, is, or could reasonably be expected to be, material and adverse to the business, condition (financial or otherwise), properties, assets (tangible or intangible), liabilities (whether absolute, accrued, conditional, contingent or otherwise), capitalization, operations, prospects or results of operations of that party and its subsidiaries, taken as a whole, other than in the case of either a Material Adverse Change or a Material Adverse Effect, any change, event, occurrence or state of facts:

(i) relating to conditions affecting the mining industry generally in jurisdictions in which the party carries on business, including changes in metal prices, Laws or Taxes;

(ii) relating to general or economic, financial, currency exchange, securities or commodities market conditions;

(iii) resulting from any matter which was publicly disclosed or which was communicated in writing to the other party prior to the date of this Agreement; or

(iv) attributable to the announcement or pendancy of this Agreement or the Arrangement, or otherwise contemplated by or resulting from the terms of this Agreement;

provided, that such effect referred to in subsections (i) and (ii) above does not primarily relate only to (or have the effect of primarily relating only to) that party and its subsidiaries, taken as a whole, or disproportionately adversely affect that party and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the same industry as that party and its subsidiaries;

(jj) "**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Securityholders in Special Transactions*;

(kk) "**Outside Date**" means June 28, 2011;

(ll) "**Person**" means an individual, corporation, firm, sole proprietorship, partnership (including a limited partnership), joint venture, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a natural person in his capacity as trustee, executor, administrator, or other legal representative and the Crown or any agency or instrumentality thereof;

(mm) "**Plan of Arrangement**" means the plan of arrangement in substantially the form and content set out in Schedule A, as amended or varied from time to time in accordance with the terms of this Agreement, Article 6 of the Plan of Arrangement or made at the direction of the Court (with the consent of the parties, acting reasonably);

(nn) "**Registrar**" means the Registrar of Companies appointed under Section 400 of the Business Corporations Act;

(oo) "**Section 3(a)(10) Exemption**" has the meaning ascribed thereto in Section 2.6;

(pp) "**Securities Authorities**" means the securities commissions and/or other securities regulatory authorities in the provinces and territories of Canada, collectively, applicable to Terra or Hathor, as the case may be;

(qq) "**Share Exchange Ratio**" has the meaning ascribed to such term in the Plan of Arrangement;

(rr) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

(ss) “**Superior Proposal**” means any *bona fide* Competing Proposal received by Terra after the date hereof, on terms that the Terra Board, acting in good faith, reasonably believes, after consultation with Terra’s legal and financial advisers: (a) is reasonably capable of being completed, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; and (b) would, if consummated in accordance with its terms, result in a transaction more favourable to the Terra Shareholders than the transaction contemplated by this Agreement;

(tt) “**Tax Act**” means the *Income Tax Act* (Canada), as amended;

(uu) “**Tax Returns**” means all returns, schedules, elections, forms, notices, declarations, reports information returns and statements filed or required to be filed with any taxing authority relating to Taxes;

(vv) “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority, including, without limitation, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, uses taxes, *ad valorem* taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, licence taxes, withholding taxes, payroll taxes, employment taxes, Canada and Quebec Pension Plan premiums, employer health taxes, excise, severance, social security, workers’ compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest, fines and any penalties or additional amounts imposed by any taxing authority (domestic or foreign), and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing or that may become payable in respect thereof; and liability for any of the foregoing as a transferee or successor, guarantor or surety or in a similar capacity under any contract, arrangement, agreement, understanding or commitment (whether written or oral) or by operation flow;

(ww) “**Terra Board**” means the board of directors of Terra;

(xx) “**Terra Board Approval**” has the meaning set out in Section 3.1(d);

(yy) “**Terra Circular**” means the management information circular of Terra, including all schedules attached thereto, and the notice of meeting and proxy form to be sent by Terra to the Terra Shareholders soliciting the approval of the Arrangement Resolution;

(zz) “**Terra Disclosure Letter**” means the disclosure letter delivered by Terra to Hathor, contemporaneously with the execution and delivery of this Agreement, with respect to certain matters in this Agreement;

(aaa) “**Terra Financial Statements**” has the meaning set out in Section 3.1(i);

(bbb) “**Terra Material Contracts**” means any Contract that: (i) if terminated would reasonably be expected to result in a Material Adverse Change on Terra; (ii) provides for obligations or entitlements of Terra, or which has an economic value to Terra, in excess of $100,000 in the aggregate; (iii) is a Contract that contains any non-competition obligations or otherwise restricts in any material way the business of Terra or that includes any material exclusive dealing arrangement or any other material arrangement that grants any material right of first refusal or material right of first offer or similar material right or that limits or purports to limit in any material respect the ability of Terra to own, operate, sell, transfer, pledge or otherwise dispose of any material assets or business; (iv) relates to indebtedness in excess of $100,000, or relates to the direct or indirect guarantee or assumption by Terra (contingent or otherwise) of any payment or performance obligations of any other Person in excess of $100,000; (v) is a financial risk management Contract, such as a currency, commodity, interest or equity related hedge or derivative Contract; (vi) relates to the disposition or acquisition by Terra after the date of this Agreement of an amount of assets in excess of $100,000 or pursuant to which Terra has any ownership interest in any other Person or other business enterprise in excess of $100,000; (vii) relates to the acquisition or sale by Terra of any operating business or the capital stock or other ownership interest of any other Person; (viii) that is a material shareholders, joint venture, alliance or partnership agreement; (ix) under which Terra has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course endorsements for collection) in excess of $100,000 in the aggregate; or (x) is otherwise material to Terra (taken as a whole); and, for greater certainty, includes the Contracts of Terra as set forth in the Terra Disclosure Letter;

(ccc) "**Terra Meeting**" means the special meeting of Terra Shareholders and any adjournment or postponement thereof to be held to consider and, if deemed advisable, approve the Arrangement Resolution;

(ddd) "**Terra Optionholders**" means at any time the registered holders at that time of Terra Options;

(eee) "**Terra Options**" means options to purchase Terra Shares;

(fff) "**Terra Public Documents**" means the public documents filed by Terra in the two (2) years prior to the date hereof and available on SEDAR under Terra's profile;

(ggg) "**Terra Securityholders**" means at any time the registered holders at that time of Terra Securities;

(hhh) "**Terra Securities**" means, collectively, the Terra Shares, the Terra Warrants and the Terra Options;

(iii) "**Terra Shareholder Approval**" has the meaning set out in Section 2.1(b)(ii);

(jjj) "**Terra Shareholders**" means at any time the holders at that time of Terra Shares;

(kkk) "**Terra Shares**" means the common shares in the capital of Terra;

(lll) "**Terra Termination Fee**" has the meaning ascribed to that term in Section 4.7(a);

(mmm) "**Terra Warrantholders**" means at any time the registered holders at that time of Terra Warrants;

(nnn) "**Terra Warrants**" means warrants to purchase Terra Shares.

(ooo) "**TSX**", means the Toronto Stock Exchange;

(ppp) "**TSXV**" means the TSX Venture Exchange;

(qqq) "**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

(rrr) "**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934*, as amended;

(sss) "**U.S. Person**" has the meaning ascribed to it in Regulation S of the U.S. Securities Act; and

(ttt) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended.

1.2 Currency

Except where otherwise specified, all sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.3 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles, Sections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "**this Agreement**", "**hereof**", "**herein**", "**hereunder**", and similar expressions refer to this Agreement and the schedules hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto.

1.4 Number, Gender and Persons

Unless the context otherwise requires, words importing the singular number only will include the plural and vice versa; words importing the use of any gender will include all genders; and words importing Persons will include firms and corporations and vice versa.

1.5 Date for any Action

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

1.6 Statutory References

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

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the parties waive any provision of Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

1.8 Knowledge

Where the phrases "**to the knowledge of Terra**" or "**to Terra's knowledge**" or "**to the knowledge of Hathor**" or "**to Hathor's knowledge**" are used in respect of Terra or Hathor such phrase will mean (except as otherwise expressly provided), in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon: (A) in the case of Terra, the collective actual knowledge of Terra's directors and officers; and (B) in the case of Hathor, the collective actual knowledge of Hathor's directors and officers.

1.9 Meaning of "Ordinary and Regular Course of Business"

In this Agreement the phrase "**in the ordinary and regular course of business**" will mean and refer to those activities that are consistent with the prior operations of the entity in question and that are normally conducted by corporations engaged in the exploration, development, mining and production of uranium deposits.

1.10 Schedules

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Agreement:

Schedule	Matter
A	Plan of Arrangement
B	Form of Arrangement Resolution
C	Form of Mutual Release and Resignation

ARTICLE 2
THE ARRANGEMENT

2.1 The Arrangement

(a) Hathor and Terra agree, subject to the terms and conditions contained in this Agreement, to implement the Plan of Arrangement.

(b) Terra will, as soon as reasonably practicable, but in any event not later than May 18, 2011 or such other date as is agreed to by the parties, apply to the Court pursuant to

Section 291 of the Business Corporations Act for the Interim Order, and thereafter proceed with and diligently seek the Interim Order, providing, among other things:

(i) that the Persons to whom notice is to be provided in respect of the Arrangement and the Terra Meeting shall be the Terra Shareholders and for the manner in which such notice is to be provided;

(ii) that the requisite approval for the Arrangement Resolution will be 66⅔% of the votes cast on the Arrangement Resolution by Terra Shareholders present in Person or by proxy at the Terra Meeting voting as a single class, together with, if required by MI 61-101, minority approval in accordance with MI 61-101 (together, the "**Terra Shareholder Approval**")

(iii) that in all other respects, the terms, conditions and restrictions of the Terra constating documents, including quorum requirements and other matters, will apply in respect of the Terra Meeting;

(iv) for the grant of the Dissent Rights;

(v) for notice requirements with respect to the application to the Court for the Final Order;

(vi) that the Terra Meeting may be adjourned from time to time by management of Terra, subject to the terms of this Agreement, without the need for additional approval of the Court; and

(vii) that the record date to determine the Terra Shareholders entitled to notice of and to vote at the Terra Meeting will not change in respect of any adjournment(s) of the Terra Meeting.

(c) Terra will advise the Court of Hathor's intention to rely upon the Section 3(a)(10) Exemption as provided for in Section 2.6(a).

(d) Terra will convene and hold the Terra Meeting in accordance with the Interim Order.

(e) Subject to obtaining the approvals as contemplated by the Interim Order and as may be directed by the Court in the Interim Order, Terra will, as soon as reasonably practicable thereafter, take all steps necessary to submit the Arrangement to the Court and apply for the Final Order.

(f) If the Final Order is obtained, subject to the satisfaction, waiver or release of the conditions set forth in Article 5 (as confirmed by each party to the other in writing), each of Terra and Hathor will, as soon as reasonably practicable thereafter, take all such actions as may be necessary to effect the Arrangement.

2.2 Plan of Arrangement

Hathor and Terra agree that the Arrangement shall be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement.

2.3 Terra Meeting

(a) Terra will, as soon as practicable, but in any event no later than May 20, 2011, prepare, with the assistance of Hathor, the Terra Circular which will, among other things, reflect the Terra Board Approval and will include the Terra Board's recommendation that the Terra Shareholders vote in favour of the Arrangement Resolution and, subject to the issuance of the Interim Order and receipt of approval by the TSXV of the Terra Circular, Terra will convene the Terra Meeting and cause the Terra Circular to be distributed to the Terra Shareholders and other appropriate Persons in accordance the Interim Order and applicable Laws.

(b) Terra shall ensure that the Terra Circular provides notice of, and advises Terra Shareholders of their right to attend the Court hearing of Terra's application for the Final Order.

(c) Subject to Section 2.3(d), Terra will hold the Terra Meeting on or before June 20, 2011 or such other date agreed to by the parties and will provide notice to Hathor of the Terra Meeting and allow representatives of Hathor to attend the Terra Meeting.

(d) Terra will not adjourn, postpone or cancel the Terra Meeting (or propose to do so), except (i) if a quorum is not present at the Terra Meeting (in which case the Terra Meeting shall be adjourned and not cancelled); (ii) if required by applicable Laws; (iii) if required by the Terra Shareholders; (iv) in the circumstances contemplated in Section 4.6(c) or Section 5.4; or (v) if otherwise agreed with Hathor.

(e) Terra will provide Hathor with (i) information on the proxies received and the securityholder votes on the Arrangement Resolution on a daily basis commencing at least ten (10) Business Days before the date of the Terra Meeting to the extent that such information is available to Terra, and (ii) in a timely and expeditious manner, a copy of any purported exercise of the Dissent Rights and written communications with the Terra Shareholder purportedly exercising such Dissent Rights, and will not settle or compromise any action brought by any present, former or purported holder of any of the Terra Securities in connection with the transactions contemplated by this Agreement, including the Arrangement, without the prior consent of Hathor.

(f) In a timely and expeditious manner, Terra will prepare, (in consultation with Hathor), and file any mutually agreed (or as otherwise required by applicable Laws) amendments or supplements to the Terra Circular (which amendments or supplements will be in a form satisfactory to Hathor, acting reasonably) with respect to the Terra Meeting and mail 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, complying in all material respects with all applicable Laws on the date of the mailing thereof.

