

Execution Version

ENERGULF RESOURCES INC.
and
COLUMBUS COPPER CORPORATION

ARRANGEMENT AGREEMENT

JULY 9, 2015

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ARRANGEMENT AGREEMENT

This Arrangement Agreement is made as of July 9, 2015.

BETWEEN:

ENERGULF RESOURCES INC., a company incorporated under the laws of the Province of British Columbia, Canada

(“**EnerGulf**”);

AND:

COLUMBUS COPPER CORPORATION, a company incorporated under the laws of the Province of British Columbia, Canada

(“**Columbus**”);

WHEREAS:

(A) EnerGulf proposes to acquire all of the issued and outstanding Columbus Shares, including all Columbus Shares issuable on exercise of Columbus Options, on the basis of 0.4937 EnerGulf Shares for each Columbus Share (as such terms are defined herein);

(B) EnerGulf and Columbus intend that the acquisition of Columbus by EnerGulf be carried out under the arrangement provisions of Part 9, Division 5 of the *Business Corporations Act* (British Columbia); and

(C) The boards of directors of each of EnerGulf and Columbus have unanimously determined that the Arrangement is in the best interest of their respective shareholders, and have resolved to support the Arrangement and enter into this Arrangement Agreement (as such terms are defined herein).

THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby mutually acknowledged), the Parties hereto do hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

Definitions

1.1 Wherever used in this Agreement, unless there is something inconsistent in the subject matter or context, the following capitalized words and terms shall have the meanings set out below and in addition certain other words and terms are defined in the Plan of Arrangement:

“Acquisition Proposal” means, with respect to a Party hereto, any inquiry or the making of any proposal to a Party or its shareholders from any Person (including a stated intention to make a proposal or offer) 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 such Party or its shareholders of 20% or more of the voting securities of such Party or its Subsidiaries; (ii) any acquisition of a substantial amount of assets of such Party or its Subsidiaries, or any lease, long-term supply agreement, joint venture, option agreement or other arrangement having the same economic effect as a sale or other disposition of a substantial amount of assets of such Party or its Subsidiaries; (iii) an amalgamation, arrangement, merger, share exchange, business combination, or consolidation involving such Party or its Subsidiaries; (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving such Party 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 which would or could reasonably be expected to materially reduce the benefits to the other Party under this Agreement;

“Affiliate” has the meaning ascribed to it in the *Securities Act* (British Columbia), as amended;

“Applicable Accounting Principles” means, in relation to any financial year beginning on or before December 31, 2010, generally accepted accounting principles in Canada as then set out in the Canadian Institute of Chartered Accountants Handbook, and, in relation to any financial year beginning after December 31, 2010, generally accepted accounting principles as set out in the Canadian Institute of Chartered Accountants Handbook for an entity that prepares its financial statements in accordance with IFRS;

“Arrangement” means the arrangement under Part 9, Division 5 of the BCBCA on the terms set forth in the Plan of Arrangement which is attached hereto as Schedule 1, subject to any amendments or variations thereto made in accordance with this Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order;

“Arrangement Agreement” or **“Agreement”** means this arrangement agreement, including all schedules annexed hereto, together with the Columbus Disclosure Letter and the EnerGulf Disclosure Letter, as each may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

“Arrangement Filings” means the filings, if any, that may be required under Section 292 of the BCBCA to be made by Columbus with the Registrar in order for the Arrangement to be effective;

“Arrangement Resolution” means the resolution approving this Agreement and the Plan of Arrangement to be considered at the Columbus Meeting, to be substantially in the form and content of Schedule 4 hereto;

“Authorization” means an authorization, order, permit, approval, grant, licence, registration, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, bylaw, rule or regulation, whether or not the same have the force of Laws, and includes any Environmental Approval;

“BCBCA” means the *Business Corporations Act* (British Columbia) S.B.C. 2002, C.57 and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“Board of Directors” means, with respect to each Party, that Party’s board of directors, including where the context so requires, any special committee of that Party’s board of directors;

“Business Day” means a day that is not a Saturday, Sunday or civic or statutory holiday, in each of Vancouver, British Columbia and Toronto, Ontario;

“Canadian Securities Laws” means the Securities Act and the equivalent legislation in the other Provinces and in the Territories of Canada, as amended from time to time;

“Change in Recommendation” means a withdrawal, modification, qualification or change by a Party in a manner that is adverse to the other Party, or publicly proposing to or publicly stating that the Party intends to withdraw, modify, qualify or change in a manner adverse to the other Party the approval, recommendation, or declaration of advisability of the first Party’s Board of Directors of the Transaction;

“Columbus” means Columbus Copper Corporation, a company existing under the laws of the Province of British Columbia, Canada, together with, unless the context implies otherwise, all of the Columbus Subsidiaries;

“Columbus Board” means the Board of Directors of Columbus;

“Columbus Circular” means the notice of the Columbus Meeting and accompanying management information circular, including all schedules thereto and documents incorporated by reference therein, to be sent to holders of Columbus Shares in connection with the Columbus Meeting, and includes any amendments thereto;

“Columbus Disclosure Documents” means, collectively, all documents published or filed by Columbus with the securities regulatory authorities in Canada since June 1, 2013 and available on SEDAR;

“Columbus Disclosure Letter” means the disclosure letter executed by Columbus and delivered to EnerGulf concurrent with the execution of this Agreement;

“Columbus Financial Advisor” means Evans & Evans, Inc., financial advisor to the Columbus Board;

“Columbus Financial Statements” means the audited consolidated financial statements of Columbus for the year ended May 31, 2014 and the unaudited interim consolidated financial statements of Columbus for the period ended February 28, 2015;

“Columbus Meeting” means the special meeting of Columbus Shareholders, including any postponement(s) or adjournment(s) thereof, to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution;

“Columbus Mineral Rights” shall have the meaning ascribed thereto in subsection (u) of Schedule 3;

“Columbus New Board Nominee” means Robert Giustra, a member of the Columbus Board, to be appointed to the EnerGulf Board at the Effective Time;

“Columbus Option” means an option that is outstanding immediately before the Effective Date to acquire Columbus Shares pursuant to an option granted by Columbus;

“Columbus Option Plan” means the stock option plan of Columbus dated as of September 12, 2013 as ratified, confirmed and approved by Columbus Shareholders on October 18, 2013;

“Columbus Securities” means, collectively, the Columbus Shares and the Columbus Options;

“Columbus Securityholders” means the holders from time to time of Columbus Securities, and Columbus Securityholder means any one of them;

“Columbus Shareholder Approval” has the meaning ascribed to such term in §2.5(d);

“Columbus Shareholders” means the holders from time to time of Columbus Shares, and Columbus Shareholder means any one of them;

“Columbus Shares” means the common shares without par value in the authorized share capital of Columbus;

“Columbus Subsidiaries” means those subsidiaries of Columbus listed in the Columbus Disclosure Documents, including Empire Albania and Empire International;

“Columbus Year End” means May 31, 2014;

“Competition Act” means the *Competition Act* (Canada), as amended from time to time;

“Confidentiality Agreement” means the confidentiality agreement entered into by EnerGulf and Columbus dated as of March 24, 2015;

“Contracts” means all contracts, licenses, leases, agreements, commitments, entitlements, engagements, warranties or guarantees to which a Person or any Subsidiary of the Person is a party or pursuant to which the Person or any Subsidiary of the Person is obligated to provide a benefit to, or is entitled to receive a benefit from, any other Person;

“Court” means the Supreme Court of British Columbia;

“Depository” means Computershare Investor Services Inc., or any other depository or trust company, bank or financial institution agreed to in writing between EnerGulf and Columbus for the purpose of, among other things, exchanging certificates representing Columbus Shares for EnerGulf Shares in connection with the Arrangement;

“Dissenting Shareholder” means a holder of Dissenting Shares;

“Dissenting Shares” has the meaning ascribed thereto in the Plan of Arrangement;

“Effective Date” means the date upon which the Arrangement becomes effective as provided in the Plan of Arrangement;

“Effective Time” has the meaning ascribed thereto in the Plan of Arrangement;

“Empire Albania” means Empire Mining (Albania) Sh.p.k., an Albanian company and a wholly-owned subsidiary of Columbus;

“Empire International” means Empire International Mining Corporation, a British Virgin Islands company and a wholly-owned subsidiary of Columbus;

“Encumbrance” means any encumbrance including any mortgage, lien, charge or encumbrance of any nature whatsoever, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“EnerGulf” means EnerGulf Resources Inc., a company existing under the laws of the Province of British Columbia, Canada, together with, unless the context implies otherwise, all of the EnerGulf Subsidiaries;

“EnerGulf Board” means the Board of Directors of EnerGulf;

“EnerGulf Properties” means the oil and gas resource or exploration, development or production properties or activities of EnerGulf and for greater certainty includes licences, concessions and blocks in which EnerGulf has any EnerGulf Oil and Gas Rights, all as listed in the EnerGulf Disclosure Letter;

“EnerGulf Disclosure Documents” means, collectively, all documents published or filed by EnerGulf with the securities regulatory authorities in Canada since February 28, 2013 and available on SEDAR;

“EnerGulf Disclosure Letter” means the disclosure letter executed by EnerGulf and delivered to Columbus concurrent with the execution of this Agreement;

“EnerGulf Financial Statements” means the audited consolidated financial statements of EnerGulf for the year ended February 28, 2015;

“EnerGulf Oil and Gas Rights” shall have the meaning ascribed thereto in subsection (u) of Schedule 2;

“EnerGulf Options” means stock options to purchase EnerGulf Shares;

“EnerGulf Securities” means, collectively, the EnerGulf Shares, the EnerGulf Options and the EnerGulf Warrants;

“EnerGulf Securityholders” means the holders from time to time of EnerGulf Securities, and EnerGulf Securityholder means any one of them;

“EnerGulf Shareholders” means holders of EnerGulf Shares;

“EnerGulf Shares” means the common shares without par value in the authorized share capital of EnerGulf;

“EnerGulf Subsidiaries” means Subsidiaries of EnerGulf as set out in the EnerGulf Disclosure Documents;

“EnerGulf Warrants” means warrants to purchase EnerGulf Shares as described in the EnerGulf Disclosure Letter;

“EnerGulf Year End” means February 28, 2014;

“Environmental Approvals” means all permits, certificates, licenses, authorizations, consents, instructions, registrations, directions or approvals issued or required by Governmental Entities pursuant to Environmental Laws with respect to the operation of a Person or its Subsidiaries or its businesses;

“Environmental Laws” means all applicable Laws, including applicable civil or common law, relating to the protection or enhancement of the Environment and employee and public health and safety;

“Environmental Release” has the meaning prescribed in any Environmental Law and includes, without limitation, any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, or placement;

“Exchange Ratio” means 0.4937 EnerGulf Shares for each Columbus Share;

“Final Order” means the final order of the Court, pursuant to Section 291 of the BCBCA, approving the Arrangement, in a form acceptable to Columbus and EnerGulf,

each acting reasonably, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

“Foreign Private Issuer” has the meaning ascribed to that term in Rule 405 under the U.S. Securities Act;

“Governmental Entity” means any domestic or foreign, federal, provincial or other legislative, regulatory, executive, judicial or administrative or quasi-governmental body or Person, including the TSXV and the Securities Regulators, having or purporting to have jurisdiction in the relevant circumstances;

“Hazardous Substance” means any chemical, material or substance, pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law and includes any constituents or breakdown product related to such material, substance or good;

“Hydrocarbon Acquisition Agreement” means the share purchase agreement dated March 2, 2015, as amended, among certain vendors and Columbus pursuant to which Columbus has a right to acquire the Hydrocarbon License in consideration for the issuance of 9,300,000 Columbus Shares;

“Hydrocarbon License” means the pending Block 8 hydrocarbon license in Albania which Columbus has a right to acquire pursuant to the Hydrocarbon Acquisition Agreement;

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“Interim Order” means the interim order of the Court contemplated by §2.2 of this Agreement and made pursuant to Section 291 of the BCBCA, in a form acceptable to Columbus and EnerGulf, each acting reasonably, providing for, among other things, the calling and holding of the Columbus Meeting, as the same may be amended by the Court;

“Investment Company Act” means the United States Investment Company Act of 1940, as amended;

“Laws” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, 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 Entity, 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 Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

“**LOI**” means the letter of intent between the Parties dated March 24, 2015 with respect to the Transaction;

“**Material Adverse Effect**” means, in respect of either Party, an effect that is material and adverse to the business, properties, assets, liabilities, obligations (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, condition (financial or otherwise), operations or results of operations of that Party and its subsidiaries taken as a whole, other than any change, effect, event or occurrence:

- (i) relating to the global economy, political conditions or securities markets in general;
- (ii) affecting the worldwide precious metals mining industry in general, and the worldwide oil and gas industry in general, including any decrease in the price of hydrocarbons;
- (iii) relating to a change in the market trading price of publicly traded securities of that Party, either:
 - (a) related to this Agreement and the Transaction or the announcement thereof, or
 - (b) related to such a change in the market trading price primarily resulting from a change, effect, event or occurrence excluded from this definition of Material Adverse Effect under clauses (i), (ii), (iv), (v), or (vi) hereof;
- (iv) relating to the exchange ratio between the United States dollar and the Canadian dollar;
- (v) relating to any generally applicable change in applicable laws or regulations (other than orders, judgments or decrees against that Party any of its subsidiaries and material joint ventures) or in applicable accounting principles; or
- (vi) attributable to the announcement or pendency of this Agreement or the Transaction) or otherwise contemplated by or resulting from the terms of this Agreement, provided, however, that such effect referred to in clause (i), (ii), (iv) or (v) 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 industry in which that Party and its subsidiaries operate.

“Material Contract” in respect of a Party means:

- (a) any Contract involving aggregate payments to or by such Party or any of such Party’s Subsidiaries in excess of \$25,000, but excluding acquisition legal and due diligence fees in respect of the Transaction;
- (b) any Contract with annual payments to or by such Party or any of such Party’s Subsidiaries in excess of \$25,000, with a term or commitment to such Party or such Party’s Subsidiaries that may reasonably extend beyond one year and which cannot be terminated without penalty on less than 30 days’ notice or which is outside the ordinary course of business; and
- (c) any other Contract which is material to such Party or pursuant to which its Mineral Rights or material assets are owned or operated, excluding contracts entered into for the purposes of the Transaction contemplated herein;

“Material Fact” has the meaning ascribed thereto in the Securities Act;

“Meeting Date” means the date that the Columbus Meeting shall be held, as agreed to by the Parties, such meeting to take place as soon as reasonably practicable after the receipt of the Interim Order and targeted to take place on or about August 15, 2015, or such other date as the Board of Directors of Columbus may determine, acting reasonably;

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“Mineral Rights” means the EnerGulf Oil and Gas Rights or the Columbus Mineral Rights, as the case may be;

“Misrepresentation” has the meaning set out in the Securities Act;

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“NI 51-101” means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*;

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“NI 54-101” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

“ordinary course of business”, **“ordinary course of business consistent with past practice”**, or any similar reference, means, with respect to an action taken by a person, that such action is consistent with the past practices of such person and is taken in the ordinary course of the normal day-to-day business and operations of such person;

“Office Sharing Agreement” means an agreement to be entered into between EnerGulf and Columbus effective as of the Effective Date and in the form attached hereto as Schedule 5 pursuant to which EnerGulf shall pay to Columbus \$5,000 per month for the first six months from the Effective Date and \$10,000 per month thereafter, such amount to be subject to annual review on the anniversary of the Effective Date, for office sharing and management services;

“Parties” means EnerGulf and Columbus and **“Party”** means any one of them;

“Permit” means any license, permit, certificate, consent, order, grant, approval, classification, registration, flagging or other authorization of and from any Governmental Entity

“Permitted Encumbrances” means, with respect to a Party:

- (a) minor title defects or irregularities or servitudes, easements, restrictions, encroachments, covenants, rights of way and other similar rights or restrictions in real property or mineral/oil and gas property, or any interest therein, whether registered or unregistered, provided the same are not of such nature as to materially impair the operation or enjoyment of the Party’s Mineral Rights;
- (b) undetermined or inchoate liens, charges and privileges (including mechanics’, construction, carriers’, workers’, repairers’, storers’ or similar liens) which individually or in the aggregate are not material, arising or incurred in the ordinary course of business of the Party;
- (c) statutory liens, adverse claims or Encumbrances of any nature whatsoever claimed or held by any Governmental Entity that have not at the time been filed or registered against the title to the Party’s Mineral Rights or served upon the Party pursuant to Law or that relate to obligations not due or delinquent save and except for statutory liens, adverse claims or Encumbrances related to Taxes which are due and payable that do not materially detract from the value of the Party’s Mineral Rights or materially impair the operation or enjoyment of the Party’s Mineral Rights;
- (d) the reservations, limitations and exceptions in any original grants from any Governmental Entity of any real property or mineral/oil and gas property or interest therein and statutory exceptions to title that do not materially detract from the value of the Party’s Mineral Rights or materially impair the operation or enjoyment of the Party’s Mineral Rights; and
- (e) the Encumbrances listed in the applicable EnerGulf Disclosure Letter or Columbus Disclosure Letter, as the case may be;