(g) Hathor will prepare, in a timely and expeditious manner, in consultation with Terra, the form of the Letter of Transmittal, and Terra will, at the time of mailing of the Terra Circular, forward or cause to be forwarded the Letter of Transmittal to each holder of Terra Shares at the address of such holder as it appears on the register maintained by or on behalf of Terra in respect of the holders of Terra Shares.

2.4 Court Proceedings

Terra will permit Hathor to review and comment upon drafts of all material to be filed by Terra with the Court in connection with the Arrangement prior to the service and filing of that material and will give reasonable consideration to such comments. In addition, Terra will not object to counsel to Hathor making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel deems appropriate, acting reasonably, provided that Terra is advised of the nature of any submissions not reasonably contemplated in the material to be filed with the Court prior to the hearing. Terra will also provide counsel to Hathor on a timely basis with copies of any petition, response to a petition and evidence served on Terra or its counsel in respect of the application for the Final Order or any appeal therefrom.

2.5 Closing

Each of Terra and Hathor shall deliver, three Business Days prior to the closing of the Arrangement, such customary certificates (including "bring down" certificates), resolutions and other closing documents, as may be required by the other party, acting reasonably, to be effective as of the Effective Time. The closing of the Arrangement will take place at the offices of Gowling Lafleur Henderson LLP at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 on the Effective Date.

2.6 U.S. Securities Law Matters

The Arrangement will be carried out with the intention that all Hathor Securities issued on completion of the Arrangement to Terra Securityholders will be issued by Hathor in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act (the "**Section 3(a)(10) Exemption**"). In order to ensure the availability of the Section 3(a)(10) Exemption, the parties hereto agree that the Arrangement will be carried out on the following basis:

(a) the Court will be advised as to Hathor's intention to rely upon the Section 3(a)(10) Exemption prior to the hearing for the Final Order required to approve the Arrangement;

(b) the Court will be required to satisfy itself as to the fairness of the Arrangement to the Terra Securityholders to be issued Hathor Securities pursuant to the Arrangement and the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to such Terra Securityholders;

(c) the Terra Securityholders will be given adequate and timely notice advising them of their right to attend the hearing of the Court for the Final Order to approve the Arrangement and providing them with sufficient information necessary for them to exercise that right, and the Interim Order will specify that each Terra Securityholder will have the right to appear before the Court and make submissions at the hearing of the Court for the Final Order to approve the Arrangement so long as they enter an appearance within a reasonable time;

(d) the Terra Securityholders will be advised that the Hathor Securities issued in the Arrangement have not been registered under the U.S. Securities Act and will be issued by Hathor in reliance on the Section 3(a)(10) Exemption and that certain restrictions on resale under Rule 144 under the U.S. Securities Act will be applicable with respect to

Hathor Securities issued to Persons who are affiliates of Hathor after the Effective Date or within 90 days prior to the Effective Date;

(e) the Terra Optionholders and the Terra Warrantholders will be advised that the Hathor Options and the Hathor Warrants may not be exercised in the United States or by or on behalf of a U.S. Person or a Person in the United States, and further that any Hathor Shares issued upon such exercise may not be offered or resold, except pursuant to registration under the U.S. Securities Act or an exemption from such registration requirements; and

(f) Terra will ensure that the Court has been advised, prior to the hearing for the Final Order, that Hathor intends to rely upon the Final Order as a basis for the Section 3(a)(10) Exemption for the distribution of Hathor Securities pursuant to the Arrangement.

2.7 Terra Options and Terra Warrants

Hathor acknowledges that, pursuant to the terms of the share option plans governing the Terra Options and the terms of the certificates representing the Terra Warrants, upon completion of the Arrangement holders of Terra Options and Terra Warrants will be entitled to receive, upon exercise of a Terra Option or Terra Warrant, 0.20 of a Hathor Share in substitute for one Terra Share, subject to any restrictions, limitations or subsequent adjustments that apply pursuant to such share option plans or certificates representing the Terra Warrants. For the purposes of this Agreement, all references to Hathor Options and Hathor Warrants herein will be deemed, for any period after the Effective Time, to include the Terra Options and Terra Warrants. Hathor also acknowledges that Terra will seek prior to the closing of the Arrangement the approval of the TSXV to amend the terms of the Terra Options held by Terra Optionholders who will not be directors, officers or employees of Hathor after the Effective Date, such that those Terra Options will expire on that date which is the earlier of the original expiry date of the Terra Options and two years from the Effective Date. To the extent the TSXV disallows such amendment, Hathor agrees that it will work with Terra in good faith to implement a suitable alternative arrangement for such Terra Options.

2.8 Tax Election

A Terra Shareholder whose Terra Shares are exchanged for Hathor Shares pursuant to the Arrangement and who is either (a) a Canadian resident or (b) a non-resident of Canada who holds their Terra Shares as taxable Canadian property and not as treaty-protected property within the meaning of the Tax Act may make a joint income tax election with Hathor, pursuant to section 85 of the Tax Act (and any analogous provision of provincial income tax law) (a "**Section 85 Election**") with respect to the exchange by providing two signed copies of the necessary joint election forms to an appointed representative as directed by Hathor, within 90 days after the Effective Date, duly completed with the details of the number of Terra Shares transferred and the applicable agreed amounts for the purposes of such joint elections. Hathor will, within 60 days after receiving the completed joint election forms from a Terra Shareholder, at the sole cost and expense of such Terra Shareholder, and subject to such joint election forms being correct and complete and in compliance with requirements imposed under the Tax Act (or applicable provincial income tax law), sign and return them to the Terra Shareholder, for filing with the Canada Revenue Agency (or the applicable provincial tax authority). Neither Terra, Hathor nor any successor corporation will be responsible for the proper completion of any joint election form nor, except for the obligation to sign and return duly completed joint election forms which are received within 90 days of the Effective Date, for any taxes, interest or penalties resulting from the failure of a Terra Shareholder to properly complete or file such joint election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation) and Hathor makes no representation or warranty in respect of any such election. In its sole discretion, Hathor or any successor corporation may choose to sign and return a joint election form received by it more than 90 days following the Effective Date, but will have no obligation to do so.

Upon receipt of a Letter of Transmittal in which a Terra Shareholder has indicated that the holder intends to make a Section 85 Election, Hathor will within 20 days mail to the Terra Shareholder a tax instruction letter with such information as pertains to Hathor as may be required in connection with such Section 85 Election.

2.9 Dissenting Director

Hathor acknowledges that a director of Terra has dissented from the Terra Board's approval of the Arrangement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Terra

Terra represents and warrants to Hathor (and acknowledges that Hathor is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement) that, other than as specified in the Terra Disclosure Letter:

(a) Organization. Terra has been incorporated, 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. Terra is registered, licensed or otherwise qualified 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 have a Material Adverse Effect on Terra.

(b) Capitalization. Terra is authorized to issue an unlimited number of Terra Shares. As at May 5, 2011 there were outstanding:

(i) 61,943,348 Terra Shares;

(ii) Terra Options to acquire an aggregate of 6,185,000 Terra Shares the terms of which are set forth in the Terra Disclosure Letter; and

(iii) Terra Warrants to acquire an aggregate of 8,813,331 Terra Shares, the terms of which are set forth in the Terra Disclosure Letter.

Except for the Terra Options and Terra Warrants and except pursuant to this Agreement and the transactions contemplated hereby, as of the date hereof, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Terra to issue or sell any shares of Terra or any securities or obligations of any kind convertible into or exchangeable for any shares of Terra. All outstanding Terra Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Terra having the right to vote with the Terra

Securityholders on any matter. There are no outstanding contractual obligations of Terra to repurchase, redeem or otherwise acquire any outstanding Terra Shares or with respect to the voting or disposition of any outstanding Terra Shares. There are no outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based on book value, income, share price or any other attribute of Terra or its business (other than the Terra shareholder rights plan dated June 5, 2008 and approved by the Terra Shareholders on July 14, 2008), there are no outstanding debentures, bonds or other evidence of indebtedness of Terra, all securities of Terra have been issued in compliance with all applicable Laws and no holder of securities of Terra has any right to compel Terra to register or otherwise qualify such securities for distribution or sale to the public in Canada, the United States or in any jurisdiction.

(c) Authority. Terra has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Terra 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 Terra and the completion by Terra of the transactions contemplated by this Agreement have been authorized by the Terra Board and, subject to obtaining the Terra Shareholder Approval, approval of the TSXV, the Interim Order and the Final Order in the manner contemplated herein, no other corporate or shareholder proceedings on the part of Terra or its shareholders are necessary to authorize this Agreement or to complete the transactions contemplated hereby other than in connection with the approval by the Terra Board of the Terra Circular. This Agreement has been executed and delivered by Terra and constitutes a legal, valid and binding obligation of Terra, enforceable against Terra in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Terra of this Agreement and the performance by Terra of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

(i) result in a violation, contravention or breach of or constitute a default under, or entitle any party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:

(A) the articles, Notice of Articles or by-laws (or their equivalent) of Terra, or

(B) any Law or the rules or policies of the TSXV,

(ii) cause any indebtedness owing by Terra to come due before its stated maturity or cause any available credit to cease to be available;

(iii) result in the imposition of any Encumbrance upon any of the property or assets of Terra or give any Person the right to acquire any of Terra's assets, or restrict, hinder, impair or limit the ability of Terra to conduct the business of Terra as and where it is now being conducted; or

(iv) result in or accelerate the time for payment or vesting of, or the amount of any severance, unemployment compensation, "golden parachute", bonus, termination payments or otherwise, becoming due to any director or officer of Terra or increase any benefits otherwise payable under any pension or benefits plan of Terra 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, any Governmental Authority or other Person is required to be obtained by Terra in connection with the execution and delivery of this Agreement or the consummation by Terra of the transactions contemplated hereby other than (i) any approvals required by the Interim Order, (ii) any approvals required by the Final Order, (iii) filings required under the Business Corporations Act, and (iv) filings with and approvals required by the Securities Authorities and stock exchanges.

(d) Terra Board Approval. The Terra Board has received an opinion from Cormark Securities Inc. that the Arrangement is fair, from a financial point of view, to the Terra Shareholders and a majority of the directors of Terra have:

(i) as of April 15, 2011 determined that the Share Exchange Ratio is fair to the Terra Shareholders and the Arrangement is in the best interests of Terra;

(ii) recommended that the Terra Shareholders vote in favour of the Arrangement Resolution; and

(iii) authorized the entering into of this Agreement, and the performance of Terra's obligations hereunder (the "**Terra Board Approval**").

(e) Terra Subsidiaries. Terra has no subsidiaries.

(f) Material Contracts. The Terra Disclosure Letter sets forth a complete and accurate list of all Terra Material Contracts as of the date hereof. Terra has made available to Hathor true and complete copies of all such Terra Material Contracts. Terra is not in breach or violation of or default under (in each case, with or without notice or lapse of time or both) the terms of any Terra Material Contract. As of the date hereof, to the knowledge of Terra, no other party to any Terra Material Contract is in material breach of, violation of, or default under the terms of, or has threatened to terminate, any such Terra Material Contract, and to the knowledge of Terra, there exists no state of facts which after notice or lapse of time or both would constitute a default, violation or breach of any such Terra Material Contract. Each Terra Material Contract is a valid and binding obligation of Terra, as applicable, and is in full force and effect in accordance with its terms. There is no Terra Material Contract which: (i) would be violated, contravened or breached by, or under which a default would occur; (ii) requires any consent or prior approval be obtained from any Person (including consents relating to the change of control of Terra) or notice to be given (prior to or following the Effective Time); (iii) would terminate; (iv) or would entitle any party to terminate, accelerate, modify or call any obligations or rights under; in each case, as a result of the execution of this Agreement or the completion of the Arrangement.

(g) Absence of Changes. Since February 28, 2010, except as disclosed by Terra in the Terra Public Documents:

(i) Terra has conducted its business only in the ordinary and regular course of business consistent with past practice;

(ii) Terra has not incurred or suffered a Material Adverse Change;

(iii) there has not been any acquisition or sale by Terra of any material property or assets;

(iv) there has not been any incurrence, assumption or guarantee by Terra of any debt for borrowed money, any creation or assumption by Terra of any Encumbrance, any making by Terra of any loan, advance or capital contribution to or investment in any other Person or any entering into, amendment of, relinquishment, termination or non-renewal by Terra of any contract, agreement, licence, lease transaction, commitment or other right or obligation;

(v) Terra has not declared or paid any dividends or made any other distribution on any of the Terra Shares;

(vi) Terra has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Terra Shares;

(vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable to or to become payable by Terra to any of their respective directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without limitation, the granting of Terra Options) made to, for or with any of such directors or officers;

(viii) Terra has not effected any material change in its accounting methods, principles or practices; and

(ix) Terra has not adopted any, or materially amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.

(h) Employment Agreements. As of the date hereof, Terra has one employee and six consultants. Terra:

(i) is not a party to any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to, or any employment or consulting agreement with, any director or officer of Terra that would be triggered by Terra entering into this Agreement or the completion of the Arrangement;

(ii) does not have any employee or consultant whose employment or contract with Terra cannot be terminated by Terra following completion of the Arrangement; and

(iii) (A) is not a party to any collective bargaining agreement, (B) is not, to the knowledge of Terra, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement, or (C) is subject to any current, or to the knowledge of Terra, pending or threatened strike or lockout.

(i) Financial Matters. The audited annual financial statements of Terra for the financial years ended February 28, 2009 and 2010 and the respective notes thereto and the unaudited financial statements for the financial period ended November 30, 2010, including the notes thereto (collectively, the "**Terra Financial Statements**") were prepared in accordance with Canadian GAAP consistently applied, and fairly present in all material respects the consolidated financial condition of Terra at the respective dates indicated and the results of operations of Terra for the periods covered on a consolidated basis. As of the date hereof, Terra does not have any liabilities or obligations (including, without limitation, liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, or any related party transactions or off-balance sheet transactions not reflected in the audited consolidated financial statements of Terra for the financial year ended February 28, 2010, except liabilities and obligations incurred in the ordinary and regular course of business (including the business of exploring Terra's projects) since February 28, 2010, which liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Terra.

(j) Books and Records. The corporate records and minute books of Terra have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Terra. Financial books and records and accounts of Terra in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Terra, and (iii) accurately and fairly reflect the basis for the financial statements of Terra.

(k) Litigation. There is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of Terra, threatened against or relating to Terra, or affecting any of its properties or assets before any Governmental Authority. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Terra, threatened against or relating to Terra before any Governmental Authority. Neither Terra nor any of its properties or assets is subject to any outstanding judgment, order, writ, injunction or decree.

(l) Title to Properties and Operational Matters. Terra is the legal and beneficial owner of and has good and marketable title to the mining claims, concessions, licenses, leases or other instruments conferring mineral rights in respect of the properties in which Terra has an interest set forth in the Terra Disclosure Letter (collectively, for the purposes of this Section 3.1(l), the "**Terra properties and assets**"). All agreements by which Terra holds an interest in the Terra properties and assets are in good standing according to their respective terms and the Terra properties and assets are in good standing under applicable Law and all filings and work commitments required to maintain the Terra properties and assets in good standing have been properly recorded and filed in a timely manner with the appropriate Governmental Authority and there are no Encumbrances or any other interests in or on such Terra properties and assets. Terra has conducted and is conducting its business in material compliance with all applicable Laws, including all applicable Laws and all Governmental Authority authorizations and instructions, whether in writing or oral, relating to the Terra properties and assets. Terra has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the Terra properties and assets.

(m) Insurance. Terra maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size engaged in exploration and development and such policies are in full force and effect as of the date hereof.

(n) Environmental. Except to the extent that any violation or other matter referred to in this subsection would not reasonably be expected to have a Material Adverse Effect on Terra, to Terra's knowledge:

(i) Terra is in compliance in all material respects with Environmental Laws;

(ii) Terra has operated its business at all times and have received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Terra that have not been remedied;

(iv) there is no claim or judicial or administrative proceeding which may affect either Terra or any of the Terra properties or assets relating to or alleging any violation of or liability under Environmental Laws;

(v) Terra has not failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event which is required to be so reported by any Environmental Laws; and

(vi) Terra holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of its businesses and the ownership and use of its assets, all such licences, permits and approvals are in full force and effect, and neither Terra nor any of its assets is the subject of any investigation, evaluation, audit or review not in the ordinary and regular course by any Governmental Authority to determine whether any violation of Environmental Laws has occurred or is occurring, and Terra is not subject to any known environmental liabilities.

(o) Reclamation Costs. Terra is the registered holder of certain mineral claims (the "**Kachiwiss Claims**") located in the Lac Kachiwiss region, Letellier Township, Quebec as more particularly described in the letter agreement dated March 1, 2007 between Terra and Kalac Holdings Ltd. ("**Kalac**") and the letter agreement dated December 15, 2008 between Terra and Kalac. To date, Terra has conducted certain drilling programs on the Kachiwiss Claims as a result of which it has incurred site reclamation costs ("**Reclamation Costs**"). As of the date of this Agreement, Terra has incurred Reclamation Costs and will incur an additional amount that is estimated not to exceed $25,000 in Reclamation Costs to complete the site reclamation of the Kachiwiss Claims. All reclamation work is required to be completed by June 30, 2011.

(p) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to Terra, on a consolidated basis:

(i) Terra has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Authority and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon. Terra has made available to Hathor or its legal counsel copies of all such Tax Returns for all periods since January 1, 2007;

(ii) Terra has (A) duly and timely paid all Taxes due and payable by it, (B) duly and timely withheld all Taxes and other amounts required by applicable Law to be withheld by it and has duly and timely remitted to the appropriate Governmental Authority such Taxes and other amounts required by applicable Law to be remitted by it, and (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by applicable Law to be collected by it and has duly and timely remitted to the appropriate Governmental Authority any such amounts required by applicable Law to be remitted by it;

(iii) the charges, accruals and reserves for Taxes reflected on the Terra Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are adequate under Canadian GAAP to cover Taxes with respect to Terra accruing through the date hereof;

(iv) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Terra;

(v) there are no proceedings, investigations, audits, assessments, reassessments or claims now pending or to the knowledge of Terra, threatened, against Terra that propose to assess Taxes in addition to those reported in the Tax Returns;

(vi) Terra has complied with and substantially satisfied all obligations to incur expenses and renounce to any third party any Canadian exploration expense with respect to any flow through shares;

(vii) there are no liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of Terra);

(viii) there has been no extension of time within which to file any Tax Return granted to Terra; and

(ix) Terra will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Effective Date as a result of any change in method of accounting for a taxable period ending on or prior to the Effective Date.

(q) Pension and Employee Benefits. Terra has complied, in all material respects, with all of the terms of the pension and other employee compensation and benefit obligations of Terra, including the provisions of any collective agreements, funding and investment contracts or obligations applicable thereto, arising under or relating to each of the pension or retirement income plans or other employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Terra, other than such non-compliance that would not reasonably be expected to have a Material Adverse Effect on Terra.

(r) Listing. The Terra Shares are listed on the TSXV.

(s) Reports. Since February 28, 2010, Terra has filed with the Securities Authorities, stock exchanges and all applicable self-regulatory authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it. The Terra Public Documents, at the time filed or, if amended, as of the date of such amendment (i) did not contain any misrepresentation (as defined in the *Securities Act* (British Columbia)) and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities having jurisdiction over Terra except where such non-compliance has not had or would not reasonably be excepted to have a Material Adverse Effect on Terra. Terra has not filed any confidential material change or other report or other document with any Securities Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential. There is no material fact that Terra has not disclosed to Hathor in writing or made available for review by Hathor as requested by Hathor as part of its due diligence investigations that has or would have a Material Adverse Effect on Terra.

(t) Compliance with Laws. Except with respect to matters relating to the environment or Environmental Laws (which are addressed in Section 3.1(n)), Terra has complied with and is not in violation of any applicable Laws, other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Terra.

(u) Compliance with Disclosure Obligations. Terra is a “reporting issuer” or its equivalent in the provinces of British Columbia and Alberta only and not on the list of reporting issuers in default under applicable securities Laws, and in compliance in all material respects with its timely and continuous disclosure obligations under applicable securities Laws and the rules and regulations of the TSXV.

(v) No Cease Trade. Terra is not subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of Terra, no investigation or other proceedings involving Terra that may operate to prevent or restrict trading of any securities of Terra are currently in progress or pending before any applicable stock exchange or Securities Authority.

(w) No Option on Assets. No Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Terra of any of the assets of Terra.

(x) Certain Contracts. Terra is not a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree that purports to (i) limit the manner or the localities in which all or any material portion of the business of

Terra is conducted, (ii) limit any business practice of Terra in any material respect, or (iii) restrict any acquisition or disposition of any property by Terra in any material respect.

(y) No Broker's Commission. Terra has not entered into any agreement that would entitle any Person to any valid claim against Terra for a broker's commission, finder's fee or any like payment in respect of the Arrangement or any other matter contemplated by this Agreement, except for the fees and expenses payable to Cormark Securities Inc. in its capacity as financial advisor to Terra in connection with the Arrangement.

(z) Vote Required. The only votes of the holders of any class or series of the Terra Shares, Terra Options, Terra Warrants or other securities of Terra necessary to approve this Agreement and the Arrangement and the transactions contemplated hereby or thereby is, subject to the Interim Order, the Terra Shareholder Approval.

(aa) U.S. Securities Law Matters. To Terra's knowledge, Terra (i) is a Foreign Private Issuer, (ii) has no class of securities outstanding that is or is required to be registered under Section 12 of the U.S. Exchange Act or that is subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, and (iii) is not registered or required to register as an investment company under the 1940 Act.

(bb) Hart-Scott-Rodino Matters. Terra, including all entities "controlled by" Terra for purposes of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, does not and prior to completion of the Arrangement will not, hold assets located in the United States with a fair market value in excess of U.S.$66.0 million in the aggregate; during the 12-month period ended February 28, 2011, (A) Terra did not make sales in or into the United States in excess of U.S.$66.0 million in the aggregate, and (B) the assets that Terra will hold as of immediately prior to completion of the Arrangement did not generate sales in or into the United States in excess of U.S.$66.0 million in the aggregate.

(cc) No Shareholdings in Hathor. Terra does not, legally or beneficially, own, directly or indirectly, any securities of Hathor and does not have any right, agreement or obligation to purchase any securities of Hathor or any securities or obligations of any kind convertible into or exchangeable for any securities of Hathor.

(dd) Debt. As at April 27, 2011, the aggregate amount of all outstanding accounts payable and accrued liabilities of Terra is $30,141.

3.2 Representations and Warranties of Hathor

Hathor hereby represents and warrants to Terra (and acknowledges that Terra is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement) that, other than as set out in the Hathor Disclosure Letter:

(a) Organization. Hathor has been incorporated, 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. Hathor is registered, licensed or otherwise qualified 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 have a Material Adverse Effect on Hathor.

There are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any of material assets from Hathor. There are no outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based on book value, income, share price or any other attribute of Hathor or its business (other than the shareholder rights plan of Hathor dated July 21, 2008 and approved by the shareholders of Hathor on September 17, 2008), there are no outstanding debentures, bonds or other evidence of indebtedness of Hathor exist in relation to the Hathor Shares, all securities of Hathor have been issued in compliance with all applicable Laws and no holder of securities of Hathor has any right to compel Hathor to register or otherwise qualify such securities for distribution or sale to the public in Canada, the United States or in any jurisdiction.

(b) Capitalization. Hathor is authorized to issue an unlimited number of Hathor Shares. As at May 5, 2011 there were outstanding:

(i) 108,657,911 Hathor Shares;

(ii) Hathor Options to acquire an aggregate of 9,309,000 Hathor Shares; and

(iii) Hathor Warrants to acquire an aggregate of 868,749 Hathor Shares.

Except for the Hathor Options and the Hathor Warrants and except pursuant to this Agreement and the transactions contemplated hereby, as of the date hereof, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Hathor to issue or sell any shares of Hathor or any securities or obligations of any kind convertible into or exchangeable for any shares of Hathor. All outstanding Hathor Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Hathor having the right to vote with the Hathor Shareholders on any matter. There are no outstanding contractual obligations of Hathor to repurchase, redeem or otherwise acquire any outstanding Hathor Shares or with respect to the voting or disposition of any outstanding Hathor Shares.

(c) Authority. Hathor has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Hathor 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 Hathor and the completion by Hathor of the transactions contemplated by this Agreement have been authorized by the directors of Hathor and, subject to obtaining the approval of the TSX, no other corporate or shareholder proceedings on the part of Hathor or its shareholders are necessary to authorize this Agreement or the completion by Hathor of the transactions contemplated hereby. This Agreement has been executed and delivered by Hathor and constitutes a legal, valid and binding obligation of Hathor, enforceable against Hathor in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Hathor of this Agreement and the performance by it of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

(i) result in a violation, contravention or breach or constitute a default under, or entitle any party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:

(A) articles, Notice of Articles or by-laws (or their equivalent) of Hathor,

(B) any applicable Law or rule or policy of the TSX, or

(C) any credit arrangement, note, bond, mortgage, indenture, deed of trust, lease, franchise, concession, easement, contract, agreement, licence, permit or other instrument to which Hathor is bound or is subject to or of which Hathor is the beneficiary;

(ii) cause any indebtedness owing by Hathor to come due before its stated maturity or cause any available credit to cease to be available;

(iii) result in the imposition of any Encumbrance upon any of the property or assets of Hathor or give any Person the right to acquire any of Hathor's assets, or restrict, hinder, impair or limit the ability of Hathor to conduct the business of Hathor as and where it is now being conducted; or

(iv) result in or accelerate the time for payment (or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", bonus, termination payments or otherwise) becoming due to any director or officer of Hathor or increase any benefits otherwise payable under any pension or benefits plan of Hathor 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, any Governmental Authority or other Person is required to be obtained by Hathor in connection with the execution and delivery of this Agreement or the consummation by Hathor of the transactions contemplated hereby other than (i) any approvals required by the Interim Order, (ii) any approvals required by the Final Order, (iii) filings required under the Business Corporations Act, and (iv) filings with and approvals required by the Securities Authorities, stock exchanges and U.S. State securities laws.

(d) <u>Directors' Approvals</u>. All of the directors of Hathor have:

(i) determined unanimously that the Arrangement is in the best interests of Hathor; and

(ii) authorized the entering into of this Agreement, and the performance of Hathor's obligations hereunder.