“Person” or **“person”** means any individual, sole proprietorship, partnership, unlimited liability company, unincorporated association, unincorporated syndicate, unincorporated

organization, trust, body corporate, Governmental Entity, and a natural person in such person's capacity as trustee, executor, administrator or other legal representative and, when the context requires it, means either EnerGulf or Columbus;

"Plan of Arrangement" means the plan of arrangement substantially as set forth in Schedule 1 to this Agreement, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the Interim Order or the Final Order with the consent of Columbus and EnerGulf, each acting reasonably;

"Production Sharing Contract" means the production sharing contract between the government of Albania and Albanides Energy Shpk, a wholly-owned subsidiary of Dinaric International Energy Ltd.;

"Reconstituted Board" means the EnerGulf Board as reconstituted on the Effective Date comprised of the current EnerGulf Board and the Columbus New Board Nominee;

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

"Regulatory Approval" means any approval, consent, waiver, permit, order or exemption from any Governmental Entity that is required or advisable to be obtained in order to permit the Arrangement to be effected;

"Run off Insurance" has the meaning ascribed to such term in §4.3;

"Section 3(a)(10) Exemption" has the meaning ascribed to such term in §2.11;

"Securities Act" means the *Securities Act* (British Columbia), as amended;

"Securities Laws" means, collectively, all applicable Canadian Securities Laws and any other applicable securities Laws;

"Securities Regulators" means the British Columbia Securities Commission and the applicable securities regulatory authorities in the other Provinces of Canada;

"SEDAR" means the System for Electronic Document Analysis and retrieval of the Canadian Securities Administrators;

"Subsidiary" has the meaning ascribed thereto in the National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"Tax Act" means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"Tax Returns" includes, without limitation, all returns, reports, declarations, elections, notices, filings, information returns and statements in respect of Taxes;

“**Taxes**” means all taxes, duties, levies, imposts and charges however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity, including all income or profits taxes (including federal income taxes and provincial and state income taxes), capital taxes, payroll and employee and other withholding taxes, employment insurance, social insurance taxes (including Canada and Quebec Pension Plan payments), sales and use taxes, ad valorem taxes, goods and services and harmonized sales taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, goods and services taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers’ compensation, pension assessment and other obligations of the same or of a similar nature to any of the foregoing;

“**Termination Date**” means September 30, 2015 or such later date as may be mutually agreed to in writing by the Parties;

“**Transaction**” means collectively, the transactions contemplated herein and in the Plan of Arrangement as such may be amended from time to time;

“**Transaction Documents**” means collectively, this Agreement, the Columbus Disclosure Letter, the EnerGulf Disclosure Letter, and any Schedules attached hereto and thereto;

“**Transmittal Letter**” means the letter of transmittal to be sent by Columbus to Columbus Shareholders for use in connection with exchanging Columbus Shares for EnerGulf Shares under the Arrangement;

“**TSXV**” means the TSX Venture Exchange;

“**U.S. Exchange Act**” means the *United States Securities Exchange Act of 1934*, as amended;

“**U.S. Person**” has the meaning ascribed to it in Regulation S under the U.S. Securities Act;

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended; and

“**U.S. Tax Code**” means the *United States Internal Revenue Code of 1986*, as amended.

“**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;

Interpretation

1.2 In this Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Agreement and the Plan of Arrangement into Articles and Sections and the further division thereof and the insertion of headings and a table

of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or the Arrangement. Unless otherwise indicated, any reference in this Agreement and the Plan of Arrangement to an Article, Section or the symbol §, or Schedule refers to the specified Article or Section of or Schedule to this Agreement;

- (b) the terms “Arrangement Agreement”, “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and not to any particular section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto and, unless otherwise indicated, a reference herein to a section is to the appropriate section of this Agreement;
- (c) words importing the singular number only shall include the plural and vice versa, words importing the use of any gender shall include all genders and words importing persons shall include firms and corporations and vice versa;
- (d) if any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day;
- (e) the word “including” means “including, without limiting the generality of the foregoing”; and
- (f) a reference to a statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation, rule or policy made thereunder.

Entire Agreement

1.3 The Transaction Documents and the Confidentiality Agreement constitute the entire agreement between EnerGulf and Columbus pertaining to the subject matter of this Agreement and supersede all prior arrangements, understandings, negotiations and discussions, whether oral or written, among them with respect to the subject matter hereof.

Currency

1.4 All references to cash or currency in this Agreement are to Canadian dollars unless otherwise indicated.

Time

1.5 Unless otherwise indicated, all times expressed herein are local time, Vancouver, British Columbia, Canada.

Schedules

1.6 The following Schedules are attached hereto and form part of this Agreement:

<u>Schedule</u>		<u>Description</u>
Schedule 1	-	Plan of Arrangement;
Schedule 2	-	Representations and Warranties of EnerGulf;
Schedule 3	-	Representations and Warranties of Columbus;
Schedule 4	-	Form of Arrangement Resolution; and
Schedule 5	-	Form of Office Sharing Agreement.

Knowledge

1.7 Any reference in this Agreement to the “knowledge” of Columbus shall mean to the best of the knowledge, information and belief of the Chief Executive Officer and the Chief Financial Officer of Columbus, after due inquiry within Columbus and Columbus Subsidiaries. Any reference in this Agreement to the “knowledge” of EnerGulf shall mean to the best of the knowledge, information and belief of the Chief Executive Officer and Chief Financial Officer of EnerGulf, after due inquiry within EnerGulf and EnerGulf Subsidiaries.

Accounting Principles

1.8 All references to generally accepted accounting principles, unless otherwise stated, are to the principles recommended, from time to time, under Applicable Accounting Principles and all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with Applicable Accounting Principles.

Invalidity of Provisions

1.9 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 shall not affect the validity or enforceability of other provision thereof.

Disclosure Letters

1.10 The purpose of the Columbus Disclosure Letter and EnerGulf Disclosure Letter is to set out the qualifications, exceptions and other information called for in this Agreement. The Parties acknowledge and agree that such letters and the information and disclosures contained in them do not constitute or imply, and shall not be construed as:

- (a) any representation, warranty, covenant or agreement which is not expressly set out in this Agreement;
- (b) an admission of any liability or obligation of the Party providing the letter;
- (c) an admission that the information is material;
- (d) a standard of materiality, a standard for what is or is not in the ordinary course, or any other standard contrary to the standards contained in this Agreement; or

- (e) an expansion of the scope or effect of any of the representations, warranties and covenants set out in this Agreement.

1.11 Inclusion of an item in any section of each disclosure letter is deemed to be disclosure with respect to any other section of this Agreement and such letter to the extent that it is apparent on its face that such disclosure should apply to such other section of this Agreement. The Columbus Disclosure Letter and EnerGulf Disclosure Letter are each subject to the Confidentiality Agreement.

ARTICLE 2 THE ARRANGEMENT

Arrangement

2.1 EnerGulf and Columbus 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. Without limitation to the foregoing, at the Effective Time the Plan of Arrangement shall become effective with the result that among other things, EnerGulf shall become the holder of all the outstanding Columbus Shares.

Implementation Steps by Columbus

2.2 Columbus covenants in favour of EnerGulf that Columbus shall, subject to compliance by EnerGulf with its covenants in §2.3, act expeditiously and in good faith to:

- (a) use commercially reasonable efforts to prepare all materials necessary for filing the application for the Interim Order with the Court within 45 days after the date of execution of this Agreement, except to the extent any delay beyond such period is due to EnerGulf's failure to comply on a timely basis with its obligations under §2.4 or §2.12(b);
- (b) apply to the Court, as soon as reasonably practicable, in a manner acceptable to EnerGulf, acting reasonably, under Part 9, Division 5 of the BCBCA for the Interim Order, which application shall clearly state Columbus's and EnerGulf's intention to rely on the Section 3(a)(10) Exemption as provided for in §2.11, and thereafter proceed with and diligently pursue the Interim Order;
- (c) lawfully convene and hold the Columbus Meeting on or about the Meeting Date for the purpose of approving the Arrangement Resolution, provided that EnerGulf has satisfied its obligations under §2.12(b). Except as otherwise provided in this Agreement, Columbus shall not adjourn, postpone or otherwise change the timing of the Columbus Meeting without the prior written consent of EnerGulf, such consent not to be unreasonably withheld;
- (d) subject to obtaining such shareholder approval as is required by the Interim Order, apply to the Court under Part 9, Division 5 of the BCBCA, as soon as reasonably practicable after the Columbus Meeting, for the Final Order approving the

Arrangement, and thereafter proceed with and diligently pursue, the obtaining of the Final Order;

- (e) subject to obtaining the Final Order, as soon as reasonably practicable thereafter, but subject to the satisfaction or waiver of the other conditions herein contained in favour of each party, deliver to the Registrar any Arrangement Filings and take all other steps or actions as may be required in connection with the Transaction to give effect to the Arrangement;
- (f) instruct counsel acting for it to bring the applications referred to in §2.2(a) and §2.2(d) in cooperation with counsel to EnerGulf. Columbus shall not file any material with the Court in connection with the Arrangement or serve any such material, and shall not agree to modify or amend materials so filed or served except as expressly permitted hereby or with EnerGulf's prior written consent, acting reasonably; and
- (g) permit EnerGulf and its counsel to review and comment upon drafts of all materials to be filed by Columbus with the Court in connection with the Transaction and provide counsel to EnerGulf on a timely basis with copies of any notice of appearance and evidence served on Columbus or its counsel in respect of the application for the Final Order or any appeal therefrom and of any notice (written or oral) received by Columbus indicating any intention to oppose the granting of the Final Order or to appeal the Final Order.

Implementation Steps by EnerGulf

2.3 EnerGulf covenants in favour of Columbus that EnerGulf shall, subject to compliance by Columbus with its covenants in §2.2, act expeditiously and in good faith to, subject to obtaining the Final Order and subject to the satisfaction or waiver of the other conditions herein contained in favour of each party, take all other steps or actions as may be required in connection with the Transaction to give effect to the Arrangement.

Information Circulars

2.4 The Parties shall use commercially reasonable efforts to expeditiously prepare the Columbus Circular, together with any other documents required by applicable Securities Laws and other applicable Laws in connection with the Transaction, and Columbus shall use commercially reasonable efforts to cause the Columbus Circular and other documentation required in connection with the Columbus Meeting to be sent to Columbus Shareholders; provided that the Columbus Circular and other documentation shall not be sent to the Columbus Shareholders except with the prior written consent of EnerGulf (such consent not to be unreasonably withheld).

Interim Order

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

- (a) that Columbus Shareholders and holders of Columbus Options shall be the only classes of Persons to whom notice is to be provided in respect of the Arrangement and for the manner in which such notice is to be provided;
- (b) that the Columbus Meeting may be adjourned or postponed from time to time by management of Columbus without the need for additional approval of the Court;
- (c) that the record date for Columbus Shareholders entitled to notice of and to vote at, the Columbus Meeting shall not change in respect of adjournments or postponements of the Columbus Meeting;
- (d) that the requisite approval for the Arrangement Resolution shall be (i) two-thirds of the votes cast on the Arrangement Resolution by Columbus Shareholders (voting together as a single class) present in person or represented by proxy at the Columbus Meeting and entitled to vote thereat, (ii) if required, “minority approval” in accordance with MI 61-101, and (iii) any other securityholder approvals required by the TSXV and in accordance with the Interim Order (together, the “**Columbus Shareholder Approval**”);
- (e) that, in all other respects, the terms, restrictions and conditions of the notice of articles and articles of Columbus, including quorum requirements and all other matters, shall apply in respect of the Columbus Meeting;
- (f) for the grant of the dissent rights referred to in §2.13; and
- (g) for the notice requirements with respect to the presentation of the application for the Final Order.

Final Order

2.6 Following the receipt of the Columbus Shareholder Approval at the Columbus Meeting, Columbus shall forthwith apply to the Court for the Final Order, on terms satisfactory to each of the Parties. All notices of motion and related materials referred to in §2.2 shall be in a form satisfactory to EnerGulf and Columbus acting reasonably.

Filings

2.7 Columbus shall file a certified copy of the Closing Certificate (as defined in the Plan of Arrangement) in its record book and complete the Arrangement Filings if required.

Payment of Consideration

2.8 EnerGulf shall deposit with the Depositary the EnerGulf Shares to satisfy the consideration issuable and/or payable to the Columbus Shareholders, pursuant to the Plan of Arrangement (other than Columbus Shareholders exercising dissent rights in accordance with §2.13 and who have not withdrawn their notice of objection).

Effective Date

2.9 From and after the Effective Time, the Plan of Arrangement shall have all of the effects provided by applicable Law, including the BCBCA. The closing of the transactions contemplated hereby shall take place at such location as may be agreed upon by the Parties.

Securities and Corporate Compliance

2.10 Columbus shall (with the assistance of EnerGulf and EnerGulf's counsel) diligently do all such acts and things as may be necessary to comply, in all material respects, with NI 54-101 in relation to the Columbus Meeting.

U.S. Securities Law Matters

2.11 The Arrangement shall be carried out with the intention that all EnerGulf Shares issued on completion of the Arrangement to Columbus Shareholders shall be issued by EnerGulf 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 agree that the Arrangement shall be carried out on the following basis:

- (a) the Court shall be advised as to EnerGulf's intention to rely upon the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;
- (b) the Court shall be required to satisfy itself as to the fairness of the Arrangement to the Columbus Shareholders, provided that the Arrangement and the Final Order approving the Arrangement that is obtained from the Court shall expressly state that the Arrangement is approved by the Court as being fair to the Columbus Securityholders;
- (c) the Columbus Shareholders shall be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right, and the Interim Order shall specify that each Columbus Shareholder shall have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as they enter an appearance within a reasonable time;
- (d) the Columbus Shareholders shall be advised that the EnerGulf Shares issued in the Arrangement have not been registered under the U.S. Securities Act and shall be issued by EnerGulf in reliance on the Section 3(a)(10) Exemption, and that certain restrictions on resale may be applicable under the securities laws of the United States with respect to EnerGulf Shares held by any persons who are affiliates of EnerGulf at the relevant time of determination; and
- (e) EnerGulf shall request that the Final Order include a reference to the fact that the Court has been advised that EnerGulf intends to rely upon the Final Order as a

basis of a claim to the Section 3(a)(10) Exemption in respect of the distribution of EnerGulf Securities pursuant to the Arrangement.

Preparation of Filings

- 2.12 (a) EnerGulf and Columbus shall cooperate in:
- (i) the preparation of the applications for the Interim Order and Final Order and the preparation of any other documents reasonably considered by EnerGulf or Columbus to be necessary to discharge their respective obligations under applicable Laws in connection with the Transaction; and
 - (ii) the taking of all such action as may be required under applicable Laws in connection with the Transaction.
- (b) Each of EnerGulf and Columbus shall furnish to the other all such information concerning it, its Affiliates and its shareholders as may be required to effect the actions described in §2.4 and §2.10 and the foregoing provisions of this §2.12, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Transaction, shall contain any untrue statement of a Material Fact or omit to state a Material Fact required to be stated or which is necessary in order to make any information so furnished not misleading in the light of the circumstances in which it is furnished or to be used.
- (c) EnerGulf and Columbus shall each promptly notify the other if at any time before the Effective Time it becomes aware that the Columbus Circular or an application for an order described in §2.2, §2.5 or §2.6 or any application filed with a Governmental Entity, contains any untrue statement of a Material Fact or omits to state a Material Fact required to be stated therein or which is necessary to make the statements contained therein not misleading in light of the circumstances in which they were made, or that otherwise requires an amendment or supplement to the Columbus Circular or such application. In any such event, EnerGulf and Columbus shall cooperate in the preparation of a supplement or amendment to the Columbus Circular or such other application, as required and as the case may be, and, if required, shall cause the same to be distributed to the Columbus Shareholders and/or filed with the applicable Governmental Entities.
- (d) Each Party shall ensure that with respect to the information under such Party's control, the Columbus Circular complies with all applicable Laws and requirements of the TSXV and, without limiting the generality of the foregoing, with respect to the information applicable to such Party, the Columbus Circular does not contain any untrue statement of a Material Fact or omit to state a Material Fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they were made. Without limiting the generality of the foregoing, Columbus shall ensure that the Columbus Circular provides Columbus Shareholders with information in

sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Columbus Meeting. Each Party shall provide information in sufficient detail to allow EnerGulf to rely upon the Section 3(a)(10) Exemption with respect to the issuance of EnerGulf Shares in exchange for Columbus Shares pursuant to the Transaction.