(e) <u>Hathor Subsidiaries</u>. Hathor has no subsidiaries.

(f) <u>No Defaults</u>. Hathor is not in default under and, to Hathor's knowledge (after reasonable enquiry), there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Hathor, under any Contract, that is material to the conduct of the business of Hathor or to which it is a party or by which it is bound.

(g) Absence of Changes. Since March 31, 2010, except as disclosed by Hathor:

(i) Hathor has conducted its business only in the ordinary and regular course of business consistent with past practice;

(ii) Hathor has not incurred or suffered a Material Adverse Change;

(iii) there has not been any acquisition or sale by Hathor of any material property or assets;

(iv) there has not been any incurrence, assumption or guarantee by Hathor of any debt for borrowed money, any creation or assumption by Hathor of any Encumbrance, any making by Hathor of any loan, advance or capital contribution to or investment in any other Person or any entering into, amendment of, relinquishment, termination or non-renewal by Hathor, of any contract, agreement, licence, lease transaction, commitment or other right or obligation;

(v) Hathor has not declared or paid any dividends or made any other distribution on any of the Hathor Shares;

(vi) Hathor has not effected or passed any resolution to approve a split, consolidation or reclassification of any outstanding Hathor Shares;

(vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable to or to become payable by Hathor to its directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without limitation, the granting of Hathor Options pursuant to the Hathor Stock Option Plan) made to, for or with any of such directors or officers;

(viii) Hathor has not effected any material change in its accounting methods, principles or practices; and

(ix) Hathor has not adopted any, or materially amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.

(h) Employment Agreements. Hathor:

(i) is not a party to any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to, or any employment or consulting agreement with any director or officer of Hathor that would be triggered by Hathor entering into this Agreement or the completion of the Arrangement; and

(ii) (a) is not a party to any collective bargaining agreement, (b) is, to the knowledge of Hathor, not subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement, or (c) is not subject to any current, or to the knowledge of Hathor, pending or threatened strike or lockout.

(i) Financial Matters. The audited annual financial statements of Hathor for the financial years ended March 31, 2010 and 2009 and the respective notes thereto and the unaudited financial statements for the financial period ended December 31, 2010, including the notes thereto (collectively, the "**Hathor Financial Statements**") were prepared in accordance with Canadian GAAP consistently applied, and fairly present in all material respects the consolidated financial condition of Hathor at the respective dates indicated and the results of operations of Hathor for the periods covered on a consolidated basis. As of the date hereof, Hathor does not have any liability or obligation (including, without limitation, liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, or any related party transactions or off-balance sheet transactions not reflected in the audited financial statements of Hathor for the financial year ended March 31, 2010, except liabilities and obligations incurred in the ordinary and regular course of business (including the business of operating, developing, constructing and exploring Hathor's projects) since March 31, 2010, which liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Hathor.

(j) Books and Records. The corporate records and minute books of Hathor have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Hathor. Financial books and records and accounts of Hathor, in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Hathor, and (iii) accurately and fairly reflect the basis for the consolidated financial statements of Hathor.

(k) Litigation. There is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of Hathor, threatened against or relating to Hathor, or affecting any of its properties or assets before any Governmental Authority. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Hathor, threatened against or relating to Hathor before any Governmental Authority. Hathor nor any of its properties or assets is subject to any outstanding judgment, order, writ, injunction or decree.

(l) Title to Properties and Operational Matters. Hathor is the legal and beneficial owner of and has good and marketable title to the mining claims, concessions, licenses, leases or other instruments conferring mineral rights in respect of the properties in which Hathor has an interest referred to in the Hathor Public Documents (collectively, for the purposes of this Section 3.2(l), the "**Hathor properties and assets**"). All agreements by which Hathor holds an interest in the Hathor properties and assets are in good standing according to their respective terms and the Hathor properties and assets are in good standing under applicable Law and all filings and work commitments required to maintain the Hathor properties and assets in good standing have been properly recorded and filed in a timely manner with the appropriate Governmental Authority and there are no Encumbrances or any other interests in or on such Hathor properties and assets except as disclosed in the Hathor Public Documents. Hathor has conducted and is conducting its business in material compliance with all applicable Laws, including all applicable Laws and all Governmental Authority authorizations and instructions, whether in writing or oral, relating to the Hathor properties and assets. Hathor has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the Hathor properties and assets that would, individually or in the aggregate, result in a Material Adverse Effect on Hathor.

(m) Insurance. Hathor maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size engaged in exploration and development and such policies are in full force and effect as of the date hereof.

(n) Environmental. Except to the extent that any violation or other matter referred to in this subsection does not have a Material Adverse Effect on Hathor, to Hathor's knowledge:

(i) Hathor is in compliance in all material respects with Environmental Laws;

(ii) Hathor has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Hathor that have not been remedied;

(iv) there is no material claim or judicial or administrative proceeding which may affect Hathor or any of the properties or assets of Hathor relating to or alleging any violation of or liability under Environmental Laws;

(v) Hathor has not failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event which is required to be so reported by any Environmental Laws; and

(vi) Hathor holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of its businesses and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and neither Hathor nor any of its assets is the subject of any investigation, evaluation, audit or review by any Governmental Authority to determine whether any violation of Environmental Laws has occurred or is occurring, and Hathor is not subject to any known environmental liabilities.

(o) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to Hathor:

(i) Hathor has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Authority and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;

(ii) Hathor has (A) duly and timely paid all Taxes due and payable by it, (B) duly and timely withheld all Taxes and other amounts required by applicable Law to be withheld by it and has duly and timely remitted to the appropriate Governmental Authority such Taxes and other amounts required by applicable Law to be remitted by it, and (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by applicable Law to be collected by it and has duly and timely remitted to the appropriate Governmental Authority any such amounts required by applicable Law to be remitted by it;

(iii) the charges, accruals and reserves for Taxes reflected on the Hathor Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are adequate under Canadian GAAP to cover Taxes with respect to Hathor accruing through the date hereof;

(iv) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Hathor;

(v) there are no proceedings, investigations, audits, assessments, reassessments or claims now pending or to the knowledge of Hathor, threatened against Hathor that propose to assess Taxes in addition to those reported in the Tax Returns;

(vi) there are no liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of Hathor);

(vii) there has been no extension of time within which to file any Tax Return granted to Hathor; and

(viii) Hathor will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Effective Date as a result of any change in method of accounting for a taxable period ending on or prior to the Effective Date.

(p) Pension and Employee Benefits. Hathor has complied, in all material respects, with all of the terms of the pension and other employee compensation and benefit obligations of Hathor, including the provisions of any collective agreements, funding and investment contracts or obligations applicable thereto, arising under or relating to each of the pension or retirement income plans or other employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Hathor, other than such non-compliance that would not reasonably be expected to have a Material Adverse Effect on Hathor.

(q) Listing. The Hathor Shares are listed on the TSX.

(r) Reports. Since March 31, 2010, Hathor has filed with the Securities Authorities, stock exchanges and all applicable self-regulatory authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it. The Hathor Public Documents, at the time filed or, if amended, as of the date of such amendment (a) did not contain any misrepresentation (as defined in the *Securities Act* (British Columbia)) and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and (b) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities having jurisdiction over Hathor except where such non-compliance has not had or would not reasonably be expected to have a Material Adverse Effect on Hathor. Hathor has not filed any confidential material change or other report or other document with any Securities Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential. There is no material fact that Hathor has not disclosed to Terra during the due diligence session of Hathor held on May 2, 2011, or made available for review by Terra as requested by Terra as part of its due diligence investigations that has or would have a Material Adverse Effect on Hathor.

(s) Compliance with Laws. Except with respect to matters relating to the environment or Environmental Laws (which are addressed in Section 3.2(n), Hathor has complied with and is not in violation of any applicable Law other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Hathor.

(t) Compliance with Disclosure Obligations. Hathor is a "reporting issuer" or its equivalent in the provinces of British Columbia, Alberta and Ontario only and not on the list of reporting issuers in default under applicable securities Laws, and in compliance in all material respects with its timely and continuous disclosure obligations under applicable securities Laws and the rules and regulations of the TSX.

(u) No Cease Trade. Hathor is not subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of Hathor, no investigation or other proceedings involving Hathor that may operate to prevent or restrict trading of any securities of Hathor are currently in progress or pending before any applicable stock exchange or Securities Authority.

(v) No Option on Assets. No Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Hathor of any of the material assets of Hathor.

(w) Certain Contracts. Hathor is not a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree that purports to (i) limit the manner or the localities in which all or any material portion of the business of Hathor is conducted, (ii) limit any business practice of Hathor in any material respect, or (iii) restrict any acquisition or disposition of any property by Hathor in any material respect.

(x) No Broker's Commission. Hathor has not entered into any agreement that would entitle any Person to any valid claim against Hathor for a broker's commission, finder's fee or any like payment in respect of the Arrangement or any other matter contemplated by this Agreement, except for the fees and expenses payable to Scotia Capital Inc. in its capacity as financial advisor to Hathor in connection with the Arrangement.

(y) Consideration. The Hathor Shares issued pursuant to the Arrangement, will, when issued, be duly and validly issued as fully paid and non-assessable common shares in the capital of Hathor. All Hathor Shares issued in exchange for Terra Shares, pursuant to the Arrangement, shall not be subject to any resale restriction under applicable securities

Laws (other than as applicable to control Persons or affiliates or pursuant to Section 2.6 of National Instrument 45-102 and the restrictions set forth in Rule 144 under the U.S. Securities Act for Persons who are after the Effective Date, or were within 90 days prior to the Effective Date, "affiliates" (as defined in Rule 405 under the U.S. Securities Act) of Hathor).

(z) No Shareholdings in Terra. Hathor does not, legally or beneficially, own, directly or indirectly, any securities of Terra and does not have any right, agreement or obligation to purchase any securities of Terra or any securities or obligations of any kind convertible into or exchangeable for any securities of Terra.

(aa) Debt. As at April 27, 2011, the aggregate amount of all outstanding accounts payable and accrued liabilities of Hathor is $1,858,761.

(bb) U.S. Securities Law Matters. To Hathor's knowledge, Hathor (i) is a Foreign Private Issuer, (ii) has no class of securities outstanding that is or is required to be registered under Section 12 of the U.S. Exchange Act or that is subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, (iii) is not registered or required to register, and will not as a result of the completion of the Arrangement and the issuance of the Hathor Securities in connection therewith, be required to register as an investment company under the 1940 Act, and (iv) is not a "shell company" within the meaning assigned that term in Rule 405 under the U.S. Securities Act.

ARTICLE 4
COVENANTS

4.1 Mutual Covenants

Except as otherwise expressly contemplated or permitted in this Agreement and in the Plan of Arrangement, each party covenants and agrees that:

(a) it will 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 (i) to ensure that the representations and warranties in Section 3.1, in the case of Terra, and Section 3.2 , in the case of Hathor, remain true and correct in all material respects as of the Effective Date as if such representations and warranties were made at and as of such date; (ii) to satisfy (or cause the satisfaction of) the conditions set out in Article 5 to the extent the same is within its control and to consummate and make effective as promptly as is practicable the transactions contemplated herein; and (iii) for the discharge by each party of its respective obligations under this Agreement, the Interim Order, the Plan of Arrangement and the Final Order, including its obligations under applicable Laws, in each case including the execution and delivery of such documents as the other party hereto may reasonably require. Each of the parties hereto, where appropriate, will reasonably co-operate with the other party in taking such actions; and

(b) until the Effective Date, it will notify the other party in writing: (i) promptly after the occurrence thereof of any Material Adverse Change (actual, anticipated, or to the best of its knowledge, threatened) with respect to it; and (ii) promptly after the occurrence, or failure to occur, of any such event, of information of which it becomes aware with respect to any event which, if known as of the date of this Agreement, would have been required to be disclosed to the other party or which would have been likely to cause any of its representations or warranties in this Agreement to be untrue or incorrect in any material respect or result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any party herein, provided, however, that no such notification will affect the representations or warranties of the parties or the conditions to the obligations of the parties herein.

4.2 Covenants Relating to Regulatory Approval

(a) As soon as reasonably practicable after the date hereof, each party will use its commercially reasonable efforts to make all necessary or advisable filings, applications and submissions with Governmental Authorities under all applicable Laws in respect of the transactions contemplated herein. Each party will provide such additional information and make or cause to be made such additional filings reasonably required by any Governmental Authority in respect of the transactions contemplated herein.

(b) Each party will use its commercially reasonable efforts to obtain all consents, approvals, authorizations or waivers required or advisable to be obtained by it from Governmental Authorities in respect of the transactions contemplated herein (including participating and appearing in any proceedings before Governmental Authorities) and to avoid or resolve any suit or threatened suit so as to permit the consummation of the transactions contemplated herein on a timely basis.

(c) Subject to applicable Laws, each party will provide the other party and its counsel with reasonable opportunity to review and comment on all filings, applications, submissions and other material communications to Governmental Authorities. Each party will use its commercially reasonable efforts to cooperate with and assist the other party in the preparation and making of all filings, applications and submissions to such Governmental Authorities.