Dissenting Shares

2.13 Registered Columbus Shareholders may exercise rights of dissent with respect to their Columbus Shares in connection with the Arrangement pursuant to and in the manner set forth in the Plan of Arrangement. Columbus shall give EnerGulf prompt notice of any written notice of a dissent, withdrawal of such notice, and any other instruments served pursuant to such rights of dissent and received by Columbus.

EnerGulf Approvals

2.14 EnerGulf represents as of the date hereof that its Board of Directors has:

- (a) determined that the Transaction is fair to the EnerGulf Securityholders as a whole and is in the best interests of EnerGulf;
- (b) resolved to authorize EnerGulf to consummate the Transaction on the terms set forth herein and in the Plan of Arrangement; and
- (c) resolved to authorize EnerGulf to execute and deliver this Agreement.

Columbus Approvals

2.15 Columbus represents as of the date hereof that its Board of Directors has:

- (a) determined that the Transaction is fair to the Columbus Securityholders as a whole and is in the best interests of Columbus;
- (b) resolved to recommend that the Columbus Shareholders vote in favour of the Arrangement Resolution;
- (c) resolved to authorize Columbus to consummate the Transaction on the terms set forth herein and in the Plan of Arrangement; and
- (d) resolved to authorize Columbus to execute and deliver this Agreement.

No Fractional Securities

2.16 EnerGulf shall not be required to issue or deliver fractions of EnerGulf Shares, or to distribute certificates which evidence fractional EnerGulf Shares.

U.S. Tax Matters

2.17 The Arrangement as set forth in the Plan of Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code and this Agreement is intended to be a “plan of reorganization” within the meaning of the Treasury Regulations promulgated under Section 368 of the U.S. Tax Code. Each party hereto agrees to treat the Arrangement as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code for all United States federal income tax purposes, and agrees to treat this Agreement as a “plan of reorganization” within the meaning of the U.S. Treasury Regulations promulgated under Section 368 of the U.S. Tax Code, and to not take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, unless otherwise required by applicable law.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

Representations and Warranties of Columbus

3.1 Columbus hereby represents and warrants to EnerGulf as set forth in Schedule 3, such representations and warranties being subject to the Transaction. For purposes of the representations and warranties of Columbus, EnerGulf is deemed to have knowledge of all information contained in the Columbus Disclosure Documents as were publicly available through SEDAR as at the date hereof.

Representations and Warranties of EnerGulf

3.2 EnerGulf hereby represents and warrants to Columbus as set forth in Schedule 2, such representations and warranties being subject to the Transaction. For purposes of the representations and warranties of EnerGulf, Columbus is deemed to have knowledge of all information contained in the EnerGulf Disclosure Documents as were publicly available through SEDAR as at the date hereof.

ARTICLE 4 ADDITIONAL AGREEMENTS

Non-Waiver

4.1 No investigations made by or on behalf of any of EnerGulf or Columbus at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by any of them in or pursuant to this Agreement. No waiver of any condition or other provision in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No waiver by EnerGulf or Columbus shall be effective unless it is in writing.

Nature and Survival

4.2 All representations and warranties contained in this Agreement on the part of each of EnerGulf and Columbus shall terminate on the first to occur of (i) the Effective Date, (ii) the Termination Date, and (iii) such earlier date upon which this Agreement is terminated; provided however, that, subject to §4.3, neither EnerGulf or Columbus shall be released or relieved from any liability arising from the breach by it of any of its covenants, representations or warranties set forth in this Agreement that arose prior to the time of such termination.

Insurance and Indemnification

4.3 EnerGulf agrees that, notwithstanding any covenant in this Agreement, (i) Columbus may purchase at a cost not to exceed 200% of the annual premiums currently paid by Columbus for such insurance, an extension to Columbus's current director and officer liability insurance policies; and (ii) EnerGulf shall cause Columbus (or any successor to Columbus) to maintain, prepaid non-cancellable "trailing" or "runoff" directors' and officers' liability insurance providing such coverage for the period from the Effective Time until six (6) years after the Effective Time on terms comparable to those contained in the current insurance policies of Columbus (the "**Run off Insurance**"). If the Run-off Insurance would require an expenditure in excess of such threshold then Columbus may obtain the maximum insurance that can be acquired for an expenditure of 200% of the annual premiums currently paid.

EnerGulf agrees that it shall cause Columbus to honour all rights to indemnification now existing in favour of present and former officers and directors of Columbus to the extent that they are in effect at the date hereof, and acknowledges that such rights, to the extent that they are disclosed in the Columbus Disclosure Letter, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.

The provisions of this §4.3 are intended for the benefit of, and shall be enforceable by, each insured or indemnified person, his or her heirs and his or her legal representatives and, for such purpose, Columbus hereby confirms that it is acting as agent and trustee on their behalf.

This section shall survive the execution and delivery of this Agreement and the completion of the Transaction and shall be enforceable against EnerGulf by the current and former officers of Columbus.

Office Sharing Agreement

4.4 EnerGulf agrees to enter into the Office Sharing Agreement with Columbus to be effective as at the Effective Date and grant EnerGulf Options to the following individuals who shall provide services pursuant to the Office Sharing Agreement in the amount set forth next to such individual's name:

Name and Position

Number of Options

Chief Financial Officer

100,000

VP, Communications and Technology	100,000
VP, Legal and Corporate Secretary	100,000
Controller	75,000
Legal and Accounting Assistant	50,000
Executive Assistant and Receptionist	25,000

Assumption of Certain Responsibilities and Obligations

4.5 As of the date hereof, EnerGulf shall assume all responsibilities and obligations (including, without limitation, the payment of all costs) with respect to:

- (a) maintaining the following subsidiaries of Columbus:
 - (i) Empire Albania;
 - (ii) Empire International; and
 - (iii) Columbus Resources International Corporation, a British Virgin Islands subsidiary of Columbus incorporated in connection with the acquisition of the Hydrocarbon License;
- (b) maintaining the following entities for which Columbus is obligated to maintain pursuant to the Hydrocarbon Acquisition Agreement:
 - (i) Dinaric International Energy Corporation; and
 - (ii) Albanides Energy Sh.p.k;
- (c) if applicable, maintaining the Hydrocarbon License; and
- (d) maintaining the Production Sharing Contract (except for the initial fee payable to the government of Albania within 60 days of granting the Production Sharing Contract of US\$30,000, and the estimated bank deposit of US\$28,000 required to be maintained with a bank in Albania in connection with the US\$1,400,000 minimum work program required for the "First Exploration Period" of 3 years thereunder, both of which Columbus shall pay).

4.6 The Columbus Disclosure Letter sets out an estimate of the costs payable in connection with the obligations set out in §4.5 above, as estimated by Columbus to the best of its knowledge as of the date of this Agreement and to which Columbus makes no representations, warranties or guarantees as to the accuracy thereof. EnerGulf acknowledges that such amounts are an estimate for informational purposes only and that it shall be responsible for any costs not set out in the Columbus Disclosure Letter which become payable in connection with the obligations of Columbus set out in §4.5 hereof.

4.7 All costs paid by EnerGulf pursuant to §4.5 shall be non-refundable in the event that closing of the Transaction does not occur at the election of EnerGulf pursuant to the terms hereof or due to matters for which EnerGulf is solely responsible for; otherwise, and in all other cases, the costs paid by EnerGulf pursuant to §4.5 shall be refundable.

ARTICLE 5 COVENANTS

Public Announcements

5.1 Prior to the Effective Time, each Party shall consult with the other Party prior to issuing any press release or otherwise making public statements. In addition, each Party shall consult with the other Party prior to making any filing with any Governmental Entity with respect to the Transaction. Each Party shall use all commercially reasonable efforts to enable the other Party to review and comment on all such press releases before the release thereof and shall enable the other Party to review and comment on such filings before the filing thereof, provided that the obligations herein shall not prevent any Party from making such disclosure as its counsel advises is required by applicable laws, the TSXV, or under Applicable Securities Laws.

Covenants Relating to the Arrangement

5.2 Each Party covenants and agrees to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable under law to consummate the Transaction as soon as practicable, including:

- (a) using commercially reasonable efforts to satisfy all of the conditions precedent to the completion of the Transaction and using commercially reasonable efforts to apply for and obtain, and cooperating with the other Party in applying for and obtaining, the consents, orders and approvals necessary for the Parties to complete the Transaction;
- (b) publicly supporting the Transaction and, with respect to Columbus, recommending to Columbus Shareholders that they vote in favour of the Transaction at the Columbus Meeting;
- (c) complying with all of the Party's obligations under the Plan of Arrangement;
- (d) taking all commercially reasonable action to lawfully solicit proxies for the Columbus Meeting, in favour of the Transaction, and not making a Change in Recommendation;
- (e) using its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of such Party contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date;
- (f) with respect to EnerGulf, using commercially reasonable efforts to (i) obtain TSXV approval of the Arrangement in accordance with TSXV Policy 5.9, and (ii)

cause the EnerGulf Shares to be issued to Columbus Shareholders pursuant to the terms of the Arrangement to be listed and posted for trading on the TSXV.

Business Covenants

5.3 Each Party covenants and agrees, except as contemplated in this Agreement or the Plan of Arrangement, that from the date hereof until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier, it shall:

- (a) continue to carry on its business and affairs in the usual and normal course and consistent with past practice, take all action and make all expenditures necessary, to the extent it has the financial resources to do so, to maintain all of the properties and assets owned and controlled by it in good standing and to maintain and preserve its business and advantageous business relationships;
- (b) maintain payables and other liabilities at levels consistent with past practice and not create or establish any other liabilities or debts in an aggregate amount over \$50,000, but excluding legal, consulting and other fees payable in connection with the Transaction contemplated hereby, and the following, all of which has been disclosed by Columbus to EnerGulf previously and is disclosed in the Columbus Disclosure Letter:
 - (i) the initial fee payable to the government of Albania within 60 days of granting the Production Sharing Contract of US\$30,000;
 - (ii) the estimated amount of US\$28,000 required to be maintained by Columbus with a bank in Albania in connection with the US\$1,400,000 minimum work program required for the “First Exploration Period” of 3 years thereunder;
 - (iii) any legal, consulting and other fees payable in connection with the Transaction contemplated hereby;
 - (iv) the reimbursement by Columbus of expenses incurred by a third party in connection with obtaining the Hydrocarbon License and securing the Production Sharing Contract in the amount of \$90,000;
 - (v) any fees payable in connection with the grant of the Hydrocarbon License, as required by the government of Albania; and
 - (vi) any finders’ fees payable in connection with the sale of the chromite license;
- (c) fully cooperate and consult with the other Party to allow the other Party to monitor, and provide input with respect to all activities relating to the exploration, permitting, development and maintenance of all of the properties and assets owned and controlled by the first Party (and any disclosure of new technical information);

- (d) with respect to Columbus, provide EnerGulf and its accountants, legal counsel, technical and financial advisors and other representatives thereof to, subject to obtaining any necessary consents of third parties, full access during normal business hours to all properties, information and records relating to Columbus including, but not limited to, all related facilities, buildings, equipment, assets, drill cores, assay results, maps and diagrams, books, contracts, financial statements, forecasts, financial projections, studies, records, operating permits and licenses and any other documentation (whether in writing or stored in computerized, electronic, disk, tape, microfilm or any other form) or materials of any nature whatsoever, for the purposes of conducting legal, financial and technical due diligence investigations;
- (e) with respect to EnerGulf, provide Columbus and its legal counsel, technical and financial advisors access to senior management of EnerGulf for the purposes of conducting a legal, financial and technical due diligence session;
- (f) in all material respects, conduct itself so as to keep the other Party fully informed as to the material decisions or actions required to be made or undertaken with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by operation of applicable Laws or by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained; and
- (g) use commercially reasonable efforts to cause its respective current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of internationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

5.4 Notwithstanding §5.3, each Party shall not, except as provided for in this Agreement, or as disclosed in the Columbus Disclosure Letter or EnerGulf Disclosure Letter, as the case may be, or required to give effect to the Transaction or Plan of Arrangement, without prior consultation with and the consent of the other Party, directly or indirectly do, agree to do, or permit to occur any of the following:

- (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) amend its constituting documents;
- (c) declare, set aside or pay any dividend or other distribution or payment in respect of any of the Party's shares;
- (d) except for the 9,300,000 Columbus Shares proposed to be issued in connection with the acquisition of the right to obtain the pending Hydrocarbon License

pursuant to the Hydrocarbon Acquisition Agreement, issue, grant, sell or pledge or agree to issue, grant, sell or pledge any of the Party's securities (other than shares issuable upon the exercise of currently outstanding options or warrants), or amend the terms of any outstanding securities;

- (e) redeem, purchase or otherwise acquire any of the Party's outstanding securities;
- (f) split, combine or reclassify any of the Party's shares;
- (g) adopt or propose any shareholder or director resolutions or enter into any agreement providing for the amalgamation, merger, consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction or adopt any plan of liquidation;
- (h) reduce its stated capital;
- (i) sell or otherwise dispose or encumber of any of its assets except non-material assets within the ordinary course of business;
- (j) amend, alter, enter into or terminate any employment or consulting agreement or alter the pay, benefits or other terms and conditions of employment or service of any employees or consultants other than with non-executive employees in the ordinary course;
- (k) make or commit to make any severance payments or termination payments to any person including, without limitation, consultants, directors, officers, employees or agents of such Party except as required under contracts existing on the date hereof;
- (l) enter into or amend any agreements, arrangements or transactions with any related party except as agreed to by the other Party;
- (m) enter into, renew or modify in any material respect any Material Contract, agreement, lease, commitment or arrangement to which such Party is a party or by which either of them is bound, except insofar as may be necessary to permit or provide for the completion of the Arrangement or with the prior consent of the other Party which consent shall not be arbitrarily or unreasonably withheld or delayed;
- (n) without prior consultation with and the consent of the other Party, such consent not to be unreasonably withheld, enter into new material commitments of a capital expenditure nature or incur any new indebtedness, contingent liabilities or guarantee any new indebtedness; or
- (o) settle any dispute, arbitration or litigation.

Options

5.5 Subject to applicable Law, Columbus and the Columbus Board shall accelerate the time at which the Columbus Options may first be exercised, make any required amendments to the Columbus Option Plan or the Columbus Options outstanding thereunder and take any further action necessary to ensure that all Columbus Options are cancelled with the consent of the holder thereof prior to the Effective Time.

Other Mutual Covenants

5.6 Each of Columbus and EnerGulf covenants and agrees that, except as contemplated in the Transaction Documents or otherwise agreed to in writing, from the date hereof until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier:

- (a) it shall:
 - (i) use its reasonable commercial efforts to preserve intact in all material respects its business organizations and goodwill, to keep available the services of its officers and employees as a group and to maintain satisfactory relationships with suppliers, unions, agents, distributors, customers and others having business relationships with it;
 - (ii) not take any action that would interfere with or be inconsistent with the completion of the Transaction or which would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time before the Effective Date; and
 - (iii) promptly notify the other Party of any Material Adverse Effect, or any change which could reasonably be expected to result in a Material Adverse Effect, in respect of its business or properties, and of any Governmental Entity or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated);
- (b) it shall use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to the obligations of EnerGulf and Columbus set forth in Article 6 to the extent that such is within its control and to take, or cause to be taken, all other reasonable action and to do, or cause to be done, all other things reasonably necessary, proper or advisable under all applicable Laws to complete the Transaction, including using all of its commercially reasonable efforts to:
 - (i) obtain or co-operate in obtaining all necessary waivers, consents and approvals required to be obtained to consummate the Transaction;
 - (ii) effect or co-operate in effecting all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Transaction and participate and

appear in any required proceedings before Governmental Entities in connection therewith;

- (iii) oppose, lift or rescind or co-operate in opposing, lifting or rescinding any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of EnerGulf or Columbus to consummate the Transaction;
- (iv) fulfill all conditions and satisfy all provisions of the Transaction Documents on its part, including, where applicable, delivery of the certificates of its officers contemplated by §6.2(b) in the case of Columbus and §6.3(b) in the case of EnerGulf;
- (v) on the part of:
 - (A) EnerGulf, obtain a written resignation and mutual release by EnerGulf of the CFO of EnerGulf, but excluding its current President and Chief Executive Officer, and its Subsidiaries in a form satisfactory to Columbus and EnerGulf, to be effective as of the Effective Date; and;
 - (B) Columbus, obtain written consents to act of the persons and in the capacities set out beside each person's name, as follows:

<u>Name and Position</u>	<u>Position</u>
Akbar Hassanally	Chief Financial Officer
Jorge Martinez	VP, Communications and Technology
Jenna Virk	VP, Legal and Corporate Secretary

- (vi) otherwise cooperate with the other in connection with the performance by it of its obligations under the Transaction Documents;
- (c) it shall not take any action or refrain from taking any action, which would reasonably be expected to significantly impede or delay the consummation of the Transaction;
- (d) it shall vigorously defend or cause to be defended any Claim or other legal proceedings brought against it challenging the Transaction; and
- (e) it shall use commercially reasonable efforts to carry out all actions necessary to ensure the availability of the Section 3(a)(10) Exemption and compliance with applicable state securities laws, it being acknowledged and agreed by both Parties hereto that the securities to be issued pursuant to the Arrangement have not been registered under the U.S. Securities Act or the securities laws of any state of the United States.

ARTICLE 6 CONDITIONS

Mutual Conditions

6.1 The respective obligations of the Parties to complete the transactions contemplated hereby are subject to fulfillment of the following conditions on or before the Effective Date, but not later than the Termination Date, or such earlier time as is specified below:

- (a) the Interim Order shall have been granted in form and substance satisfactory to Columbus and EnerGulf, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been passed at the Columbus Meeting in accordance with the Interim Order no later than September 1, 2015;
- (c) the Final Order shall have been granted in form and substance satisfactory to Columbus and EnerGulf, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such Parties, acting reasonably, on appeal or otherwise;
- (d) the Production Sharing Contract shall have been completed;
- (e) the Effective Date shall have occurred before the Termination Date;
- (f) there shall be no action taken under any Laws, or by any Governmental Entity or private person who is not in contravention of this Agreement, that:
 - (i) makes it illegal or, directly or indirectly, restrains, enjoins or prohibits the Transaction or any other transactions or agreements contemplated herein, or
 - (ii) results in a judgment or assessment of damages, directly or indirectly, relating to the Transaction Documents which would either have a Material Adverse Effect on EnerGulf or Columbus taking into account the Transaction, or make it illegal to, or restrains, enjoins, or prohibits, the Transaction;
- (g) all required consents, waivers, permits, orders and approvals of any Governmental Entity in Canada or other Persons and the TSXV and the expiry of any waiting periods, in connection with, or required to permit, the consummation of the Transaction, shall have been obtained or received in form satisfactory to Columbus and EnerGulf, acting reasonably, and reasonably satisfactory evidence thereof shall have been delivered to each Person;
- (h) the distribution of the EnerGulf Shares in Canada pursuant to the Arrangement is exempt from, or otherwise not subject to, prospectus requirements of applicable

Securities Laws and are not subject to resale restrictions under applicable Securities Laws other than as applicable to control persons under Section 2.6 of NI 45-102;

- (i) the distribution of the EnerGulf Shares in the United States in exchange for the Columbus Shares pursuant to the Arrangement, are exempt from registration requirements under the U.S. Securities Act pursuant to section 3(a)(10) under the U.S. Securities Act; and
- (j) this Agreement shall not have been terminated pursuant to Article 8.

The foregoing conditions are for the mutual benefit of EnerGulf and Columbus and may only be waived, in whole or in part by mutual consent of both of them. If any of the said conditions precedent shall not be complied with or waived as aforesaid on or before the date required for the performance thereof, either Columbus or EnerGulf may rescind and terminate this Agreement by written notice to the other (provided such non-compliance did not arise from the acts or omissions of the Person purporting to rescind and terminate this Agreement) and shall have no other right or remedy, except as set forth in Article 8.

Conditions Precedent to the Obligations of EnerGulf

6.2 The obligation of EnerGulf to complete the transactions contemplated hereby shall also be subject to the fulfillment of each of the following additional conditions precedent (each of which is for the exclusive benefit of EnerGulf and may be waived by EnerGulf in its sole discretion and any one or more of which, if not satisfied or waived, shall relieve EnerGulf of any obligation under this Agreement), on or before the Effective Date but not later than the Termination Date or such earlier time as is specified below:

- (a) all covenants of Columbus under this Agreement to be performed on or before the Effective Date shall have been duly performed by Columbus in all material respects;
- (b) all representations and warranties of Columbus shall 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 shall be true and correct or true and correct except to the extent inaccuracy would not have a Material Adverse Effect, as the case may be, 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, or would not reasonably be expected to, have a Material Adverse Effect or would not, or would not reasonably be expected to, materially impede the completion of the Transaction, and EnerGulf shall have received a certificate of Columbus addressed to EnerGulf and dated on such date, signed on behalf of Columbus by two senior executive officers of Columbus in their capacity as such and without personal liability, confirming the same;
- (c) Columbus shall not be in material breach of its obligations under this Agreement;

- (d) the Columbus Board shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Columbus to permit the consummation of the Transaction;
- (e) since the date of this Agreement, there shall not have been any change, effect, event, occurrence, development or state of facts that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect on Columbus (excluding any change, effect, event, occurrence or state of facts that is specifically referred to in the Columbus Disclosure Letter); and
- (f) holders of no more than 20% of the issued and outstanding Columbus Shares shall have exercised their dissent rights (and not withdrawn such exercise) in respect of the Arrangement.

EnerGulf may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by EnerGulf with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by EnerGulf in complying with its obligations hereunder.

Conditions Precedent to the Obligations of Columbus

6.3 The obligation of Columbus to complete the transactions contemplated hereby shall also be subject to the fulfillment of each of the following additional conditions precedent (each of which is for the exclusive benefit of Columbus and may be waived by Columbus in its sole discretion and any one or more of which, if not satisfied or waived, shall relieve Columbus of any obligation under this Agreement), on or before the Effective Date but not later than the Termination Date or such earlier time as is specified below:

- (a) all covenants of EnerGulf under this Agreement to be performed on or before the Effective Date shall have been duly performed by EnerGulf in all material respects;
- (b) all representations and warranties of EnerGulf shall 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 shall be true and correct or true and correct except to the extent inaccuracy would not have a Material Adverse Effect, as the case may be, 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, or would not reasonably be expected to, have a Material Adverse Effect or would not, or would not reasonably be expected to, materially impede the completion of the Transaction, and Columbus shall have received a certificate of EnerGulf addressed to Columbus and dated on such date, signed on behalf of EnerGulf by two senior executive officers of EnerGulf in their capacity as such and without personal liability, confirming the same;

- (c) the EnerGulf Board shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by EnerGulf to permit the consummation of the Transaction, including (i) the issuance of EnerGulf Shares, (ii) obtaining TSXV approval of the Arrangement in accordance with TSXV Policy 5.9, and (iii) causing the EnerGulf Shares to be issued to Columbus Shareholders pursuant to the terms of the Arrangement to be listed and posted for trading on the TSXV subject to official notice of issuance and other customary conditions;
- (d) EnerGulf shall not be in material breach of its obligations under this Agreement;
- (e) since the date of this Agreement, there shall not have been any change, effect, event, occurrence, development or state of facts that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect on EnerGulf (excluding any change, effect, event occurrence or state of facts that is specifically referred to in the EnerGulf Disclosure Letter);
- (f) the CFO of EnerGulf and the EnerGulf Subsidiaries shall have resigned and the new nominees have been appointed as contemplated by 5.6(b)(v); and
- (g) the Columbus New Board Nominee shall have been appointed or elected to the EnerGulf Board to form the Reconstituted Board as of the Effective Time.

Columbus may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by Columbus with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by Columbus in complying with its obligations hereunder.

Notice and Cure Provisions

6.4 Each of the Parties shall 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 that would likely:

- (a) cause any of the representations or warranties of such Person contained herein to be untrue or inaccurate in any material respect as of the date hereof or at the Effective Date; or
- (b) result in the failure of such Person to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement before the Effective Date.

EnerGulf or Columbus may elect to not complete the Arrangement and the Transaction contemplated hereby pursuant to the conditions precedent contained in §6.1, §6.2 and §6.3, as the case may be, or exercise any termination right arising therefrom, only if forthwith and in any event before the Effective Date, EnerGulf or Columbus, 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 EnerGulf or Columbus, as the case may

be, is 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 EnerGulf or Columbus, 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 until the expiration of a period of 14 days from such notice (and for greater certainty, if the matter is not susceptible to being cured, no 14 day cure period need be given prior to termination). If such notice has been given before the making of the application for the Final Order or the Columbus Meeting, such application or meeting shall 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 matter. Notwithstanding the foregoing, no cure period may extend past the Termination Date.

Satisfaction of Conditions

6.5 The conditions precedent set out in §6.1, §6.2 and §6.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time.

ARTICLE 7 AMENDMENT

Amendment

7.1 This Agreement may, at any time and from time to time before or after the holding of the Columbus Meeting, but not later than the Effective Date, be amended by mutual written agreement of the Parties hereto, and any such amendment may, without limitation:

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

provided that, notwithstanding the foregoing: (i) following the Columbus Meeting, the Exchange Ratio shall not be amended without approval of the Columbus Shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court and (ii) this Agreement and the Plan of Arrangement may be amended in accordance with the Final Order, but in the event that the terms of the Final Order require any such amendment, the rights of the parties hereto under §7.2 shall remain unaffected.

Mutual Understanding Regarding Amendments

7.2 If either EnerGulf or Columbus proposes any amendment to this Agreement or to the Plan of Arrangement, the other shall act reasonably in considering such amendment and if the

other and its security holders are not prejudiced by reason of any such amendment, the other shall co-operate in a reasonable fashion with the Person who made the proposal so that such amendment can be effected subject to applicable Laws and the rights of the affected Person's security holders.

ARTICLE 8 TERMINATION AND COMPENSATION

Termination

8.1 This Agreement automatically terminates at the Termination Date and may be terminated at any time before the Effective Date, whether before or after Columbus Shareholder Approval:

- (a) by mutual written consent of Columbus and EnerGulf;
- (b) by either Columbus or EnerGulf pursuant to the exercise of their rights set forth in §6.1, hereof, provided that the provisions of §6.4 have been complied with;
- (c) by EnerGulf pursuant to the exercise of its rights set forth in §6.2, provided the provisions of §6.4 have been complied with;
- (d) by Columbus pursuant to the exercise of its rights set forth in §6.3, provided the provisions of §6.4 have been complied with; and
- (e) by either Columbus or EnerGulf if the Columbus Shareholders fail to approve the Arrangement Resolution at the Columbus Meeting, or the Final Order is not granted by the Court for any reason,

provided that, in the event the right arises for any Party to unilaterally terminate this Agreement (such Party, the "Terminating Party") as a result of the failure by the other Party hereto to perform any such other Party's obligations, conditions or other requirements hereunder, or breached any material representations or warranties hereunder (collectively, the "**Breach**"), the right of the Terminating Party to so terminate this Agreement will only arise after the Terminating Party has delivered written notice of such Breach to the other Party and provided the other Party with 10 Business Days to cure the Breach. Where action is taken to terminate this Agreement pursuant to this §8.1, it shall be sufficient for such action to be authorized by the Board of Directors of the Party taking such action.

Effect of Termination

8.2 In the event of termination of this Agreement by either Columbus or EnerGulf as provided in §8.1, this Agreement shall forthwith thereafter become void and have no further effect, and there shall be no liability or further obligation on the part of Columbus or EnerGulf or their respective officers or directors under the Transaction Documents, except that:

- (a) §8.3 and this §8.2 shall remain in full force and effect and shall survive any such termination;
- (b) neither Columbus nor EnerGulf shall be released or relieved from any liability arising from their breach of any of their representations, warranties or covenants, arising prior to the time of termination, or agreements as set forth in the Transaction Documents save and except as provided therein; and
- (c) the covenants of EnerGulf and Columbus with respect to confidentiality set forth in the Confidentiality Agreement shall survive the termination of this Agreement in accordance with its terms.

Expenses

8.3 Save as provided in Article 4 and in §8.2, whether or not the Transaction is consummated, except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement and the Transaction (including the fees and expenses of advisors, accountants and legal counsel) shall be paid by the Party incurring such expense.

ARTICLE 9 GENERAL

Notices

9.1 All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile transmission or in an electronic “portable document format” by electronic mail or sent by prepaid overnight courier to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other Party); provided that notice to the respective legal counsel of Columbus and EnerGulf set out below shall not constitute notice from one Party to the other Party under this Agreement:

- (a) if to EnerGulf:

EnerGulf Resources Inc.
36 Toronto Street, Suite 1000
Toronto, Ontario, M5C2C5

Attention: John D. Elmore, President;
E-mail: john@energulf.com
Facsimile: 416.361.0923;

with a courtesy copy (that shall not be required for valid notice to EnerGulf) to:

Peterson & Company LLP
Suite 806
390 Bay Street
Toronto, Ontario, M5H 2Y2

Attention: Dennis H. Peterson
E-mail: dhp@petelaw.com
Facsimile: 416.352.5693; and

(b) if to Columbus:

Columbus Copper Corporation
1090 Hamilton Street
Vancouver, British Columbia, V6B 2R9

Attention: Robert Giustra, Chief Executive Officer;
E-mail: robert@columbusgroup.com
Facsimile: 604.634.0971;

with a courtesy copy (that shall not be required for valid notice to Columbus) to:

McMillan LLP
1500-1055 West Georgia Street,
Vancouver, British Columbia, V6E 4N7

Attention: David Cowan
E-mail: david.cowan@mcmillan.ca
Facsimile: 604.691.7356.

Time of Essence

9.2 Time shall be of the essence of this Agreement and every part of it.

No Third Party Beneficiaries

9.3 Except as provided in §4.3, this Agreement is not intended to confer any rights or remedies upon any person other than the Parties to this Agreement.

Further Assurances

9.4 Each Person hereto shall, from time to time, and at all times hereafter, at the request of any other Person hereto, but without further consideration, do all such further acts and

execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

Governing Law

9.5 This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of British Columbia, Canada, and the federal laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement.

Execution in Counterparts

9.6 This Agreement may be executed in identical counterparts, each of which is and is hereby conclusively deemed to be an original and the counterparts collectively are to be conclusively deemed to be one instrument and receipt of a facsimile version, or an electronic “portable document format” version delivered by electronic mail, of an executed signature page by a Person shall constitute satisfactory evidence of execution of this Agreement by such Person.

Enurement and Assignment

9.7 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any Person hereto without the prior written consent of the other Person hereto.

[The remainder of this page is intentionally blank. Signature page follows.]

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

ENERGULF RESOURCES INC.

Per: "John D. Elmore"
Name: John D. Elmore
Title: President & Chief Executive Officer

COLUMBUS COPPER CORPORATION

Per: "Akbar Hassanally"
Name: Akbar Hassanally
Title: Chief Financial Officer

Schedule 1

PLAN OF ARRANGEMENT

IN THE MATTER OF AN ARRANGEMENT among Columbus Copper Corporation and the holders from time to time of the issued and outstanding Columbus Shares pursuant to Part 9, Division 5 of the *Business Corporations Act* (British Columbia), as amended.