(d) Each party will promptly notify the other party of any material communication to such party from any Governmental Authority in respect of the transactions contemplated herein and, subject to applicable Laws, provide the other party with a copy thereof if such communication is in writing. Each party will consult with the other party and its counsel prior to participating in any substantive meeting or discussion with any Governmental Authority in respect of the transactions contemplated herein and give the other party and its counsel the opportunity to attend and participate thereat.

4.3 Covenants of Hathor

Except as set forth in the Hathor Disclosure Letter, Hathor covenants and agrees with Terra that, prior to the Effective Date:

(a) Hathor will take all actions reasonably necessary to ensure that the Hathor Shares issuable pursuant to the Arrangement, including the Hathor Shares issuable upon exercise of the Hathor Options and the Hathor Warrants, are issuable and issued in compliance with exemptions from registration under the U.S. Securities Act and all applicable state securities laws;

(b) Hathor will use commercially reasonable efforts to obtain listing approval from the TSX of the Hathor Shares to be issued pursuant to the Arrangement and upon the exercise of the Hathor Options and Hathor Warrants, subject only to the filing of customary required documents;

(c) Hathor will, carry on business only in the usual and ordinary course, consistent with past practice and the activities set out in the Hathor Disclosure Letter, except with the prior written consent of Terra (such consent not to be unreasonably withheld or delayed) or other than as expressly contemplated or permitted by this Agreement, Hathor:

(i) will use commercially reasonable efforts, to the extent it has the financial resources to do so, to maintain and preserve its business, assets and advantageous business relationships;

(ii) will maintain payables and other liabilities (other than for money borrowed) at levels consistent with past practice;

(iii) will use reasonable commercial efforts to maintain in force its current policies of insurance and pay all premiums in respect of such insurance policies that become due after the date hereof;

(iv) Hathor will not:

(A) resolve or propose to be wound-up, dissolved, liquidated, appoint or agree to the appointment of a liquidator, receiver or trustee in bankruptcy for it or consent to an order by a court for its winding-up or dissolution;

(B) make any changes to their existing accounting practices except as required by Law or required by GAAP or make any material tax election inconsistent with past practice;

(C) declare or pay any dividends or make any distribution of its properties or assets to its shareholders or purchase or retire any Hathor Shares;

(D) alter or amend or authorize any alteration or amendment to its constating documents as they exist at the date of this Agreement, except as required to complete the Arrangement or any transaction contemplated under this Agreement or the Arrangement;

(E) split, consolidate, exchange or reclassify any Hathor Shares or other securities;

(F) acquire or agree to acquire, by amalgamating, plan of arrangement, merging, consolidating or entering into a business combination with or purchasing or leasing substantially all of the assets or otherwise of, any business or undertaking of any corporation, partnership, association or other business organization or division thereof, except as required to complete the Arrangement or any transaction contemplated under this Agreement or the Arrangement;

(G) sell, lease, transfer, mortgage or otherwise dispose of or encumber any of its property or assets, real or personal, or agree to the same;

(H) allot or issue, or enter into any agreement for the allotment or issuance, or grant any other rights to acquire, Hathor Shares or other securities or securities convertible into, exchangeable for, or which carry a right to acquire, directly or indirectly, any Hathor Shares or other securities, other than Hathor Shares issuable upon exercise of convertible securities of Hathor issued prior to the date hereof;

(I) engage in any extraordinary material transactions;

(J) take any action or fail to take any action which would cause any of the conditions precedent set forth in Article 5 not to be satisfied;

(K) satisfy or settle any claims or liabilities prior to the same being due, which are, individually or in the aggregate, material to Hathor; or

(L) grant any waiver, exercise any option or relinquish any contractual rights which are, individually or in the aggregate, material; and

Hathor will not announce an intention, enter into any agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing;

(d) Hathor will execute and do all such acts and further deeds, things and assurances as may be required in the reasonable opinion of Terra's counsel to consummate the Arrangement; and

(e) Hathor will not, directly or indirectly, acquire ownership or control over any Terra Shares prior to the Arrangement becoming effective such that immediately prior to the Effective Date, Hathor will not hold or beneficially own, directly or indirectly, or exercise control or direction over, any Terra Shares.

4.4 Covenants of Terra

Except as set forth in the Terra Disclosure Letter, Terra covenants and agrees with Hathor that, prior to the Effective Date:

(a) Terra will, carry on its business only in the usual and ordinary course, consistent with past practice and the activities set out in the Terra Disclosure Letter, except with the prior written consent of Hathor or other than as expressly contemplated or permitted by this Agreement, Terra:

(i) will use commercially reasonable efforts, to the extent it has the financial resources to do so, to maintain and preserve its business, assets and advantageous business relationships;

(ii) will maintain payables and other liabilities (other than for money borrowed) at levels consistent with past practice;

(iii) will use reasonable commercial efforts to maintain in force its current policies of insurance and pay all premiums in respect of such insurance policies that become due after the date hereof;

(iv) Terra will not:

(A) resolve or propose to be wound-up, dissolved, liquidated, appoint or agree to the appointment of a liquidator, receiver or trustee in bankruptcy for it or consent to an order by a court for its winding-up or dissolution;

(B) make any changes to their existing accounting practices except as required by Law or required by GAAP or make any material tax election inconsistent with past practice;

(C) declare or pay any dividends or make any distribution of its properties or assets to its shareholders or purchase or retire any Terra Shares, provided that nothing herein shall prevent Terra from distributing as a special dividend in kind to the Terra Shareholders the common shares of Novus Gold Corp. as announced by Terra on April 18, 2011;

(D) alter or amend or authorize any alteration or amendment to its constating documents as they exist at the date of this Agreement, except as required to complete the Arrangement or any transaction contemplated under this Agreement or the Arrangement;

(E) split, consolidate, exchange or reclassify any Terra Shares or other securities;

(F) enter into or modify any employment, consulting, bonus, retention or similar agreements or arrangements with, or grant any bonuses, salary increases, stock options, severance, retirement allowances, deferred or incentive compensation, termination pay or any other form of compensation to, or make any loan to, any of its officers, directors, employees or consultants;

(G) incur or commit to incur any indebtedness for borrowed money;

(H) incur capital expenditures in excess of $25,000;

(I) acquire or agree to acquire, by amalgamating, plan of arrangement, merging, consolidating or entering into a business combination with or purchasing or leasing substantially all of the assets or otherwise of, any business or undertaking of any corporation, partnership, association or other business organization or division thereof;

(J) sell, lease, transfer, mortgage or otherwise dispose of or encumber any of its property or assets, real or personal, or agree to the same;

(K) allot or issue, or enter into any agreement for the allotment or issuance, or grant any other rights to acquire, Terra Shares or other securities or securities convertible into, exchangeable for, or which carry a right to acquire, directly or indirectly, any Terra Shares or other securities, other than Terra Shares issuable upon exercise of convertible securities of Terra issued prior to the date hereof;

(L) engage in any extraordinary material transactions;

(M) take any action or fail to take any action which would cause any of the conditions precedent set forth in Article 5 not to be satisfied;

(N) satisfy or settle any claims or liabilities prior to the same being due, which are, individually or in the aggregate, material to Terra; and

(O) grant any waiver, exercise any option or relinquish any contractual rights which are, individually or in the aggregate, material.

Terra will not announce an intention, enter into any agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing;

(b) Terra will not incur expenditures in relation to its Wheeler River Property, Saskatchewan except in the normal course and consistent with its previously announced exploration program on the Wheeler River Property as approved by the Terra Board as at April 15, 2011, which expenditures and commitments to June 20, 2011 on geophysics and drilling shall not exceed $1,100,000 (the "**Program Budget**");

(c) except in connection with the Program Budget, Terra will provide to Hathor copies of all cheques or ledgers relating to any administrative or operating disbursements;

(d) Terra will execute and do all acts, further deeds, things and assurances as may be required in the reasonable opinion of Hathor's counsel to consummate the transactions contemplated herein;

(e) Terra will proceed with its audit for its consolidated financial statements for the year ended February 28, 2011 and finalize such financial statements no later than the Effective Date;

(f) subject to Section 4.5, Terra will not, and it will not authorize or permit any officers, directors or employees, agents, advisers, consultants or other representatives of it to:

(i) make, solicit, initiate, facilitate, entertain, encourage or promote (including, without limitation, by way of furnishing information, permitting any visit to facilities or properties of Terra or entering into any form of agreement, arrangement or understanding) any inquiry or the making of any proposal to it or its shareholders from any Person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions), a Competing Proposal or potential Competing Proposal, or agree to or endorse any of the foregoing;

(ii) enter into or participate in, directly or indirectly, any discussions or negotiations regarding any Competing Proposal or potential Competing Proposal, or furnish to any other Person any information with respect to the business, properties, operations, prospects or conditions (financial or otherwise) of it in connection with any Competing Proposal or potential Competing Proposal, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek to do any of the foregoing;

(iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Hathor, the approval or recommendation of this Agreement or the Arrangement by the Terra Board or any of its committees (a "**Change in Terra Recommendation**");

(iv) approve or recommend, or propose publicly to approve or recommend, any Competing Proposal; or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Competing Proposal or potential Competing Proposal;

(g) Terra will immediately cease:

(i) and will instruct its officers, directors, employees, consultants, representatives and agents to immediately cease, and cause to be terminated any existing solicitation, discussion or negotiation, encouragement or activity with any Person (other than Hathor or any of its representatives) with respect to any Competing Proposal, or any potential Competing Proposal, whether or not initiated by Terra or its representatives; and

(ii) to provide any Person (other than Hathor or any of its representatives) with access to information concerning Terra in respect of any Competing Proposal, or any potential Competing Proposal, and request the return or destruction of any confidential information provided to any Person (other than Hathor or any of its representatives) that has entered into a confidentiality agreement with Terra relating to any Competing Proposal or potential Competing Proposal to the extent provided for in such confidentiality agreement and will use all commercially reasonable efforts to ensure that such requests are honoured; and

(h) Terra will not amend, modify, waive or fail to enforce on a timely basis any obligation under any confidentiality or standstill agreement or amend any such agreement or other conditions included in any agreement between Terra and a third party that would facilitate the making or implementation of a Competing Proposal.

Terra further covenants and agrees with Hathor that, within two weeks of the Effective Date, it will deliver to Hathor a trial balance sheet as at the Effective Date together with working papers and complete books and records in support of such trial balance sheet.

4.5 Fiduciary Duties

(a) Subject to compliance by Terra with Section 4.5(b) and Section 4.6, and notwithstanding Section 4.4(f), the Terra Board may, prior to the approval of the Arrangement by Terra Shareholders, (i) consider, participate in discussions or negotiate or provide information to any Competing Proposal that was not solicited after April 15, 2011 and that the Terra Board, determines in good faith, after consulting with its financial and legal advisors, is reasonably likely to result in a Superior Proposal, or (ii) approve or recommend to Terra Shareholders or enter into an agreement in respect of a Superior Proposal; but in each case only if the Superior Proposal did not result from a breach of this Agreement by Terra and if the Terra Board, determines in good faith after consulting with its legal advisors that failure to take such action would be inconsistent with the fiduciary duties of such directors under applicable Law.

(b) Terra will promptly notify Hathor, at first orally and then in writing, of any Competing Proposal or potential Competing Proposal, or any amendments to the foregoing, or of any requests or enquiries for non-public information relating to Terra, or for access to any of its properties, books or records by any Person that informs Terra, that such Person is considering making, or has made, a Competing Proposal. Such notice will include a description of the material terms and conditions of any proposal, the identity of the Person making such proposal, inquiry or contact and provide such other details of the proposal, inquiry or contact as the recipient party may reasonably request. Terra will (i) keep Hathor fully informed of the status, including any change to the material terms, of any such Competing Proposal or inquiry; and (ii) provide to Hathor as soon as practicable after receipt or delivery thereof with copies of all correspondence and other written material sent or provided to Terra, from any Person in connection with any Competing Proposal or enquiry, with such deletions as are necessary to protect any confidential portions of such documents (except as to the identity of the Person making such proposal).

4.6 Right to Match

(a) Notwithstanding Section 4.5, Terra covenants that it will not accept, approve, endorse, recommend or enter into any agreement, understanding or arrangement in respect of a Competing Proposal on the basis that it would constitute a Superior Proposal, unless it has complied with its obligations under Section 4.5 and the other provisions of this Article 4 and a period (the "**Match Period**") of three (3) Business Days has elapsed from the date that is the later of: (i) the date on which Hathor receives written notice from the Terra Board that the Terra Board has determined that the Competing Proposal constitutes a Superior Proposal, and to, subject to Hathor's rights under Section 4.6(b), accept, approve, endorse, recommend or enter into a definitive agreement with respect to such Competing Proposal; and (ii) the date Hathor receives a copy of the proposal regarding the Competing Proposal.