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, any capitalized term used herein and not defined in this §1.1 shall have the meaning ascribed thereto in the Arrangement Agreement. Unless the context otherwise requires, the following words and phrases used in this Plan of Arrangement shall have the meanings hereinafter set out:

“**Arrangement**” means the arrangement under Part 9, Division 5 of the BCBCA as described herein, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement and the provisions hereof or made at the direction of the Court in the Final Order;

“**Arrangement Agreement**” means the agreement made as of July 9, 2015 between EnerGulf and Columbus, including all schedules annexed thereto, together with the Columbus Disclosure Letter and the EnerGulf Disclosure Letter, as each may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

“**Arrangement Resolution**” means the resolution of the Columbus Shareholders approving the Arrangement Agreement and the Plan of Arrangement which is to be considered at the Columbus Meeting and shall be substantially in the form of Schedule 4 to the Arrangement Agreement;

“**BCBCA**” means the *Business Corporations Act* (British Columbia) S.B.C. 2002, C.57 and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

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

“**Closing Certificate**” means a certificate in the form attached hereto as Schedule A which, when signed by an authorized representative of each of the Parties, shall constitute acknowledgement by the Parties that this Plan of Arrangement has been implemented to their respective satisfaction;

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

“Columbus Option” means an option that is outstanding immediately before the Effective Date, to acquire Columbus Shares pursuant to any stock option plan of Columbus;

“Columbus Optionholder” means holders of Columbus Options;

“Columbus Shareholders” means the holders from time to time of Columbus Shares and Columbus Shareholder means any one of them;

“Columbus Shares” means the common shares without par value in the authorized share capital of Columbus;

“Columbus” means Columbus Copper Corporation, a company existing under the laws of the Province of British Columbia, Canada;

“Court” means the Supreme Court of British Columbia;

“Depository” means Computershare Investor Services Inc., or any other depository or trust company, bank or financial institution agreed to in writing between EnerGulf and Columbus for the purpose of, among other things, exchanging certificates representing Columbus Shares for EnerGulf Shares in connection with the Arrangement;

“Dissent Procedures” has the meaning ascribed thereto in §5.1;

“Dissent Rights” means the rights of dissent exercisable by the Columbus Shareholders in respect of the Arrangement described in Article 5 hereto;

“Dissenter” means a registered Columbus Shareholder who has duly exercised a Dissent Right and who is ultimately entitled to be paid the fair value of the Columbus Shares held by such Columbus Shareholder;

“Dissenting Shares” has the meaning ascribed thereto in §5.2;

“Effective Date” means the effective date of the Arrangement, being the second Business Day after the date upon which all conditions precedent (excluding conditions that, by their terms, cannot be satisfied until the Effective Date) to the completion of the Arrangement as set out in Article 7 of the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement, or such other date as may be agreed to by EnerGulf and Columbus, and EnerGulf and Columbus shall execute the Closing Certificate confirming the Effective Date;

“Effective Time” means the time on the Effective Date specified as the “Effective Time” on the Closing Certificate;

“Encumbrance” means any encumbrance including any mortgage, lien, charge or encumbrance of any nature whatsoever, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“**EnerGulf**” means EnerGulf Resources Inc., a company existing under the laws of the Province of British Columbia, Canada;

“**EnerGulf Shares**” means the common shares without par value in the authorized share capital of EnerGulf;

“**Exchange Ratio**” means 0.4937 EnerGulf Shares for each Columbus Share;

“**Exercised Option**” means a Columbus Option for which a Columbus Optionholder has executed an applicable exercise form and in respect of which the Columbus Optionholder has, prior to the Effective Time, paid to Columbus the aggregate of the exercise price of such Columbus Option and applicable Taxes in respect of such exercise;

“**Final Order**” means the final order of the Court, pursuant to Section 291 of the BCBCA, approving the Arrangement, in a form acceptable to Columbus and EnerGulf, each acting reasonably, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

“**Interim Order**” means the interim order of the Court contemplated by Section 2.2(a) of the Arrangement Agreement and made pursuant to Section 291 of the BCBCA, in a form acceptable to Columbus and EnerGulf, each acting reasonably, providing for, among other things, the calling and holding of the Columbus Meeting, as the same may be amended by the Court;

“**Plan of Arrangement**” means this Plan of Arrangement and any amendments or variations thereto made in accordance with this Plan of Arrangement or upon the direction of the Court in the Final Order with the consent of Columbus and EnerGulf, each acting reasonably;

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

“**Subsidiary**” has the meaning ascribed thereto in the National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time; and

“**Transmittal Letter**” means the letter of transmittal to be sent by Columbus to Columbus Shareholders for use in connection with the Arrangement.

1.2 In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Plan of Arrangement into Articles and Sections and the further division thereof into subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise indicated, any reference in this Plan of Arrangement to an Article, Section or subsection refers to the specified Article, Section or subsection to this Plan of Arrangement;
- (b) the terms “hereof”, “herein”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto and, unless otherwise indicated, a reference herein to a Section is to the appropriate Section of this Plan of Arrangement;
- (c) words importing the singular number only shall include the plural and vice versa, words importing the use of any gender shall include all genders and words importing persons shall include firms and corporations and vice versa;
- (d) if any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day;
- (e) the word “including” means “including, without limiting the generality of the foregoing”;
- (f) a reference to a statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation, rule or policy made thereunder; and
- (g) all references to cash or currency in this Plan of Arrangement are to Canadian dollars unless otherwise indicated.

ARTICLE 2

ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement.

2.2 This Plan of Arrangement shall become effective as at the Effective Time and shall be binding without any further authorization, act or formality on the part of the Court, or the Registrar, on EnerGulf, Columbus, the Columbus Shareholders, and the holders of Columbus Options from and after the Effective Time.

ARTICLE 3 ARRANGEMENT

3.1 On the Effective Date, subject to the provisions of Article 5 hereof, the following shall occur and shall be deemed to occur in the order and at the times set out below without any further authorization, act or formality:

(a) each issued Columbus Share outstanding immediately prior to the Effective Time held by a Columbus Shareholder in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality to Columbus for cancellation, free and clear of any Encumbrances, and:

(i) such Columbus Shareholder shall cease to be the registered holder of such Dissenting Shares and shall cease to have any rights as registered holders of such Columbus Shares other than the right to be paid fair value for such Dissenting Shares as set out in §5.2(a);

(ii) such Columbus Shareholder's name shall be removed as the registered holder of such Dissenting Shares from the registers of Columbus Shares maintained by or on behalf of Columbus; and

(iii) Columbus shall be deemed to be the transferee of such Dissenting Shares, free and clear of any Encumbrances, and such Dissenting Shares shall be cancelled and returned to treasury; and

(b) immediately thereafter, each issued and outstanding Columbus Share (other than any Columbus Share in respect of which the Columbus Shareholder has validly exercised his, her or its Dissent Right) shall be transferred to, and acquired by EnerGulf, without any act or formality on the part of the holder of such Columbus Share or EnerGulf, free and clear of all Encumbrances, in exchange for such number of fully paid and non-assessable EnerGulf Shares equal to the Exchange Ratio, provided that the aggregate number of EnerGulf Shares payable to any Columbus Shareholder, if calculated to include a fraction of an EnerGulf Share, shall be rounded down to the nearest whole EnerGulf Share, with no consideration being paid for the fractional share, and the name of each such Columbus Shareholder shall be removed from the register of holders of Columbus Shares and added to the register of holders of EnerGulf Shares, and EnerGulf shall be recorded as the registered holder of such Columbus Shares so exchanged and shall be deemed to be the legal and beneficial owner thereof.

The transactions provided for in this §3.1 shall be deemed to occur on the Effective Date and at the time specified notwithstanding that certain of the procedures related hereto are not completed until after the Effective Date.

3.2 Notwithstanding that the transactions or events set out in §3.1 may occur or be deemed to occur in the order therein set out without any further act or formality, each of Columbus and EnerGulf agree to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, indentures, transfers, assurances, instruments or documents as may be required by it in order to further document or evidence any

of the transactions or events set out in §3.1 including, without limitation, any resolution of directors authorizing the issue, transfer or purchase for cancellation of shares, any share transfer powers evidencing the transfer of shares, any receipt therefor and any necessary additions to or deletions from share registers.

ARTICLE 4 CERTIFICATES AND PAYMENTS

4.1 EnerGulf shall deposit with the Depositary the EnerGulf Shares to satisfy the consideration issuable and/or payable to the Columbus Shareholders pursuant to this Plan of Arrangement (other than Columbus Shareholders exercising Dissent Rights and who have not withdrawn their notice of objection).

4.2 After the Effective Date, certificates formerly representing Columbus Shares shall, except for Columbus Shares held by Dissenters, represent only the right to receive the consideration issuable and/or payable therefor pursuant to §3.1 in accordance with the terms of this Plan of Arrangement.

4.3 All dividends or other distributions declared on the EnerGulf Shares with a Record Date that is after the Effective Date shall be payable or paid to the holder of any unsurrendered certificate or certificates for Columbus Shares which, immediately prior to the Effective Date, represented outstanding Columbus Shares only upon the surrender for exchange of such certificate or certificates representing such Columbus Shares and the issuance and/or payment to the surrendering holder of the consideration therefor as described in §3.1 and in accordance with the terms of this Plan of Arrangement.

4.4 EnerGulf shall cause, as soon as reasonably practicable after the Effective Date (subject to §6.2), the Depositary to forward to each Columbus Shareholder who submitted a duly completed Transmittal Letter to the Depositary, together with the certificate (if any) representing the Columbus Shares held by such Columbus Shareholder, the certificates representing the EnerGulf Shares issued to such Columbus Shareholder pursuant to §3.1(b) which shares shall be registered in such name or names and either (i) delivered to the address or addresses as such Columbus Shareholder directed in their Transmittal Letter or (ii) made available for pick up at the offices of the Depositary in accordance with the instructions of the Columbus Shareholder in the Transmittal Letter.

4.5 Columbus Shareholders that did not submit an effective Transmittal Letter prior to the Effective Date may take delivery of the consideration issuable or payable to them by delivering the certificates representing Columbus Shares or Columbus Shares formerly held by them to the Depositary at the offices indicated in the Transmittal Letter. Such certificates must be accompanied by a duly completed Transmittal Letter, together with such other documents as the Depositary may require. Certificates representing the EnerGulf Shares issued to such Columbus Shareholder pursuant to §3.1 shall be registered in such name or names and delivered to the address or addresses as such Columbus Shareholder directed in their Transmittal Letter or (ii) made available for pick up at the offices of the Depositary in accordance with the instructions of the Columbus Shareholder in the Transmittal Letter, as soon as reasonably practicable after receipt by the Depositary of the required certificates and documents.

4.6 Any certificate which immediately prior to the Effective Date represented outstanding Columbus Shares and which has not been surrendered, with all other instruments required by this Article 4, on or prior to the sixth anniversary of the Effective Date, shall cease to represent any claim against or interest of any kind or nature in Columbus, EnerGulf or the Depositary.

4.7 In the event any certificate, which immediately before the Effective Time represented one or more outstanding Columbus Shares that was exchanged pursuant to §3.1, is 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 shall issue in exchange for such lost, stolen or destroyed certificate, the consideration to which such Person is entitled in respect of the Columbus Shares represented by such lost, stolen, or destroyed certificate pursuant to §3.1 deliverable in accordance with such Person's Transmittal Letter. When authorizing such issuances or payment in exchange for any lost, stolen or destroyed certificate, the Person to whom consideration is to be issued and/or paid shall, as a condition precedent to the issuance and/or payment thereof, give a bond satisfactory to EnerGulf and its transfer agent in such sum as EnerGulf may direct or otherwise indemnify EnerGulf in a manner satisfactory to it, against any Claim that may be made against one or both of them with respect to the certificate alleged to have been lost, stolen or destroyed.

ARTICLE 5 RIGHTS OF DISSENT

5.1 Notwithstanding §3.1, holders of Columbus Shares may exercise rights of dissent (the "**Dissent Rights**") in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in sections 242 to 247 of the BCBCA (collectively, the "**Dissent Procedures**").

5.2 Columbus Shareholders who duly exercise Dissent Rights with respect to their Columbus Shares ("**Dissenting Shares**") and who:

(a) are ultimately entitled to be paid fair value for their Dissenting Shares shall be deemed to have transferred their Dissenting Shares to Columbus for cancellation immediately before the Effective Date and shall be paid an amount equal to such fair value by Columbus (with funds of Columbus which are not directly or indirectly provided by EnerGulf or any of its affiliates); or

(b) for any reason are ultimately not entitled to be paid for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Columbus Shareholder and shall receive EnerGulf Shares on the same basis as every other non-dissenting Columbus Shareholder;

but in no case shall Columbus be required to recognize such persons as holding Columbus Shares on or after the Effective Date.

5.3 If a Columbus Shareholder exercises the Dissent Right, EnerGulf shall on the Effective Date set aside a number of EnerGulf Shares which is attributable under the Arrangement to the Columbus Shares for which Dissent Rights have been exercised. If the

dissenting Columbus Shareholder is ultimately not entitled to be paid for their Dissenting Shares, they shall be deemed to have participated in the Arrangement on the same basis as the non-dissenting Columbus Shareholders and EnerGulf shall distribute to such Columbus Shareholder the EnerGulf Shares that the Columbus Shareholder is entitled to receive pursuant to the terms of the Arrangement. If a Columbus Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, Columbus shall pay the amount to be paid in respect of the Dissenting Shares.

ARTICLE 6 EFFECT OF THE ARRANGEMENT

6.1 As at and from the Effective Time:

- (a) Columbus shall be a wholly-owned Subsidiary of EnerGulf;
- (b) the rights of creditors against the property and interests of Columbus shall be unimpaired by the Arrangement; and
- (c) Columbus Shareholders, other than Dissenters, shall hold EnerGulf Shares in replacement for their Columbus Shares, as provided by the Plan of Arrangement.

6.2 EnerGulf, Columbus and the Depositary shall be entitled to deduct and withhold from any consideration payable to any holder of Columbus Shares and to any Dissenter, such amounts as EnerGulf, Columbus or the Depositary is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of provincial, state, local or foreign tax laws, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. Each of Columbus, EnerGulf and the Depositary is hereby authorized to sell or otherwise dispose of such portion of EnerGulf Shares payable as consideration as is necessary to provide sufficient funds to EnerGulf, Columbus or the Depositary, as the case may be, to enable it to implement such deduction or withholding, and EnerGulf, Columbus or the Depositary shall notify the holder thereof and remit to the holder any unapplied balance of the net proceeds of such sale.

ARTICLE 7 AMENDMENTS

7.1 EnerGulf and Columbus reserve the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Date, provided that any such amendment, modification or supplement must be contained in a written document that is approved by each of EnerGulf and Columbus and is filed with the Court. Subject to §7.3, if such amendment, modification or supplement is made following the Columbus Meeting, it shall be approved by the Court and, if required by the Court, communicated to the Columbus Shareholders, and shall become part of the Arrangement upon completion of all the conditions required in the Court approval.

7.2 Save and except as may be otherwise provided in the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by EnerGulf or Columbus (provided that the other shall have consented thereto) at any time prior to the Columbus Meeting with or without any other prior notice or communication to Columbus Shareholders, and if so proposed and accepted by Columbus Shareholders voting at the Columbus Meeting, shall become part of this Plan of Arrangement for all purposes.

7.3 Any amendment, modification or supplement to this Plan of Arrangement may be made by EnerGulf and Columbus without approval of the Columbus Shareholders provided that it concerns a matter which, in the reasonable opinion of EnerGulf and Columbus is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the Columbus Shareholders.

7.4 The Plan of Arrangement may be withdrawn prior to the Effective Date in accordance with the terms of the Arrangement Agreement.

ARTICLE 8 FURTHER ASSURANCES

8.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out therein.

Schedule A- Closing Certificate

Re: Arrangement Agreement dated ◆, 2015 between EnerGulf Resources Inc. and Columbus Copper Corporation (the “Arrangement Agreement”)

Defined terms used but not defined in this certificate shall have the meaning ascribed thereto in the Arrangement Agreement.

Each of the undersigned hereby confirms that the undersigned is satisfied that the conditions precedent to its respective obligations to complete the Arrangement Agreement have been satisfied and that the Arrangement is completed as of _____(am/pm Pacific standard time) (the “Effective Time”) on _____, 2015 (the “Effective Date”).

ENERGULF RESOURCES INC.

FORM OF CERTIFICATE

Name:

Title:

COLUMBUS COPPER CORPORATION

FORM OF CERTIFICATE

Name:

Title:

Schedule 2

REPRESENTATIONS AND WARRANTIES OF ENERGULF

Each of the representations and warranties of EnerGulf set forth in this Schedule 2 is qualified and made subject to the disclosures made in the EnerGulf Disclosure Documents and the EnerGulf Disclosure Letter. Any specific reference to the EnerGulf Disclosure Documents or the EnerGulf Disclosure Letter herein is solely for convenience of reference. EnerGulf hereby represents and warrants to Columbus (and acknowledges that Columbus is relying upon such representations and warranties in connection with entering into this Agreement) as set forth below:

- (a) **Organization:** EnerGulf and each of the EnerGulf Subsidiaries is a validly subsisting corporation under the laws of its jurisdiction of incorporation and has the corporate power, authority and capacity, and holds all material titles, contractual interests, licenses and permits required for EnerGulf to own or lease its properties and assets and to carry on its business as now conducted by it, except where the failure to hold such licenses, contractual interests or permits individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect on EnerGulf and the EnerGulf Subsidiaries.
- (b) **Capitalization:** The authorized share capital of EnerGulf consists of an unlimited number of EnerGulf Shares. The number of issued and outstanding EnerGulf Shares, EnerGulf Options, and EnerGulf Warrants as at the date hereof is set forth in the EnerGulf Disclosure Letter. Other than the current incentive stock option plan of EnerGulf and as set forth in the EnerGulf Disclosure Letter, there are no options, warrants, conversion privileges or other rights, shareholder rights plans, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by EnerGulf of any securities of EnerGulf (including EnerGulf Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of EnerGulf (including EnerGulf Shares). All outstanding EnerGulf Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all EnerGulf Shares issuable upon the exercise of rights under the EnerGulf Options, and EnerGulf Warrants have been duly authorized and, upon issuance, shall be validly issued as fully paid and non-assessable, and are not and shall not be subject to, or issued in violation of, any pre-emptive rights. All securities of EnerGulf (including the EnerGulf Shares, the EnerGulf Options, and the EnerGulf Warrants) have been issued in compliance with all applicable Laws and Securities Laws, and as to the EnerGulf Options, the current incentive stock option plan of EnerGulf. There are no securities of EnerGulf outstanding which have the right to vote generally with the EnerGulf Shareholders on any matter. Other than the current EnerGulf stock option plan, there are no outstanding contractual or other obligations of EnerGulf or any of the EnerGulf Subsidiaries to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposing

of any of its outstanding securities. There are no outstanding bonds, debentures or other evidences of indebtedness of EnerGulf having the right to vote with the holders of the outstanding EnerGulf Shares on any matters.