(b) During the Match Period, Hathor will have the right, but not the obligation, to offer to amend this Agreement and the Plan of Arrangement, including an increase in, or modification of, the aggregate number of Hathor Shares to be issued to the Terra Shareholders or on the exercise of Terra Options or Terra Warrants. The Terra Board will review any such offer by Hathor to amend this Agreement and the Plan of Arrangement within three (3) Business Days of receipt of same, in order to determine in good faith whether the Competing Proposal to which Hathor is responding would continue to be a Superior Proposal when assessed against the Arrangement as it is proposed in writing by Hathor to be amended. If the Terra Board determines that the Competing Proposal no longer constitutes a Superior Proposal, Terra will enter into an amendment to this Agreement with Hathor incorporating the amendments to the Agreement and Plan of Arrangement as set out in the written offer to amend, and will, within two (2) Business Days of entering into such amendment, reaffirm its recommendation of the Arrangement and issue a press release to that effect. If the Terra Board determines in good faith that the Competing Proposal continues to be a Superior Proposal, the Terra Board may approve and recommend that Terra Securityholders accept such Superior Proposal and may make a Change in Terra Recommendation or terminate this Agreement pursuant to Section 6.1(d)(iv) in order that Terra may enter into an agreement, understanding or arrangement to proceed with the Superior Proposal.

(c) If less than ten (10) Business Days before the Terra Meeting, Terra has provided Hathor with a notice under Section 4.5(b), a Competing Proposal has been publicly disclosed or announced and the Match Period has not elapsed, then, subject to applicable Laws, either at Hathor's request Terra will, or on its own initiative Terra may, postpone or adjourn the Terra Meeting to a date which shall not be less than five (5) days and not more than ten (10) Business Days after the expiry of the Match Period and shall, in the event that Hathor and Terra amend the terms of this Agreement pursuant to Section 4.6(b), ensure that the details of such amended Agreement are communicated to the Terra Shareholders at or prior to the resumption of the adjourned Terra Meeting.

4.7 Terra Termination Fee

(a) Terra shall pay to Hathor, within two (2) Business Days of the termination of this Agreement, an amount in cash equal to $625,000 (the "**Terra Termination Fee**") in immediately available funds, if this Agreement is terminated by (i) Hathor pursuant to Sections 6.1(c) or 6.1(d)(iv), or (ii) Terra pursuant to 6.1(e)(iv). In addition, Terra shall pay to Hathor the Terra Termination Fee if a Competing Proposal shall have been made to Terra or shall have been made directly to Terra Shareholders generally or any Person shall have publicly announced an intention to make a Competing Proposal in respect of Terra, and thereafter this Agreement is terminated and such Competing Proposal or another transaction involving Terra and the party making such Competing Proposal is completed within 12 months of the termination of this Agreement, in which case the Terra Termination Fee shall be paid within two (2) Business Days of completion of such transaction. Terra shall not be obligated to make more than one payment pursuant to this Section 4.7(a).

(b) Terra acknowledges that the agreements contained in this Section 4.7 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, Hathor would not enter into this Agreement. Terra acknowledges that the payment amount set out in this Section 4.7 are payments of liquidated damages which are a genuine pre-estimate of the damages, which Hathor will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. Terra irrevocably waives any right they may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, Hathor agrees that, upon any termination of this Agreement under circumstances where Hathor is entitled to payment of a Terra Termination Fee and such Terra Termination Fee is paid in full, Hathor will be precluded from any other remedy against it at law or in equity or otherwise (including, without limitation, an order for specific performance), and will not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against Terra or any of its directors, officers, employees, partners, managers, members, shareholders or affiliates in connection with this Agreement or the transactions contemplated hereby.

4.8 Resignation and Mutual Releases

On execution of this Agreement, Terra will use all commercially reasonable efforts to deliver to its legal counsel for delivery on the Effective Date, undated, signed resignations and releases of all directors and officers of Terra in the form attached hereto as Schedule C, to be effective as of the Effective Date.

4.9 Privacy Matters

(a) Hathor and Terra acknowledge and agree that certain information provided by Terra to Hathor, and certain information provided by Hathor to Terra, in each case relating to the officers, consultants and employees of the party (the "**Providing Party**") providing the information and provided in connection with the transactions contemplated hereunder, constitutes personal information (the "**Disclosed Personal Information**") which is necessary for the purposes of determining if the party (the "**Receiving Party**") receiving the Disclosed Personal Information will proceed with the Arrangement, that the disclosure of the Disclosed Personal Information relates solely to the carrying on of the business of Terra or Hathor, as applicable, and the completion of the Arrangement and that such Disclosed Personal Information:

(i) may not be used for any purpose other than those related to the performance of this Agreement;

(ii) must be kept strictly confidential and the Receiving Party will ensure that access to such personal information will be restricted to those representatives of the Receiving Party who have a bona fide need for access to such information and will instruct those representatives to protect the confidentiality of such information in a manner consistent with the Receiving Party's obligations hereunder; and

(iii) upon the termination of this Agreement, or otherwise upon the request of the Providing Party, the Receiving Party will forthwith cease all use of the Disclosed Personal Information acquired by the Receiving Party in connection with this Agreement and will return to the Providing Party or, at the Providing Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies).

(b) In addition to the obligations of confidentiality set out in the Confidentiality Agreement:

(i) the Receiving Party agrees to employ appropriate technology and procedures to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of the Disclosed Personal Information;

(ii) each of Terra and Hathor agrees to promptly notify the other of all inquiries, complaints, requests for access, and claims of which it is made aware in connection with the Disclosed Personal Information. The parties will fully co-operate with one another, with the Persons to whom the Disclosed Personal Information relates, and any Governmental Authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims; and

(iii) if the Arrangement is completed, Terra may disclose additional personal information of its employees, directors and officers to Hathor and its representatives on condition that:

(A) Hathor and its representatives must only use or disclose such personal information for the same purposes for which it was collected, used or disclosed by Terra;

(B) the employees, directors and officers whose personal information is disclosed are notified that:

(1) the Arrangement has taken place; and

(2) the personal information about them has been disclosed to Hathor and its representatives.

(c) Without limiting the foregoing, each of Hathor and Terra acknowledge and agree that the Hathor Disclosure Letter, the Terra Disclosure Letter and all information contained in such disclosure letters is confidential and may not be disclosed (other than by the party giving such disclosure letter) to any other Person unless: (i) such disclosure is required under applicable Law, unless such Law permits it to refrain from disclosing such information for confidentiality or other reasons or (ii) such disclosure is required in order to enforce its rights under this Agreement.

ARTICLE 5
CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of Hathor and Terra to complete the Arrangement will be subject to the satisfaction, or mutual waiver by the parties, on or before the Effective Date, of each of the following conditions, which are for the mutual benefit of Hathor and Terra and which may be waived, in whole or in part, by mutual consent of Hathor or Terra at any time:

(a) the Interim Order will have been obtained in form and substance satisfactory to each of the parties, acting reasonably, and will not have been set aside or modified in a manner unacceptable to either of the parties (acting reasonably) on appeal or otherwise;

(b) the Arrangement Resolution will have been approved by the Terra Shareholders at the Terra Meeting in accordance with the requirements of the Business Corporations Act and the Interim Order;

(c) the Final Order will have been obtained in form and substance satisfactory to each of the parties, acting reasonably, and will not have been set aside or modified in a manner unacceptable to either of the parties (acting reasonably) on appeal or otherwise;

(d) the issuance of the Hathor Shares to the holders of Terra Shares, pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption (or pursuant to any other applicable exemption), and in compliance with all applicable state securities laws;

(e) all approvals, consents, waivers or permissions, regulatory or otherwise, which are required in connection with the consummation of the transactions contemplated in this Agreement and in the Plan of Arrangement will have been obtained (including, without limitation, the approval of the Arrangement by the TSXV and the TSX, the approval of the Terra Shareholders required for the Arrangement, as required by the Court, and approval of the Plan of Arrangement by the Court);

(f) no preliminary or permanent injunction, restraining order, ruling, cease trading order or order or decree of any domestic or foreign court, tribunal, Governmental Authority or other regulatory authority or administrative agency, board or commission, and no law, regulation, policy, directive or order will have been enacted, promulgated, made, issued or applied (i) to cease trade, enjoin, prohibit or impose material limitations on, the Arrangement or the transactions contemplated herein or in the Plan of Arrangement, or (ii) which would reasonably be expected to result in the expected benefits of the Arrangement not being substantially achieved, and no such action, proceeding or order will, to the best of the knowledge of Hathor or Terra, be pending or threatened;

(g) the Effective Date shall have occurred no later than the Outside Date;

(h) the distribution of the Hathor Securities in the United States pursuant to the Arrangement shall be exempt from the registration requirements under the U.S. Securities Act and, except with respect to Persons deemed "affiliates" of Hathor (as defined in Rule 405 under the U.S. Securities Act) after the Effective Date and Persons deemed "affiliates" of Hathor within 90 days prior to the Effective Date, the Hathor Securities to be distributed in the United States pursuant to the Arrangement shall not be subject to resale restrictions under the U.S. Securities Act; provided however, that any Hathor Options and Hathor Warrants issued to Terra Securityholders pursuant to the Arrangement may not be exercised in the United States or on behalf or for the benefit of, a U.S. Person or a Person in the United States, unless registered under the U.S. Securities Act or an exemption is available from the registration requirements of the U.S. Securities Act and any applicable state securities laws, and the holder furnishes to Hathor an opinion of counsel or other documentation satisfactory to Hathor to such effect;

(i) this Agreement will not have been terminated pursuant to Article 6; and

(j) there will not be in force or threatened any order or decree of any Governmental Authority or other Person that has the effect of ceasing or restricting trading in the Hathor Shares.

5.2 Additional Conditions Precedent to the Obligations of Terra

The obligation of Terra to complete the Arrangement will be subject to the satisfaction, or waiver by Terra, on or before the Effective Date or such earlier date stipulated, of each of the following conditions, which conditions are for sole the benefit of Terra and may be waived, in whole or in part, by Terra at any time:

(a) all covenants of Hathor under this Agreement to be performed on or before the Effective Date will have been duly performed by Hathor in all material respects and Terra will have received a certificate of Hathor, signed by two senior officers confirming the same as at the Effective Date;

(b) all representations and warranties of Hathor under this Agreement qualified as to materiality will be true and correct and those not so qualified will be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties will be true and correct in all material respects as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change or would not, and would not reasonably be excepted to, materially impede completion of the Arrangement, and Terra will have received a certificate of Hathor addressed to Terra and dated the Effective Date, signed, without personal liability, on behalf of Hathor by two senior officers of Hathor, confirming the same as at the Effective Date;

(c) from the date of this Agreement to the Effective Date, there shall not have occurred, and Hathor shall not have incurred or suffered, any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect on Hathor;

(d) the Hathor Board will have adopted all necessary resolutions, and all other necessary corporate action will have been taken by Hathor to permit the consummation of the Arrangement, including the issuance of the Hathor Securities in connection therewith;

(e) Hathor shall not be in material breach of its obligations under this Agreement; and

(f) the Hathor Shares issued pursuant to the Arrangement, or issued upon exercise of the Terra Warrants or the Terra Options shall not be subject to any resale restriction under applicable securities Law of Canada (other than as applicable to control Persons or pursuant to Section 2.6 of National Instrument 45-102).

5.3 Additional Conditions Precedent to the Obligations of Hathor

The obligation of Hathor to complete the Arrangement will be subject to the satisfaction, or waiver by Hathor, on or before the Effective Date or such earlier date stipulated, of each of the following conditions, which conditions are for the sole benefit of Hathor and which may be waived by Hathor, in whole or in part, at any time:

(a) all covenants of Terra under this Agreement to be performed on or before the Effective Date will have been duly performed by Terra in all material respects and Hathor will have received a certificate of Terra, signed by two senior officers confirming the same as at the Effective Date;

(b) all representations and warranties of Terra under this Agreement qualified as to materiality will be true and correct and those not so qualified will be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties will be true and correct in all material respects as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change or would not, and would not be reasonably be excepted to, materially impede completion of the Arrangement, and Hathor will have received a certificate of Terra addressed to Hathor and dated the Effective Date, signed, without personal liability, on behalf of Terra by two senior officers of Terra, confirming the same as at the Effective Date;

(c) from the date of this Agreement to the Effective Date, there shall not have occurred, and Terra shall not have incurred or suffered, any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect on Terra;

(d) the Terra Board will have adopted all necessary resolutions, and all other necessary corporate action will have been taken by Terra to permit the consummation of the Arrangement;

(e) Terra shall not be in material breach of its obligations under this Agreement;

(f) the time period for the exercise of any right to dissent conferred upon the Terra Shareholders in respect of the Arrangement will have expired and the Terra Shareholders will not have exercised such right of dissent with respect to greater than 10% of the number of outstanding Terra Shares or rights to acquire Terra Shares, excluding any such Terra Shareholders who have abandoned such rights of dissent; and

(g) each of the officers and directors of Terra shall have resigned without compensation (other than amounts owing to such officers and directors or as set forth in the Terra Disclosure Letter) and shall have executed the resignation and release attached hereto at Schedule C; and

(h) the Terra Meeting shall have been held on or before July 6, 2011.

5.4 Notice and Cure Provisions

Hathor and Terra will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be likely to:

(a) cause any of the representations or warranties of the other party contained herein to be untrue or inaccurate in any material respect on the date hereof or on the Effective Date; or

(b) result in the failure in any material respect to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by the other hereunder prior to the Effective Date.

Neither Hathor nor Terra may elect not to complete the transactions contemplated hereby pursuant to the conditions precedent contained in Sections 5.1, 5.2 and 5.3, or exercise any termination right arising therefrom, unless forthwith and in any event prior to the Effective Time, Hathor or Terra, as the case may be, has delivered a written notice to the other specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which Hathor or Terra, as the case may be, are asserting as the basis for the non-fulfillment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered, provided that Hathor or Terra, as the case may be, is proceeding diligently to cure such matter, if such matter is susceptible to being cured, the other may not terminate this Agreement as a result thereof until the later of the Outside Date and the expiration of a period of 14 days from such notice. If such notice has been delivered prior to the date of the Terra Meeting, such meeting will, unless otherwise agreed by the parties, be postponed until the expiry of such period. If such notice has been delivered prior to the making of the application for the Final Order or the Effective Time, such application and such filing will be postponed until the expiry of such period. For greater certainty, in the event that such matter is cured within the time period referred to herein, this Agreement may not be terminated as a result of such cured matter. In the event the Effective Date is delayed, postponed or enjoined as a result of a claim, action, proceeding or investigation arising from the failure or alleged failure to comply with Law in connection with the Arrangement, the Effective Date will be extended for such further reasonable period not to exceed 10 days as may be necessary to remedy such failure or alleged failure and the Parties will use their best efforts to remedy such failure or alleged failure.

ARTICLE 6
TERMINATION OF AGREEMENT

6.1 Termination by Hathor or Terra

This Agreement may be terminated at any time prior to the Effective Date:

(a) by mutual written consent and agreement of Hathor and Terra;

(b) by either party, upon written notice to the other party if, subject to Section 5.4, any of the conditions set forth in Section 5.1 is not satisfied or waived on or before the Effective Date;

(c) by Hathor upon written notice to Terra if a Competing Proposal for Terra has been made or proposed and the Terra Board:

(i) shall have made a Change in Terra Recommendation;

(ii) shall have failed, after being requested by Hathor in writing, to reaffirm its approval or recommendation of the Arrangement and the transactions contemplated herein as promptly as possible (but in any event within five (5) Business Days) after receipt of such written request from Hathor; or

(iii) the Terra Board shall have accepted, approved, recommended or entered into an agreement in respect of that Competing Proposal;

(d) by Hathor, upon written notice to Terra, if:

(i) subject to Section 5.4, any of the conditions set forth in Section 5.3 are not satisfied or waived on or before the Effective Date;

(ii) subject to Section 5.4, any representation or warranty of Terra under this Agreement is untrue or incorrect or will have become untrue or incorrect such that the condition contained in Section 5.3(b) would be incapable of satisfaction, provided that Hathor is not then in breach of this Agreement so as to cause any condition in favour of both parties or in favour of Terra not to be satisfied;

(iii) Terra has breached or is in default of any material term of this Agreement and fails to cure or remedy such breach or default within the period specified in Section 5.4 after receiving written notice thereof from Hathor; or

(iv) the Terra Board withdraws, modifies, changes or qualifies its approval or recommendation of this Agreement or the Arrangement Resolution in any manner adverse to Hathor;

(e) by Terra, upon written notice to Hathor, if:

(i) subject to Section 5.4, any of the conditions set forth in Section 5.2 are not satisfied or waived on or before the Effective Date;

(ii) subject to Section 5.4, if any representation or warranty of Hathor under this Agreement is untrue or incorrect or will have become untrue or incorrect such that the condition contained in Section 5.2(b) would be incapable of satisfaction, provided that Terra is not then in breach of this Agreement so as to cause any condition in favour of both parties or in favour of Hathor not to be satisfied;

(iii) Hathor has breached or is in default of any material term of this Agreement and fails to cure or remedy such breach or default within the period specified in Section 5.4 after receiving written notice thereof from Terra; or

(iv) Terra enters into a legally binding agreement with respect to a Superior Proposal in accordance with Sections 4.5 and 4.6 provided that Terra shall pay to Hathor the Terra Termination Fee within two (2) Business Days after termination of this Agreement.

6.2 Automatic Termination

This Agreement will terminate and the obligations of the parties hereunder will terminate if the Effective Date does not occur by 11:59 p.m. (Vancouver Time) on the Outside Date.

ARTICLE 7
GENERAL

7.1 Notices

All notices and other communications hereunder will be in writing and will be delivered by hand to the parties at the following addresses or sent by telecopy at the following numbers or at such other addresses or telecopier numbers as will be specified by the parties by like notice:

(a) if to Terra:

Terra Ventures Inc.
Suite 1750 - 999 West Hastings Street
Vancouver, BC
V6C 2W2

Attention: James Hutton
Facsimile No.: 604-683-7161

with a copy to (which copy will not constitute notice):

McMillan LLP
Suite 1500 – 1055 West Georgia Street
Vancouver, BC
V6E 4N7

Attention: Leo Raffin
Facsimile No.: 604-893-2356

(b) if to Hathor:

Hathor Exploration Limited
1810 - 925 West Georgia Street
Vancouver, BC
V6C 3L2

Attention: Michael Gunning
Facsimile No.: 604-684-9277

with a copy to (which copy will not constitute notice):

Gowling Lafleur Henderson LLP
Suite 2300, 550 Burrard Street
Vancouver, British Columbia
V6C 2B5

Attention: Cyndi Laval
Facsimile No.: 604-443-5629

The date of receipt of any such notice will be deemed to be the date of delivery thereof or, in the case of notice sent by telecopy, the date of successful transmission thereof (unless transmission is received after business hours, in which case the date of receipt will be deemed to be the next Business Day in the place of receipt).

7.2 Fees and Expenses

The parties hereto agree that all out-of-pocket expenses incurred in connection with this Agreement and the transactions contemplated hereby, the Terra Meeting, and the preparation and mailing of the Terra Circular, including legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, shall be paid by the party hereto incurring such expense and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses. The provisions of this Section 7.2 shall survive the termination of this Agreement.

7.3 Successors and Assigns

This Agreement and all the provisions hereof will be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other party.

7.4 Time of Essence

Time will be of the essence of this Agreement and of each of its provisions.

7.5 Public Announcements

Hathor and Terra agree to use their reasonable efforts to consult with each other as to the general nature of any news releases or public statements with respect to this Agreement or the Arrangement. Subject to applicable Law, each party will use its reasonable efforts to enable the other party to review and comment on all such news releases prior to the release thereof. The parties agree to issue jointly a news release with respect to the Arrangement as soon as practicable following the execution of this Agreement by both parties.

7.6 Governing Law

This Agreement will be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia.

7.7 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof, including the Letter Agreement, but for greater certainty, excluding the Confidentiality Agreement. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

7.8 Further Assurances

Each party will 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 be reasonably required in order to implement this Agreement, the transactions contemplated herein and in the Plan of Arrangement.

7.9 Amendment or Waiver

Subject to any requirements imposed by law or by the Court, this Agreement may be supplemented or amended, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, but only by written document executed by both parties; provided, however, that the terms of this Agreement may not be supplemented or amended, or any of the provisions waived, in a manner materially prejudicial to the holders of Terra Shares without their approval at the Terra Meeting or, following the Terra Meeting, without their approval given in the same manner as required by law for the approval of the Arrangement and as may be required by the Court. No waiver of any nature, in any one or more instances, will be deemed or construed as a further or continued waiver of any condition or breach of any other term, representation or warranty in this Agreement.

7.10 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement, and any party delivering an executed counterpart of the signature page to this Agreement by facsimile to any other party shall thereafter also promptly deliver a manually executed original counterpart of this Agreement to such other party, but the failure to deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

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

TERRA VENTURES INC.	**HATHOR EXPLORATION LIMITED**
By: *"James Hutton"*	By: *"Andriyko Herchak"*
Authorized Signatory	Authorized Signatory

SCHEDULE A

PLAN OF ARRANGEMENT

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

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement:

(a) "**Arrangement**" means an arrangement pursuant to Section 288 of the Business Corporations Act, on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or supplement made hereto in accordance herewith and the Arrangement Agreement or made at the direction of the Court in the Final Order;

(b) "**Arrangement Agreement**" means the arrangement agreement dated as of May 6, 2011, between Hathor and Terra, including the schedules attached thereto, as the same may be amended, amended and restated, or supplemented prior to the Effective Date, entered into in connection with the Arrangement;

(c) "**Arrangement Resolution**" means the resolution approved by the Terra Shareholders substantially in the form and content set out in Schedule B to the Arrangement Agreement;

(d) "**Business Corporations Act**" means the *Business Corporations Act*, S.B.C. 2002, c. 57;

(e) "**Business Day**" means any day which is not a Saturday, Sunday or a day on which banks are not open for business in Vancouver, British Columbia;

(f) "**Code**" means the United States *Internal Revenue Code of 1986*, as amended;

(g) "**Court**" means the Supreme Court of British Columbia;

(h) "**Depositary**" means Computershare Investor Services Inc., in its capacity as depositary for the Terra Shares under the Arrangement;

(i) "**Dissent Procedures**" means the procedures set forth in Division 2 of Part 8 of the Business Corporations Act required to be taken by a registered holder of Terra Shares to exercise the right of dissent in respect of such Terra Shares in connection with the Arrangement, as modified by Article 6, the Interim Order and the Final Order;

(j) "**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in Article 4;

(k) "**Dissenting Shareholder**" means a registered Terra Shareholder that has duly exercised his, her or its Dissent Rights in strict compliance with the requirements set out in the Interim Order;

(l) "**Effective Date**" means the date that is five Business Days after the last of the conditions precedent to the completion of the Arrangement have been satisfied or waived or such earlier or later date as is agreed to by the parties hereto;

(m) "**Effective Time**" means 12:01 a.m. (Vancouver time) on the Effective Date, or such other time on the Effective Date as may be agreed to in writing by Hathor and Terra;

(n) "**Final Order**" means the final order of the Court approving the Arrangement as such order may be amended by the Court at any time prior to the Effective Date (with the consent of the parties, acting reasonably) or, if appealed then, unless such appeal is withdrawn or denied, as affirmed or amended on appeal;

(o) "**Interim Order**" means the interim court order of the Court providing for, among other things, the calling and holding of the Terra Meeting, as the same may be amended, supplemented or varied by the Court (with the consent of the parties, acting reasonably);

(p) "**Letter of Transmittal**" means the letter of transmittal sent by Terra to the Terra Shareholders providing for the delivery of certificates representing their Terra Shares to the Depositary;

(q) "**Plan of Arrangement**" means this plan of arrangement as amended and supplemented from time to time in accordance herewith, the Arrangement Agreement and any order of the Court;

(r) "**Registrar**" means the Registrar of Companies appointed under Section 400 of the Business Corporations Act;

(s) "**Share Exchange Ratio**" has the meaning given to it in Section 3.1(a);

(t) "**Shareholder Rights Plan**" means the shareholder rights plan agreement between Terra and Pacific Corporate Trust Company dated June 5, 2008;

(u) "**Tax Act**" means the *Income Tax Act* (Canada), as amended;

(v) "**Hathor Shares**" means the common shares in the capital of Hathor;

(w) "**Terra Circular**" means the management information circular of Terra, including all schedules attached thereto, and the notice of meeting and proxy form to be sent by Terra to the Terra Shareholders soliciting their approval of the Arrangement Resolution;

(x) "**Terra Meeting**" means the special meeting of Terra Shareholders and any adjournment or postponement thereof to be held to consider and, if deemed advisable, approve the Arrangement Resolution;

(y) "**Terra Shareholder**" means at any time the registered holder at that time of Terra Shares; and

(z) "**Terra Shares**" means the common shares in the capital of Terra.

1.2 Headings and References

The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specified, references to sections are to sections of this Plan of Arrangement.

1.3 Number, etc.

Unless the context otherwise requires, words importing the singular number only will include the plural and vice versa; words importing the use of any gender will include all genders; and words importing persons will include firms and corporations and vice versa.

1.4 Date of any Action

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

1.5 Statutory References

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

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to and is subject to the provisions of the Arrangement Agreement. At the Effective Time, without any further act or formality, the Arrangement will be binding upon Hathor, Terra, the Terra Shareholders and the Terra Warrantholders.

ARTICLE 3
THE ARRANGEMENT

3.1 The Arrangement

Commencing at the Effective Time, the following will occur and will be deemed to occur in the following sequence without any further authorization, act or formality by Hathor, Terra or any other person:

(a) the Shareholder Rights Plan will be terminated and the rights thereunder cancelled without any further action or formality and for no consideration;

(b) each Terra Share held by a Dissenting Shareholder will be, and will be deemed to be, transferred by the holder thereof, free from any claims, to Terra and thereupon each Dissenting Shareholder shall have the rights set out in Article 4 and such holder's name will be removed from the central securities register of Terra in respect of such share at such time; and ;

(c) each of the issued and outstanding Terra Shares, other than any Terra Shares held by a Dissenting Shareholder, will be and will be deemed to be acquired by Hathor, free from any claims, in exchange for 0.20 Hathor Shares (the "**Share Exchange Ratio**") and in respect of each such Terra Share:

  (i) each such former Terra Shareholder shall cease to be the holder of such Terra Share on the Effective Date concurrently with the exchanges referred to in this Section 3.1(c) and such holder's name shall be removed from the central securities register of Terra in respect of such share at such time; and

  (ii) Hathor shall be deemed to be the transferee of such Terra Share (free from any claim) on the Effective Date and shall be entered in the central securities register of Terra as the holder thereof.