- (c) Authority: EnerGulf has the requisite corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by EnerGulf 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 EnerGulf and the performance by EnerGulf and of its obligations under this Agreement have been duly authorized by the EnerGulf Board and no other corporate proceedings on the part of EnerGulf or any of the EnerGulf Subsidiaries is necessary to authorize the execution and delivery of this Agreement or the performance by EnerGulf and its obligations under this Agreement or the Arrangement pursuant to the Plan of Arrangement, except for the approval of the EnerGulf Shareholders of the resolutions to approve the Transaction. This Agreement has been duly executed and delivered by EnerGulf and constitutes a legal, valid and binding obligation of EnerGulf, enforceable against EnerGulf in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (d) No Consent: No consent, approval, order or Authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by EnerGulf or any of the EnerGulf Subsidiaries in connection with the execution and delivery of this Agreement or the consummation by EnerGulf of the transactions contemplated hereby other than:
 - (i) in connection with or in compliance with Securities Laws and applicable TSXV rules;
 - (ii) any other consents, waivers, permits, orders or approvals referred to in this Agreement; and
 - (iii) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on EnerGulf.
- (e) EnerGulf Subsidiaries: The only Subsidiaries of EnerGulf are the EnerGulf Subsidiaries and EnerGulf does not own a direct or indirect voting or equity interest in any Person that is not one of the EnerGulf Subsidiaries and has no agreement or other commitment to acquire such interest. The authorized and issued securities of each EnerGulf Subsidiary is set out in the EnerGulf Disclosure Letter. All of the outstanding shares of the EnerGulf Subsidiaries are validly issued, fully paid and non-assessable and free of pre-emptive rights to the extent such concepts exists under applicable Laws. Except as set out in the EnerGulf

Disclosure Letter, all of the outstanding shares of the EnerGulf Subsidiaries are owned, directly or indirectly, by EnerGulf. Except pursuant to restrictions on transfer contained in the Articles or by-laws (or their equivalent) of the applicable Subsidiary of EnerGulf, the outstanding shares of the EnerGulf Subsidiaries are owned free and clear of all Encumbrances, and EnerGulf is not liable to any creditor in respect thereof.

- (f) No Violation: None of the authorization, execution and delivery of this Agreement by EnerGulf, the completion of the transactions contemplated by this Agreement or the Plan of Arrangement, or compliance by EnerGulf with any of the provisions hereof or thereof shall: (1) violate, conflict with, or result (with or without notice or the passage of time) in a violation or breach of any provision of, or require, any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon, any of the properties or assets of EnerGulf, or cause any indebtedness to come due before its stated maturity or cause any credit commitment to cease to be available or cause any payment or other obligation to be imposed on EnerGulf, under any of the terms, conditions or provisions of (A) its articles or other comparable organizational documents, or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, Encumbrance, license, permit, or other Contract; or (2) result (with or without notice or the passage of time) in a violation or breach of or constitute a default under any provisions of any Laws applicable to EnerGulf or any of its properties or assets; or (3) cause the suspension or revocation of any Permit currently in effect in respect of EnerGulf (except, in the case of each of clauses (1) and (2) above, for such violations, conflicts, breaches, defaults, terminations, accelerations or creations of Encumbrances which, or any consents, approvals or notices which if not given or received, would not, individually or in the aggregate, reasonably be expected to have any Material Adverse Effect on EnerGulf). The authorization of this Agreement, the execution and delivery by EnerGulf of this Agreement, the performance by EnerGulf of its obligations under this Agreement, and the consummation by EnerGulf of the Arrangement, shall not (x) give rise to any rights of first refusal or trigger any change in control provisions or any restrictions or limitation under any such note, bond, mortgage, indenture, contract, license, franchise or Permit, or result in the imposition of any Encumbrance or charge upon any of EnerGulf's assets; (y) 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 EnerGulf or any of the EnerGulf Subsidiaries or increase any benefits otherwise payable under any pension or benefits plan of EnerGulf or any of the EnerGulf Subsidiaries or result in the acceleration of the time of payment or vesting of any such benefits (other than in respect of those employment agreements or other agreements described in the EnerGulf Disclosure Letter); or (z) result in the imposition of any Encumbrances upon any assets of EnerGulf.

- (g) Company Authorizations: EnerGulf and the EnerGulf Subsidiaries have obtained all Authorizations necessary for the ownership or use of the material assets, as currently used, of EnerGulf or the EnerGulf Subsidiaries or otherwise in connection with the material business or operations of EnerGulf or the EnerGulf Subsidiaries and such Authorizations are in full force and effect. EnerGulf and the EnerGulf Subsidiaries have fully complied with and are in compliance with all Authorizations, except, in each case, for such non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect on EnerGulf. There is no action, investigation or proceeding pending or, to the knowledge of EnerGulf, threatened regarding any of the Authorizations. None of EnerGulf and the EnerGulf Subsidiaries has received any notice, whether written or oral, of revocation or non-renewal of any such Authorizations, or of any intention of any Person to revoke or refuse to renew any of such Authorizations, except in each case, for revocations or non-renewals which, individually or in the aggregate, would not have a Material Adverse Effect on EnerGulf and all such Authorizations continue to be effective in order for EnerGulf and the EnerGulf Subsidiaries to continue to conduct their businesses as they are currently being conducted. No Person other than EnerGulf or any of the EnerGulf Subsidiaries owns or has any proprietary, financial or other interest (direct or indirect) in any of the Authorizations.
- (h) Financial Statements and Information: The EnerGulf Financial Statements have been prepared in accordance with IFRS and are complete in all material respects and present fairly the financial condition of EnerGulf as at February 28, 2015. There has been no material change in the financial condition of EnerGulf or the EnerGulf Subsidiaries which has not been publicly disclosed as of the date hereof.
- (i) Audit Complaints: Since the EnerGulf Year End, neither EnerGulf nor any of the EnerGulf Subsidiaries nor, to EnerGulf's knowledge, any director, officer, employee, auditor, accountant or representative of EnerGulf or any of the EnerGulf Subsidiaries has received or otherwise had or obtained knowledge of any complaint, allegation, assertion, or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of EnerGulf or any of the EnerGulf Subsidiaries or their internal accounting controls, including any complaint, allegation, assertion, or claim that EnerGulf or any of the EnerGulf Subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the EnerGulf Board.
- (j) Employment Agreements:
 - (i) EnerGulf and the EnerGulf Subsidiaries are and have been operated in all material respects in compliance with all applicable Laws relating to employees;
 - (ii) there is no material proceeding, action, suit or claim pending or threatened involving any employee of EnerGulf and the EnerGulf Subsidiaries;

- (iii) except as set out in the EnerGulf Disclosure Letter, none of EnerGulf and the EnerGulf Subsidiaries is 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 EnerGulf or any of the EnerGulf Subsidiaries that would be triggered by EnerGulf's entering into this Agreement or the completion of the Arrangement; and
 - (iv) none of EnerGulf and the EnerGulf Subsidiaries: (A) is a party to any collective bargaining agreement; (B) is, to the knowledge of EnerGulf, 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 EnerGulf, pending or threatened strike, lockout, slowdown or work stoppage.
- (k) Reporting Status and Securities Laws Matters: EnerGulf is a “**reporting issuer**” and is in compliance in all material respects with applicable Canadian Securities Laws in each of the provinces of British Columbia and Alberta. No delisting, suspension of trading in or cease trading order with respect to any securities of EnerGulf and, to the knowledge of EnerGulf, no inquiry or investigation (formal or informal) of any Securities Regulator, is in effect or ongoing or, to the knowledge of EnerGulf, expected to be implemented or undertaken. The EnerGulf Shares are listed and posted for trading on the TSXV. EnerGulf is in compliance in all material respects with all requirements of the TSXV. EnerGulf is a Foreign Private Issuer, does not have a class of securities registered or required to be registered under the U.S. Exchange Act, does not have a reporting obligation under section 13(a) or 15(d) of the U.S. Exchange Act and is not registered or required to register as an investment company under the Investment Company Act.
- (l) Public Record: EnerGulf has filed all required reports, statements, forms and other documents required to be filed by it in accordance with Securities Laws and, as of their respective dates, the documents and materials comprising the EnerGulf Disclosure Documents (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any Misrepresentation, and complied in all material respects with all Securities Laws. EnerGulf has not filed any confidential material change or other similar report or document with any Securities Regulator or the TSXV which at the date hereof remains confidential.
- (m) Books and Records: The financial books, records and accounts of EnerGulf in all material respects: (i) have been maintained in accordance with Applicable Accounting Principles, (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of EnerGulf, and (iii) accurately and fairly reflect the basis for the EnerGulf Financial Statements. The corporate records and minute books for EnerGulf have been maintained in

accordance with all applicable Laws and contain complete and accurate minutes of all meetings and resolutions of the directors and shareholders of EnerGulf held and/or passed, as applicable, since their incorporation or amalgamation, as the case may be.

- (n) No Undisclosed Liabilities: EnerGulf has no material outstanding indebtedness or liabilities and is not party to or bound by any material suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than as disclosed in the EnerGulf Financial Statements, the EnerGulf Disclosure Documents or the EnerGulf Disclosure Letter.
- (o) Budget: EnerGulf has maintained payables and other liabilities at levels consistent with past practice and has not created or established any other liabilities or debts in an aggregate amount over \$50,000;
- (p) Absence of Changes: Since the EnerGulf Year End, and except as disclosed in the EnerGulf Disclosure Documents and /or the EnerGulf Disclosure Letter:
 - (i) there has been no change (actual, contemplated or threatened) in the condition (financial or otherwise), earnings, position, value, operation, properties, or business results of operations of EnerGulf or any of the EnerGulf Subsidiaries that has or is reasonably likely to have a Material Adverse Effect on EnerGulf;
 - (ii) there has been no dividend or distribution of any kind declared, paid or made by EnerGulf on any EnerGulf Shares;
 - (iii) EnerGulf and each of the EnerGulf Subsidiaries have conducted their respective businesses only in the ordinary and regular course of business consistent with past practice;
 - (iv) there has not been any acquisition or sale by EnerGulf or any of the EnerGulf Subsidiaries of any material property or assets thereof;
 - (v) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by EnerGulf or any of the EnerGulf Subsidiaries of: (A) any payment, liability or obligation of any nature which has had or is reasonably likely to have a Material Adverse Effect on EnerGulf; (B) any debt for borrowed money; (C) any creation or assumption by EnerGulf or any of the EnerGulf Subsidiaries of any Encumbrance; (D) any making by EnerGulf or any of the EnerGulf Subsidiaries of any loan, advance or capital contribution to or investment in any other Person (other than (1) loans and advances in an aggregate amount that does not exceed \$50,000 outstanding at any time, and (2) loans made to EnerGulf Subsidiaries in the normal course); or (E) any entering into, amendment of, relinquishment, termination or non-renewal by EnerGulf or any of the

EnerGulf Subsidiaries of any contract, agreement, licence, lease transaction, commitment or other right or obligation which has had or is reasonably likely to have a Material Adverse Effect on EnerGulf;

- (vi) other than as set out in the EnerGulf Disclosure Letter, EnerGulf has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding EnerGulf 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 EnerGulf or any of the EnerGulf Subsidiaries 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 made to, for or with any of such directors or officers;
 - (viii) EnerGulf has not effected any material change in its accounting methods, principles or practices since the EnerGulf Year End; and
 - (ix) EnerGulf 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.
- (q) Material Contracts: In all material respects, the Material Contracts are in full force and effect and EnerGulf and/or EnerGulf Subsidiaries, as and to the extent applicable, are entitled to all rights and benefits thereunder in accordance with the terms thereof. EnerGulf has made available to Columbus true and complete copies of all Material Contracts. All of the Material Contracts are valid and binding obligations of EnerGulf or an EnerGulf Subsidiary, as applicable, enforceable, in all material respects, in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. EnerGulf and the EnerGulf Subsidiaries have complied in all material respects with all terms of such Material Contracts, have paid all amounts due thereunder, have not waived any rights thereunder and no default or breach exists in respect thereof on the part of EnerGulf or any of the EnerGulf Subsidiaries or, to the knowledge of EnerGulf, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any of the Material Contracts. As at the date hereof, neither EnerGulf nor any of the EnerGulf Subsidiaries have received written notice that any party to a Material Contract intends to cancel, terminate or otherwise modify or not renew such Material Contract, and to the knowledge of EnerGulf, no such action has been threatened. Neither EnerGulf nor any of the EnerGulf Subsidiaries is a party to any Material Contract that contains any non-competition

obligation or otherwise restricts in any material way the business of EnerGulf or any of the EnerGulf Subsidiaries.

- (r) Compliance with Law: To the best of the knowledge of EnerGulf, EnerGulf and each of the EnerGulf Subsidiaries have complied with and are in compliance with all Laws applicable to the operation of its business, except where such non-compliance, considered individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect on EnerGulf or any of the EnerGulf Subsidiaries.
- (s) Litigation, etc: Except as disclosed in the EnerGulf Disclosure Letter, there are no claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of EnerGulf, threatened or affecting EnerGulf or any of the EnerGulf Subsidiaries or affecting any of its respective property or assets at law or in equity before or by any Governmental Entity, including matters arising under Environmental Laws which, if adversely determined, would be reasonably likely to have a Material Adverse Effect on EnerGulf. Neither EnerGulf, any of the EnerGulf Subsidiaries, nor their assets or properties are subject to any outstanding judgement, order, writ, injunction or decree that involves or may involve or restricts or may restrict the right or ability of EnerGulf or any of the EnerGulf Subsidiaries to conduct their business in all material respects as it has been carried on prior to the date hereof, or that would materially impair the consummation of the transactions contemplated by this Agreement.
- (t) Absence of Cease Trade Orders: No order ceasing or suspending trading in the EnerGulf Shares (or any of them) or any other securities of EnerGulf is outstanding and no proceedings for this purpose have been instituted or, to the knowledge of EnerGulf, are pending, contemplated or threatened.
- (u) Interest in EnerGulf Oil and Gas Rights: All of EnerGulf's oil and gas interests and rights (including all its exploration licences and mining rights, in each case, either existing under contract, by operation of Laws or otherwise) (collectively, and where material, the "**EnerGulf Oil and Gas Rights**") are set out in the EnerGulf Disclosure Letter. Except as disclosed in the EnerGulf Disclosure Documents and the EnerGulf Disclosure Letter:
 - (i) neither EnerGulf nor any of the EnerGulf Subsidiaries own or has any interest in any material real property or any material oil and gas interests and rights;
 - (ii) EnerGulf Subsidiaries are the sole legal and beneficial owner of all right, title and interest in and to the EnerGulf Oil and Gas Rights, free and clear of any Encumbrance, other than those set forth in the EnerGulf Disclosure Letter, the EnerGulf Disclosure Documents or which would not otherwise have a Material Adverse Effect on EnerGulf;

- (iii) the EnerGulf Oil and Gas Rights are in good standing under applicable Laws and, to the knowledge of EnerGulf, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments required to be made in respect thereof have been paid or incurred and all filings in respect thereof have been made;
 - (iv) there are no material adverse claims against or challenges to the title or ownership of the EnerGulf Oil and Gas Rights which would reasonably be expected to have a Material Adverse Effect on EnerGulf;
 - (v) Each of the EnerGulf Subsidiaries has the exclusive right to deal with its interest in the EnerGulf Oil and Gas Rights;
 - (vi) no Person, other than EnerGulf, the EnerGulf Subsidiaries, the Democratic Republic of the Congo, COHYDRO (the national oil company of the Democratic Republic of the Congo), the Republic of Namibia and NAMCOR (the national oil company of the Republic of Namibia) , has any interest in the EnerGulf Oil and Gas Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest;
 - (vii) there are no back-in rights, earn-in rights, purchase options, rights of first refusal or similar provisions or rights which would affect EnerGulf's interest in the EnerGulf Oil and Gas Rights;
 - (viii) there are no material restrictions on the ability of the EnerGulf Subsidiaries to use or transfer the EnerGulf Oil and Gas Rights, subject to applicable Laws;
 - (ix) EnerGulf has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of the EnerGulf Subsidiaries in the EnerGulf Oil and Gas Rights; and
 - (x) EnerGulf has all necessary rights, Authorizations and approvals to conduct its current activities with respect to the EnerGulf Oil and Gas Rights.
- (v) Oil and Gas Resources: The oil and natural gas reserves and resources disclosed in the EnerGulf Disclosure Documents were evaluated and reported in accordance with accepted engineering practices and applicable Laws and were, at such date, in compliance in all material respects with the requirements applicable to the presentation of such reserves and resources in documents filed with the applicable Securities Regulators, including without limitation the provisions of NI 51-101. There has been no material reduction in the aggregate amount of reserves and resources of EnerGulf and the EnerGulf Subsidiaries from the amounts publicly disclosed by EnerGulf.