3.2 No Fractional Shares

Following the Effective Time, if the aggregate number of Hathor Shares to which a Terra Shareholder would otherwise be entitled would include a fractional share, then the number of Hathor Shares that such Terra Shareholder is entitled to receive shall be rounded down to the next whole number and such Terra Shareholder will not receive cash or any other compensation in lieu of such fractional share.

ARTICLE 4
RIGHTS OF DISSENT

4.1 Grant of Rights of Dissent

Each Terra Shareholder may exercise a right of dissent (the "**Dissent Right**") with respect to the Terra Shares held by it pursuant to and in the manner set forth in the Interim Order. Dissenting Shareholders who:

(a) are ultimately entitled to be paid by Terra fair value for their Terra Shares in respect of which they duly exercised the Dissent Right shall be deemed to have transferred such Terra Shares, free of any liens, claims or encumbrances, to Terra in accordance with Section 3.1(b); or

(b) are ultimately not entitled, for any reason, to be paid by Terra fair value for their Terra Shares in respect of which they duly exercised the Dissent Right, shall be deemed to have participated in the Arrangement in respect of those Terra Shares on the same basis as a non-dissenting Terra Shareholder, and shall be entitled to receive only the Hathor Shares that such non-dissenting Terra Shareholder is entitled to receive, on the basis set forth in Section 3.1(b) and, for greater certainty, will be considered to have exchanged such Terra Shares pursuant to, and at the same time as, Terra Shares were exchanged pursuant to Section 3.1(b).

4.2 General Dissent Provisions

(a) In no event shall Hathor, Terra or any other person be required to recognize a Dissenting Shareholder as a registered or beneficial owner of Terra Shares at or after the Effective Time, and at the Effective Time the names of such Dissenting Shareholders shall be deleted from the central securities register of Terra as at the Effective Time.

(b) For greater certainty, in addition to any other restrictions in the Interim Order, no person shall be entitled to exercise Dissent Rights with respect to Terra Shares in respect of which a person has voted in favour of the Arrangement.

ARTICLE 5
DELIVERY OF HATHOR CERTIFICATES

5.1 Right to Hathor Shares

(a) Hathor will, as soon as practicable following the later of the Effective Date and the date of deposit with the Depositary of a duly completed Letter of Transmittal and the certificates representing the Terra Shares or other documentation as provided in the Letter of Transmittal, cause the Depository to:

(i) forward or cause to be forwarded by first class mail (postage prepaid) to the former Terra Shareholder at the address specified in the Letter of Transmittal; or

(ii) if requested by the former Terra Shareholder in the Letter of Transmittal, to make available at the Depositary for pick-up by the former Terra Shareholder; or

(iii) if the Letter of Transmittal neither specifies an address nor contains a request as described in (ii), to forward or cause to be forwarded by first class mail (postage prepaid) to the former Terra Shareholder at the address of such holder as shown on the share register maintained by or on behalf of Terra,

certificates representing the number of Hathor Shares issuable to such former Terra Shareholder as determined in accordance with the provisions hereof.

(b) Each former Terra Shareholder entitled in accordance with Section 3.1 to receive Hathor Shares will be deemed to be the registered holder for all purposes as of the Effective Date of the number of Hathor Shares to which such former Terra Shareholder is entitled. All dividends paid or other distributions made on or after the Effective Date on or in respect of any Hathor Shares which a former Terra Shareholder is entitled to receive pursuant to this Plan of Arrangement, but for which a certificate has not yet been delivered to such former Terra Shareholder in accordance with Section 5.1(a), will be paid or made to such former Terra Shareholder when such certificate is delivered to a person in accordance with Section 5.1(a).

(c) After the Effective Date, any certificate formerly representing Terra Shares will represent only the right to receive Hathor Shares pursuant to Section 3.1 or to be paid the fair value for the Terra Shares pursuant to Section 4.1 and any dividends or other distributions to which the former Terra Shareholder is entitled under Section 5.1(b) and any such certificate formerly representing Terra Shares not duly surrendered on or prior to the sixth anniversary of the Effective Date will cease to represent a claim or interest of any kind or nature, including a claim for dividends or other distributions under Section 5.1(b), against Hathor by a former Terra Shareholder. On such date, all Hathor Shares to which the former holder of such certificates was entitled will be deemed to have been surrendered to Hathor.

5.2 Illegality of Delivery of Hathor Shares

Notwithstanding the foregoing, if it appears to Hathor that it would be contrary to applicable law to issue Hathor Shares pursuant to the Arrangement to a person that is not a resident of Canada, the Hathor Shares that otherwise would be issued or transferred, as the case may be, to that person will be issued or transferred, as the case may be, and delivered to the Depositary for sale or exercise (as applicable) by the Depositary on behalf of that person. The Hathor Shares delivered to the Depositary will be pooled and sold or exercised as soon as practicable after the Effective Date, on such dates and at such prices as the Depositary determines in its sole discretion. The Depositary will not be obligated to seek or obtain a minimum price for any of the Hathor Shares sold or exercised by it. Each such person will receive a pro rata share of the cash proceeds from the sale or exercise of the Hathor Shares sold or exercised by the Depositary (less commissions, other reasonable expenses incurred in connection with the sale or exercise and any amount withheld in respect of Canadian taxes) in lieu of the Hathor Shares. The net proceeds will be remitted in the same manner as set forth in this Article 5. None of Terra, Hathor or the Depositary will be liable for any loss arising out of any such sales or exercise.

5.3 Withholding Rights

Terra, Hathor and the Depositary will be entitled to deduct and withhold from any consideration deliverable or otherwise payable to any Terra Shareholder such amounts as Terra, Hathor or the Depositary is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the Code or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Terra Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. The Depositary is authorized, as agent for the Terra Shareholders, to sell such portion of the Hathor Shares otherwise deliverable to applicable Terra Shareholders as is necessary to provide sufficient funds to Hathor, Terra or the Depositary, as the case may be to enable them to comply with such deduction or withholding requirement, and Hathor, Terra or the Depositary will notify the applicable Terra Shareholder and remit any unapplied consideration including any unapplied balance of the net proceeds of such sale.

5.4 Lost Certificates

If any certificate which prior to the Effective Date represented outstanding Terra Shares which were exchanged pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, certificates representing Hathor Shares deliverable in respect thereof as determined in accordance with Section 3.1. When seeking such certificate in exchange for any lost, stolen or destroyed certificate, the person to whom certificates representing Hathor Share are to be issued will, as a condition precedent to the issuance thereof, give a bond satisfactory to Hathor and its transfer agent, in such sum as Hathor may direct or otherwise indemnify Hathor and its transfer agent in a manner satisfactory to Hathor and its transfer agent against any claim that may be made against Hathor or its transfer agent with respect to the certificate alleged to have been lost, stolen or destroyed.

ARTICLE 6
AMENDMENT

6.1 Amendment of Plan of Arrangement

(a) Terra and Hathor reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time, provided that any amendment, modification or supplement must be contained in a written document which is filed with the Court and, if made following the Terra Meeting, approved by the Court and communicated to Terra Shareholders in the manner required by the Court (if so required).

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Terra and Hathor, jointly, at any time prior to or at the Terra Meeting with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Terra Meeting, will become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Terra Meeting will be effective only if it is consented to by Terra and Hathor (acting reasonably).

(d) This Plan of Arrangement may be withdrawn prior to the Effective Date in accordance with the terms of the Arrangement Agreement.

(e) Notwithstanding the foregoing provisions of this Section 6.1, no amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Date except in accordance with the terms of the Arrangement Agreement.

SCHEDULE B

FORM OF ARRANGEMENT RESOLUTION

"RESOLVED, AS A SPECIAL RESOLUTION, that:

1. The arrangement (the "**Arrangement**") under Section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") involving Terra Ventures Inc. ("**Terra**"), as more particularly described and set forth in the management information circular (the "**Terra Circular**") of Terra dated as of ● accompanying the notice of meeting (as the Arrangement may be amended, modified or supplemented in accordance with the arrangement agreement dated May 6, 2011 (the "**Arrangement Agreement**") between Terra and Hathor Exploration Limited ("**Hathor**") is hereby authorized, approved and adopted.

2. The plan of arrangement of Terra implementing the Arrangement (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement and its terms (the "**Plan of Arrangement**")), the full text of which is set out in an appendix to the Terra Circular, is hereby authorized, approved and adopted.

3. The Arrangement Agreement, the actions of the directors of Terra in approving the Arrangement and the actions of the officers of Terra in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.

4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders and the warrantholders of Terra or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Terra are hereby authorized and empowered, without notice to or approval of the holders of common shares or warrants of Terra, (a) to amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

5. Any one or more officers or directors of Terra is hereby authorized and directed for and on behalf of and in the name of Terra to execute or cause to be executed and to deliver or cause to be delivered, whether under the corporate seal of Terra or not, all such agreements, forms, waivers, notices, certificates, confirmations and such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable or useful to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing."

SCHEDULE C

RESIGNATION AND MUTUAL RELEASE

(the “Agreement”)

TO: Terra Ventures Inc. (“**Terra**”)

AND TO: _________________ (the “**Individual**”)

AND TO: Hathor Exploration Limited (“**Hathor**”)

Reference is made to the Arrangement Agreement (the “**Arrangement Agreement**”) including the plan of arrangement (the “**Plan of Arrangement**”) involving Hathor and Terra. Capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Arrangement Agreement.

WHEREAS pursuant to the Plan of Arrangement, Hathor will acquire Terra;

AND WHEREAS the Individual has agreed to resign as a [**director/officer/employee**] of Terra in connection with the Plan of Arrangement;

AND WHEREAS the Individual has received from Terra all amounts owing to him in respect of any accruals, bonus, benefits, or other employment remuneration or compensation or payment for services of any nature whatsoever (except for certain expense reimbursement);

AND WHEREAS in consideration of such payment and releases, Terra, Hathor and the Individual (collectively, the “**Parties**”) wish to release each other in respect of certain matters related to the foregoing,

NOW THEREFORE IN CONSIDERATION OF such payment and mutual releases, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged), Terra, Hathor and the Individual (collectively, the “**Parties**”) agree to the following:

1. **Resignation**

The individual hereby resigns as a [**director/officer/employee**] of Terra, effective as of the Effective Time.

2. **Release of Terra and Hathor**

(a) The Individual together with his heirs, executors, administrators and assigns, does hereby forever release, remise and discharge each of Terra, its affiliates, predecessors, successors and all of their respective officers, directors (past and present), employees, agents and assigns, and Hathor, its affiliates, predecessors, successors and all of their respective officers, directors (past and present), employees, agents and assigns from any and all actions, causes of action, liabilities, claims, suits, demands, debts, accounts, covenants, contracts and damages of any and every kind and nature whatsoever, at law or in equity (the “**Claims**”), against Terra or Hathor, which the Individual has ever had, now has, or can hereafter have by reason of or arising out of any cause or causes whatsoever existing up to and inclusive of the date of this Agreement in connection with the Individual's position as a [**director/officer/employee**] of Terra, provided that the foregoing release shall not apply to any rights of indemnity which the Individual may have against Terra or Hathor pursuant to the *Business Corporations Act* (British Columbia) and the Articles of Terra.

(b) For greater certainty and notwithstanding the foregoing, this Agreement shall not affect or release any Claims or rights that the Individual may have against Terra or Hathor or any obligations owed by Terra to the Individual: (i) under, or in respect of any and all directors' and officers' liability insurance policies of Terra (including run-off directors' and officers' liability insurance); (ii) as a lender to Terra pursuant to any outstanding demand promissory note(s); and (iii) as a securityholder of Terra.

3. **Release of Individual**

(a) Terra and Hathor together with their affiliated companies, successors, and assigns do hereby forever release, remise and discharge the Individual, together with his heirs, executors, administrators and assigns of and from all Claims against the Individual which Terra or Hathor has, ever had, now has, or can hereafter have by reason of or arising out of any cause or causes whatsoever existing up to and inclusive of the date of this Agreement in connection with the Individual's position as a [**director/officer/employee**] of Terra. Terra and Hathor's release of the Individual's position as a director, officer or employee shall exclude any Claims determined by a final and non-appealable judgment to be based on fraud or criminal misconduct on the part of the Individual.

(b) For greater certainty and notwithstanding the foregoing, the Individual will not be liable for any Claim relating to any matter or facts of which Hathor had actual knowledge of or was aware of before the Effective Date.

4. **General**

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia.

(b) The Parties agree that the provisions hereof shall enure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors, assigns, and legal representatives, as the case may be.

(c) In the event that any provision of this Agreement, or part hereof, shall be found to be void or invalid by a court of competent jurisdiction, such void or invalid provision, or part thereof, shall be deemed to be severed from this Agreement without in any way affecting the validity, enforceability or effect of any of the remaining provisions, or parts thereof, which shall be and remain in full force and effect.

(d) This Agreement may be executed in counterparts and by facsimile or electronic transmission, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[Signature page follows]

DATED this _____ day of ●, 2011.

TERRA VENTURES INC.

Per:_________________________________
Authorized Signatory

HATHOR EXPLORATION LIMITED

Per:_________________________________
Authorized Signatory

____
Name: **[Individual]**

Signature page to Resignation and Release