- (w) Operational Matters. Except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect on EnerGulf:
- (i) all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof (if any) under, with respect to, or on account of, any direct or indirect assets of EnerGulf, or any of the EnerGulf Subsidiaries and any of their material joint ventures, have been: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof; and
 - (ii) all costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which EnerGulf or any of the EnerGulf Subsidiaries or any of its material joint ventures is directly or indirectly bound, have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.
- (x) Off Balance Sheet Transactions. None of EnerGulf or any of the EnerGulf Subsidiaries is a party to or bound by any operating leases or any “off-balance-sheet” transactions or arrangements.
- (y) Title and Rights re: Other Assets. EnerGulf and the EnerGulf Subsidiaries, as applicable, have good and valid title to all material properties and assets other than the EnerGulf Oil and Gas Rights (which are addressed elsewhere) reflected in the audited consolidated financial statements for the EnerGulf Year End (or acquired after that date) or valid leasehold or license interests in all material properties and assets not reflected in such financial statements but used by EnerGulf or any of the EnerGulf Subsidiaries, free and clear of all material Encumbrances, other than the Permitted Encumbrances, and there are no back-in rights, earn-in rights, purchase options, rights to first refusal or similar provisions or rights which would affect EnerGulf’s or any of the EnerGulf Subsidiaries’ interest in any of the foregoing-described material properties and assets.
- (z) Environmental: To the knowledge of EnerGulf, each of EnerGulf and the EnerGulf Subsidiaries and their respective businesses, operations and properties:
- (i) is in compliance with all Environmental Laws and all terms and conditions of all Environmental Approvals, except where the failure to be in compliance would not reasonably be expected to have a Material Adverse Effect on EnerGulf;
 - (ii) has not received any order, request or notice from any Person alleging a material violation of any Environmental Law;
 - (iii) (i) is not a party to any litigation or administrative proceeding, nor so far as it knows is any litigation or administrative proceeding threatened against it or its property or assets, which in either case (1) asserts or

alleges that it violated any Environmental Law, (2) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the Environmental Release of any Hazardous Substances, or (3) asserts or alleges that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Environmental Release of any Hazardous Substances, (ii) has no knowledge of any conditions existing currently which could reasonably be expected to subject it to damages, penalties, injunctive relief or cleanup costs under any Environmental Law or which require or are likely to require cleanup, removal, remedial action or other response by it pursuant to applicable Environmental Laws; and (iii) is not subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Laws and has not been named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Law;

- (iv) is not involved in operations and does not know of any facts, circumstances or conditions, including any Environmental Release of Hazardous Substances, that would reasonably be expected to result in any environmental liabilities that would reasonably be expected to have a Material Adverse Effect on EnerGulf;
- (v) EnerGulf and the EnerGulf Subsidiaries hold all Environmental Approvals required under any Environmental Laws in connection with the operation of their respective businesses, as currently operated, and the ownership and use including rehabilitation of their respective assets, all such Environmental Approvals are in full force and effect, and neither EnerGulf nor any of the EnerGulf Subsidiaries has received any notification from any Governmental Entity pursuant to any Environmental Laws that any work, undertaking, study, report, assessment, repairs, constructions or other expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any Environmental Approvals issued pursuant thereto, or that any Environmental Approvals referred to above are about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
- (vi) there are no changes in the status, terms or conditions of any Environmental Approvals held by EnerGulf or any of the EnerGulf Subsidiaries, or any renewal, modification, revocation, reassurance, alteration, transfer, restriction or amendment of any such Environmental Approvals, or any review by, or approval of, any Governmental Entity of such Environmental Approvals that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business and

operations of EnerGulf or any of the EnerGulf Subsidiaries following the Effective Date;

- (vii) EnerGulf and the EnerGulf Subsidiaries have made available to Columbus all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental, health and safety matters; and
 - (viii) to the knowledge of EnerGulf, none of EnerGulf and the EnerGulf Subsidiaries are subject to any past or present fact, condition or circumstance that could reasonably be expected to result in liability under any Environmental Laws that would reasonably be expected to have a Material Adverse Effect on EnerGulf.
- (aa) Tax Matters: Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on EnerGulf:
- (i) each of EnerGulf and the EnerGulf Subsidiaries 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 Entity and such Tax Returns are complete and correct;
 - (ii) each of EnerGulf and the EnerGulf Subsidiaries 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 Laws to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Laws 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, sales, value added and federal, provincial, state or territorial sales taxes, required by Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Laws to be remitted by it;
 - (iii) the charges, accruals and reserves for Taxes reflected on the EnerGulf Financial Statements (whether or not due and whether or not shown on any of the Tax Returns but excluding any provision for deferred income taxes) are, in the opinion of EnerGulf, adequate under Applicable Accounting Principles to cover Taxes with respect to EnerGulf and the EnerGulf Subsidiaries accruing for the periods covered thereby;
 - (iv) there are no proceedings, investigations, audits, assessments, reassessments or claims now pending or to the knowledge of EnerGulf, threatened against EnerGulf or the EnerGulf Subsidiaries that propose to assess Taxes in addition to those reported in the Tax Returns;

- (v) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to EnerGulf or any of the EnerGulf Subsidiaries;
- (vi) none of EnerGulf and the EnerGulf Subsidiaries has entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date;
- (vii) there are no proceedings, investigations, audits or claims now pending or threatened against EnerGulf or any of the EnerGulf Subsidiaries in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes;
- (viii) neither EnerGulf nor any of the EnerGulf Subsidiaries has acquired property from a non-arm's length Person, within the meaning of the Tax Act: (A) for consideration the value of which is less than the fair market value of the property; or (B) as a contribution of capital for which no shares were issued by the acquirer of the property;
- (ix) for the purposes of the Tax Act and any other relevant Tax purposes:
 - (A) EnerGulf is resident in Canada; and
 - (B) each of the EnerGulf Subsidiaries is resident in the jurisdiction in which it was formed, and is not resident in any other country;
- (x) there are no Encumbrances for Taxes upon any properties or assets of EnerGulf or any of the EnerGulf Subsidiaries (other than Encumbrances relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included in the EnerGulf Financial Statements);
- (xi) Neither EnerGulf nor any of its Subsidiaries is an "expatriated entity" within the meaning of Section 7874 of the U.S. Tax Code;
- (xii) Neither EnerGulf nor any of its Subsidiaries has received any notice or inquiry from any Governmental Entity outside of the country in which it or its Subsidiaries, respectively, is organized, to the effect that it or any of its Subsidiaries is subject to net basis taxation or is tax resident or tax domiciled in any country other than the country in which it or any of its Subsidiaries, respectively, is organized;
- (xiii) EnerGulf does not own, and shall not own on the Effective Date, any "United States real property interest" as defined under section 897(c)(1)(A) of the U.S. Tax Code and regulations promulgated thereunder;

- (xiv) There are no circumstances existing which could result in the application of section 17, section 78, section 79, or sections 80 to 80.04 of the Tax Act, or any equivalent provision under applicable provincial law, to EnerGulf. EnerGulf has not claimed nor shall it claim any reserve under any provision of the Tax Act or any equivalent provincial provision, if any amount could be included in the income of the EnerGulf for any period ending after the Effective Time; and
- (xv) For all transactions between EnerGulf, on the one hand, and any non-resident Person with whom EnerGulf was not dealing at arm's length, for the purposes of the Tax Act, on the other hand, during a taxation year commencing after 1998 and ending on or before the Effective Time, EnerGulf has made or obtained records or documents that satisfy the requirements of paragraphs 247(4)(a) to (c) of the Tax Act.
- (bb) Insurance: As of the date hereof, EnerGulf has in place reasonable and prudent insurance policies appropriate for its size, nature and stage of development. All premiums payable prior to the date hereof under such policies of insurance have been paid and neither EnerGulf nor any of the EnerGulf Subsidiaries has failed to make a claim thereunder on a timely basis. Each of such policies and other forms of insurance is in full force and effect on the date hereof. No written, or to the knowledge of EnerGulf other, notice of cancellation or termination has been received by EnerGulf or any EnerGulf Subsidiaries with respect to any such policy.
- (cc) Non-Arm's Length Transactions: Except for employment or employment compensation agreements entered into in the ordinary course of business and as disclosed in the EnerGulf Disclosure Documents and in the EnerGulf Disclosure Letter, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by EnerGulf or any of the EnerGulf Subsidiaries) between EnerGulf or any of the EnerGulf Subsidiaries on the one hand, and any: (i) officer or director of EnerGulf or any of the EnerGulf Subsidiaries; (ii) any holder of record or, to the knowledge of EnerGulf, beneficial owner of five percent or more of the voting securities of EnerGulf; or (iii) any affiliate or associate of any officer, director or beneficial owner, on the other hand.
- (dd) 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 EnerGulf or the EnerGulf Subsidiaries of the material assets of EnerGulf.
- (ee) Winding Up: No order has been made, petition presented or meeting convened for the purpose of winding up of EnerGulf or any of the EnerGulf Subsidiaries, or for the appointment of any provisional liquidator or in relation to any other process whereby the business is terminated and the assets of EnerGulf or any of the EnerGulf Subsidiaries are distributed amongst the creditors and/or shareholders or other contributors, and there are no proceedings under any

applicable insolvency, bankruptcy, reorganisation or similar laws in any relevant jurisdiction, and no events have occurred which, under applicable Laws, would be reasonably likely to justify any such cases or proceedings.

- (ff) Brokers: No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of EnerGulf, other than the fees and expenses of which are as set forth in the EnerGulf Disclosure Letter.
- (gg) No Expropriation: No property or asset of EnerGulf or any of the EnerGulf Subsidiaries (including any EnerGulf Oil and Gas Rights) has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of EnerGulf, is there any intent or proposal to give any such notice or to commence any such proceeding.
- (hh) Corrupt Practices: Neither EnerGulf, EnerGulf Subsidiaries, nor, to the knowledge of EnerGulf, any of their respective officers, directors or employees acting on behalf of EnerGulf or an EnerGulf Subsidiary has taken, committed to take or been alleged to have taken any action which would cause EnerGulf or an EnerGulf Subsidiary to be in violation of the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Laws of similar effect of any other jurisdiction, and to the knowledge of EnerGulf no such action has been taken by any of its Affiliates, agents, representatives or other Persons acting on behalf of EnerGulf or any EnerGulf Subsidiary.
- (ii) Confidentiality Agreements: EnerGulf has not negotiated any Acquisition Proposal with any Person who has not entered into a confidentiality agreement and has not waived any "standstill" provisions in any such agreement, and no such agreement contains any provision currently in effect which would require EnerGulf to pay any break fee or similar payment to any Person, other than Columbus pursuant to this Agreement.
- (jj) Competition Act: As calculated in accordance with Part IX of the *Competition Act* and the regulations thereto, EnerGulf and its affiliates (as that term is defined in the *Competition Act*) have: a) assets in Canada with a book value of less than \$369 million; and b) gross revenues from sales in, from or into Canada of less than \$369 million.
- (kk) Vote Required: No vote or approval of the holders of EnerGulf Shares or the holder of any other securities of the EnerGulf is necessary to approve this Agreement, the Arrangement or the other transactions contemplated herein.
- (ll) Ownership of or Control over Columbus Securities: Except as is set out in the EnerGulf Disclosure Letter, neither EnerGulf nor any Person acting jointly or in

concert with EnerGulf legally or beneficially owns or exercises control or direction over any securities of Columbus.

- (mm) Issuance of EnerGulf Shares: The EnerGulf Shares to be issued pursuant to the Arrangement shall, when issued, be duly and validly issued as fully paid and non-assessable common shares in the capital of EnerGulf, freely tradeable and listed and posted for trading on the TSXV.
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Schedule 3

REPRESENTATIONS AND WARRANTIES OF COLUMBUS

Each of the representations and warranties of Columbus set forth in this Schedule 3 is qualified and made subject to the disclosures made in the Columbus Disclosure Documents and the Columbus Disclosure Letter. Any specific reference to the Columbus Disclosure Documents or the Columbus Disclosure Letter herein is solely for convenience of reference. Columbus hereby represents and warrants to EnerGulf (and acknowledges that EnerGulf is relying upon such representations and warranties in connection with entering into this Agreement) as set forth below:

- (a) **Organization:** Columbus is a validly subsisting corporation under the laws of its jurisdiction of incorporation and has the corporate power, authority and capacity, and holds all material titles, licenses (but not, at the date of this Agreement, the Hydrocarbon License), contractual interests and permits required for Columbus to own or lease its properties and assets and to carry on its business as now conducted by it except where the failure to hold such licenses, contractual interests or permits individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect on Columbus. At the Effective Time, each of the Columbus Subsidiaries shall be a validly subsisting corporation under the laws of its jurisdiction of incorporation and shall have the corporate power, authority and capacity, and hold all material titles, licenses, contractual interests and permits required for the Columbus to own or lease its properties and assets and to carry on its business as then conducted by it except where the failure to hold such licenses, contractual interests or permits individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect on the Columbus taken as a whole.
- (b) **Capitalization:** The authorized share capital of Columbus consists of an unlimited number of Columbus Shares. The number of issued and outstanding Columbus Shares and Columbus Options as at the date hereof is set forth in the Columbus Disclosure Letter. Other than the Columbus Option Plan and as set forth in the Columbus Disclosure Letter, there are no options, warrants, conversion privileges or other rights, shareholder rights plans, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by Columbus of any securities of Columbus (including Columbus Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of Columbus (including Columbus Shares). All outstanding Columbus Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all Columbus Shares issuable upon the exercise of rights under the Columbus Options have been duly authorized and, upon issuance, shall be validly issued as fully paid and non-assessable, and are not and shall not be subject to, or issued in violation of, any pre-emptive rights or the Columbus Option Plan. All securities of Columbus

(including the Columbus Shares and the Columbus Options) have been issued in compliance with all applicable Laws and Securities Laws and as to the Columbus Options, the Columbus Option Plan. There are no securities of Columbus outstanding which have the right to vote generally with the Columbus Shareholders on any matter. There are no outstanding contractual or other obligations of Columbus or any of the Columbus Subsidiaries to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposing of any of its outstanding securities. There are no outstanding bonds, debentures or other evidences of indebtedness of Columbus having the right to vote with the holders of the outstanding Columbus Shares on any matters.

- (c) Authority: Columbus has the requisite corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Columbus 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 Columbus and the performance by Columbus and of its obligations under this Agreement have been duly authorized by the Columbus Board and no other corporate proceedings on the part of Columbus or any of the Columbus Subsidiaries is necessary to authorize the execution and delivery of this Agreement or the performance by Columbus and its obligations under this Agreement or the Arrangement pursuant to the Plan of Arrangement, except for the authorization of Columbus Shareholders of the Arrangement Resolution. This Agreement has been duly executed and delivered by Columbus and constitutes a legal, valid and binding obligation of Columbus, enforceable against Columbus in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (d) No Consent: No consent, approval, order or Authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Columbus or any of the Columbus Subsidiaries in connection with the execution and delivery of this Agreement or the consummation by Columbus of the transactions contemplated hereby other than:
 - (i) the Columbus Shareholder Approval;
 - (ii) in connection with or in compliance with Securities Laws and applicable TSXV rules;
 - (iii) obtaining the Interim Order and Final Order, obtaining any approvals required by the Interim Order and Final Order and the filing of any documents as may be required to be filed with the Registrar;
 - (iv) any other consents, waivers, permits, orders or approvals referred to in this Agreement; and

- (v) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Columbus.
- (e) Columbus Subsidiaries: The only Subsidiaries of Columbus are the Columbus Subsidiaries and Columbus does not own a direct or indirect voting or equity interest in any Person that is not one of the Columbus Subsidiaries and has no agreement or other commitment to acquire such interest. The authorized and issued securities of each Columbus Subsidiary is set out in the Columbus Disclosure Letter. All of the outstanding shares of the Columbus Subsidiaries are validly issued, fully paid and non-assessable and free of pre-emptive rights to the extent such concepts exist under applicable Laws. Except as set out in the Columbus Disclosure Letter, all of the outstanding shares of the Columbus Subsidiaries are owned, directly or indirectly, by Columbus. Except pursuant to restrictions on transfer contained in the Articles or by-laws (or their equivalent) of the applicable Subsidiary of Columbus, the outstanding shares of the Columbus Subsidiaries are owned free and clear of all Encumbrances, and Columbus is not liable to any creditor in respect thereof.
- (f) No Violation: None of the authorization, execution and delivery of this Agreement by Columbus, the completion of the transactions contemplated by this Agreement or the Plan of Arrangement, or compliance by Columbus with any of the provisions hereof or thereof shall: (1) violate, conflict with, or result (with or without notice or the passage of time) in a violation or breach of any provision of, or require, any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon, any of the properties or assets of Columbus, or cause any indebtedness to come due before its stated maturity or cause any credit commitment to cease to be available or cause any payment or other obligation to be imposed on Columbus, under any of the terms, conditions or provisions of (A) its articles or other comparable organizational documents, or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, Encumbrance, license, permit, or other Contract; or (2) result (with or without notice or the passage of time) in a violation or breach of or constitute a default under any provisions of any Laws applicable to Columbus or any of its properties or assets; or (3) cause the suspension or revocation of any Permit currently in effect in respect of Columbus (except, in the case of each of clauses (1) and (2) above, for such violations, conflicts, breaches, defaults, terminations, accelerations or creations of Encumbrances which, or any consents, approvals or notices which if not given or received, would not, individually or in the aggregate, reasonably be expected to have any Material Adverse Effect on Columbus). The authorization of this Agreement, the execution and delivery by Columbus of this Agreement, the performance by Columbus of its obligations under this Agreement, and the consummation by Columbus of the Arrangement, shall not (x) give rise to any rights of first refusal or trigger any change in control provisions or any restrictions or limitation under any such note, bond, mortgage, indenture, contract, license,

franchise or Permit, or result in the imposition of any Encumbrance or charge upon any of Columbus's assets; (y) 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 Columbus or any of the Columbus Subsidiaries or increase any benefits otherwise payable under any pension or benefits plan of Columbus or any of the Columbus Subsidiaries or result in the acceleration of the time of payment or vesting of any such benefits (other than in respect of those employment agreements or other agreements described in the Columbus Disclosure Letter); or (z) result in the imposition of any Encumbrances upon any assets of Columbus.

- (g) Company Authorizations: Columbus and the Columbus Subsidiaries have obtained all Authorizations necessary for the ownership or use of the material assets, as currently used, of Columbus or the Columbus Subsidiaries or otherwise in connection with the material business or operations of Columbus or the Columbus Subsidiaries and such Authorizations are in full force and effect. Columbus and the Columbus Subsidiaries have fully complied with and are in compliance with all Authorizations, except, in each case, for such non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect on Columbus. There is no action, investigation or proceeding pending or, to the knowledge of Columbus, threatened regarding any of the Authorizations. None of Columbus and the Columbus Subsidiaries has received any notice, whether written or oral, of revocation or non-renewal of any such Authorizations, or of any intention of any Person to revoke or refuse to renew any of such Authorizations, except in each case, for revocations or non-renewals which, individually or in the aggregate, would not have a Material Adverse Effect on Columbus and all such Authorizations continue to be effective in order for Columbus and the Columbus Subsidiaries to continue to conduct their businesses as they are currently being conducted. No Person other than Columbus or any of the Columbus Subsidiaries owns or has any proprietary, financial or other interest (direct or indirect) in any of the Authorizations.
- (h) Financial Statements and Information: The Columbus Financial Statements have been prepared in accordance with IFRS and are complete in all material respects and present fairly the financial condition of Columbus as at May 31, 2014 and February 28, 2015, respectively. There has been no material change in the financial condition of Columbus which has not been publicly disclosed as of the date hereof.
- (i) Audit Complaints: Since the Columbus Year End, neither Columbus nor any of the Columbus Subsidiaries nor, to Columbus's knowledge, any director, officer, employee, auditor, accountant or representative of Columbus or any of the Columbus Subsidiaries has received or otherwise had or obtained knowledge of any complaint, allegation, assertion, or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Columbus or any of the Columbus Subsidiaries or their internal accounting

controls, including any complaint, allegation, assertion, or claim that Columbus or any of the Columbus Subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the Columbus Board.

(j) Employment Agreements:

- (i) Columbus and the Columbus Subsidiaries are and have been operated in all material respects in compliance with all applicable Laws relating to employees;
- (ii) there is no material proceeding, action, suit or claim pending or threatened involving any employee of Columbus and the Columbus Subsidiaries;
- (iii) except as set out in the Columbus Disclosure Letter, none of Columbus and the Columbus Subsidiaries is 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 Columbus or any of the Columbus Subsidiaries that would be triggered by Columbus's entering into this Agreement or the completion of the Arrangement; and
- (iv) none of Columbus and the Columbus Subsidiaries: (A) is a party to any collective bargaining agreement; (B) is, to the knowledge of Columbus, 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 Columbus, pending or threatened strike, lockout, slowdown or work stoppage.

(k) Reporting Status and Securities Laws Matters: Columbus is a “**reporting issuer**” and is in compliance in all material respects with applicable Canadian Securities Laws in each of the provinces of British Columbia, Alberta, and Ontario. No delisting, suspension of trading in or cease trading order with respect to any securities of Columbus and, to the knowledge of Columbus, no inquiry or investigation (formal or informal) of any Securities Regulator, is in effect or ongoing or, to the knowledge of Columbus, expected to be implemented or undertaken. The Columbus Shares are listed and posted for trading on the TSXV. Columbus is in compliance in all material respects with all requirements of the TSXV. Columbus is a Foreign Private Issuer, does not have a class of securities registered or required to be registered under the U.S. Exchange Act, does not have a reporting obligation under section 13(a) or 15(d) of the U.S. Exchange Act, and is not registered or required to register as an investment company under the Investment Company Act.

(l) Public Record: Columbus has filed all required reports, statements, forms and other documents required to be filed by it in accordance with Securities Laws and,

as of their respective dates, the documents and materials comprising the Columbus Disclosure Documents (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any Misrepresentation, and complied in all material respects with all Securities Laws. Columbus has not filed any confidential material change or other similar report or document with any Securities Regulator or the TSXV which at the date hereof remains confidential.

- (m) Books and Records: The financial books, records and accounts of Columbus in all material respects: (i) have been maintained in accordance with Applicable Accounting Principles, (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Columbus, and (iii) accurately and fairly reflect the basis for the Columbus Financial Statements. The corporate records and minute books for Columbus have been maintained in accordance with all applicable Laws and contain complete and accurate minutes of all meetings and resolutions of the directors and shareholders of Columbus held and/or passed, as applicable, since their incorporation or amalgamation, as the case may be.
- (n) No Undisclosed Liabilities: Columbus has no material outstanding indebtedness or liabilities and is not party to or bound by any material suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than as disclosed in the Columbus Financial Statements, the Columbus Disclosure Documents or the Columbus Disclosure Letter.
- (o) Budget: Columbus has maintained payables and other liabilities at levels consistent with past practice and has not created or established any other liabilities or debts in an aggregate amount over \$50,000, but excluding the following, all of which has been disclosed to EnerGulf previously and is disclosed in the Columbus Disclosure Letter:
 - (i) the initial fee payable to the government of Albania within 60 days of granting the Production Sharing Contract of US\$30,000;
 - (ii) the estimated amount of US\$28,000 required to be maintained by Columbus with a bank in Albania in connection with the US\$1,400,000 minimum work program required for the “First Exploration Period” of 3 years thereunder;
 - (iii) any legal, consulting and other fees payable in connection with the Transaction contemplated hereby;
 - (iv) the reimbursement by Columbus of expenses incurred by a third party in connection with obtaining the Hydrocarbon License and securing the Production Sharing Contract in the amount of \$90,000; and

- (v) any finders' fees payable in connection with the sale of the chromite license.
- (p) Absence of Changes: Since the Columbus Year End, and except as disclosed in the Columbus Disclosure Documents and/or the Columbus Disclosure Letter:
 - (i) there has been no change (actual, contemplated or threatened) in the condition (financial or otherwise), earnings, position, value, operation, properties, or business results of operations of Columbus or any of the Columbus Subsidiaries that has or is reasonably likely to have a Material Adverse Effect on Columbus;
 - (ii) there has been no dividend or distribution of any kind declared, paid or made by Columbus on any Columbus Shares;
 - (iii) Columbus and each of the Columbus Subsidiaries have conducted their respective businesses only in the ordinary and regular course of business consistent with past practice;
 - (iv) there has not been any acquisition or sale by Columbus or any of the Columbus Subsidiaries of any material property or assets thereof;
 - (v) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Columbus or any of the Columbus Subsidiaries of: (A) any payment, liability or obligation of any nature which has had or is reasonably likely to have a Material Adverse Effect on Columbus; (B) any debt for borrowed money; (C) any creation or assumption by Columbus or any of the Columbus Subsidiaries of any Encumbrance; (D) any making by Columbus or any of the Columbus Subsidiaries of any loan, advance or capital contribution to or investment in any other Person (other than (1) loans and advances in an aggregate amount that does not exceed \$50,000 outstanding at any time, and (2) loans made to Columbus Subsidiaries in the normal course); or (E) any entering into, amendment of, relinquishment, termination or non-renewal by Columbus or any of the Columbus Subsidiaries of any contract, agreement, licence, lease transaction, commitment or other right or obligation which has had or is reasonably likely to have a Material Adverse Effect on Columbus;
 - (vi) Columbus has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Columbus Shares;
 - (vii) other than in the ordinary and regular course of business consistent with past practice, or as disclosed in the Columbus Disclosure Letter, there has not been any material increase in or modification of the compensation payable to or to become payable by Columbus or any of the Columbus Subsidiaries 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 made to, for or with any of such directors or officers;

- (viii) Columbus has not effected any material change in its accounting methods, principles or practices since the Columbus Year End; and
- (ix) Columbus 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.
- (q) Material Contracts: In all material respects, the Material Contracts are in full force and effect and Columbus and/or Columbus Subsidiaries, as and to the extent applicable, are entitled to all rights and benefits thereunder in accordance with the terms thereof. All of the Material Contracts are valid and binding obligations of Columbus or a Columbus Subsidiary, as applicable, enforceable, in all material respects, in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. Columbus and the Columbus Subsidiaries have complied in all material respects with all terms of such Material Contracts, have paid all amounts due thereunder, have not waived any rights thereunder and no default or breach exists in respect thereof on the part of Columbus or any of the Columbus Subsidiaries or, to the knowledge of Columbus, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any of the Material Contracts. As at the date hereof, neither Columbus nor any of the Columbus Subsidiaries have received written notice that any party to a Material Contract intends to cancel, terminate or otherwise modify or not renew such Material Contract, and to the knowledge of Columbus, no such action has been threatened. Neither Columbus nor any of the Columbus Subsidiaries is a party to any Material Contract that contains any non-competition obligation or otherwise restricts in any material way the business of Columbus or any of the Columbus Subsidiaries.
- (r) Compliance with Law: To the best of the knowledge of Columbus, Columbus and each of the Columbus Subsidiaries have complied with and are in compliance with all Laws applicable to the operation of its business, except where such non-compliance, considered individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect on Columbus or any of the Columbus Subsidiaries.
- (s) Litigation, etc: Except as disclosed in the Columbus Disclosure Letter, there are no claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of Columbus, threatened or affecting Columbus or any of the Columbus Subsidiaries or affecting any of its respective property or assets at law

or in equity before or by any Governmental Entity, including matters arising under Environmental Laws which, if adversely determined, would be reasonably likely to have a Material Adverse Effect on Columbus. Neither Columbus, any of the Columbus Subsidiaries, nor their assets or properties are subject to any outstanding judgement, order, writ, injunction or decree that involves or may involve or restricts or may restrict the right or ability of Columbus or any of the Columbus Subsidiaries to conduct their business in all material respects as it has been carried on prior to the date hereof, or that would materially impair the consummation of the transactions contemplated by this Agreement.

- (t) Absence of Cease Trade Orders: No order ceasing or suspending trading in the Columbus Shares (or any of them) or any other securities of Columbus is outstanding and no proceedings for this purpose have been instituted or, to the knowledge of Columbus, are pending, contemplated or threatened.
- (u) Interest in Columbus Mineral Rights: All of Columbus's mineral interests and rights (including all its exploration licences and mining rights, in each case, either existing under contract, by operation of Laws or otherwise) (collectively, and where material, the "**Columbus Mineral Rights**") are set out in the Columbus Disclosure Letter. Except as disclosed in the Columbus Disclosure Documents and the Columbus Disclosure Letter:
 - (i) neither Columbus nor any of the Columbus Subsidiaries own or has any interest in any material real property or any material mineral interests and rights;
 - (ii) Columbus Subsidiaries are the sole legal and beneficial owner of all right, title and interest in and to the Columbus Mineral Rights, free and clear of any Encumbrance, other than those set forth in the Columbus Disclosure Letter, the Columbus Disclosure Documents or which would not otherwise have a Material Adverse Effect on Columbus;
 - (iii) the Columbus Mineral Rights are in good standing under applicable Laws and, to the knowledge of Columbus, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments required to be made in respect thereof have been paid or incurred and all filings in respect thereof have been made;
 - (iv) there are no material adverse claims against or challenges to the title or ownership of the Columbus Mineral Rights which would reasonably be expected to have a Material Adverse Effect on Columbus;
 - (v) Columbus Subsidiaries have the exclusive right to deal with their interest in the Columbus Mineral Rights;

- (vi) no Person has any interest in the Columbus Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest;
 - (vii) there are no back-in rights, earn-in rights, purchase options, rights of first refusal or similar provisions or rights which would affect Columbus's interest in the Columbus Mineral Rights;
 - (viii) there are no material restrictions on the ability of Columbus to use or transfer the Columbus Mineral Rights, subject to applicable Laws;
 - (ix) Columbus has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of the Columbus Subsidiaries in the Columbus Mineral Rights;
 - (x) Columbus has all necessary rights to conduct its current activities with respect to the Columbus Mineral Rights; and
 - (xi) No mines have been or are located in or on the lands of Columbus.
- (v) Operational Matters. Except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect on Columbus, or as otherwise disclosed by Columbus herein or in the Columbus Disclosure Letter:
- (i) all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable (if any), or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of Columbus, or any of the Columbus Subsidiaries and any of their material joint ventures, have been: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof; and
 - (ii) all costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which Columbus or any of the Columbus Subsidiaries or any of its material joint ventures is directly or indirectly bound, have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business, or which are to be paid by EnerGulf, as set out on Columbus Disclosure Letter and in subsection (o) of this Schedule 3.
- (w) Off Balance Sheet Transactions. None of Columbus or any of the Columbus Subsidiaries is a party to or bound by any operating leases or any "off-balance-sheet" transactions or arrangements.
- (x) Title and Rights re: Other Assets. Columbus and the Columbus Subsidiaries, as applicable, have good and valid title to all assets other than the Columbus Mineral Rights (which are addressed elsewhere) reflected in the audited consolidated

financial statements for the Columbus Year End (or acquired after that date) or valid leasehold or license interests in all such assets not reflected in such financial statements but used by Columbus or any of the Columbus Subsidiaries, free and clear of all material Encumbrances, other than the Permitted Encumbrances, and there are no back-in rights, earn-in rights, purchase options, rights to first refusal or similar provisions or rights which would affect Columbus's or any of the Columbus Subsidiaries' interest in any of the foregoing-described material properties and assets.

- (y) Environmental: To the knowledge of Columbus, each of Columbus and the Columbus Subsidiaries and their respective businesses, operations and properties:
- (i) is in compliance with all Environmental Laws and all terms and conditions of all Environmental Approvals, except where the failure to be in compliance would not reasonably be expected to have a Material Adverse Effect on Columbus;
 - (ii) has not received any order, request or notice from any Person alleging a material violation of any Environmental Law;
 - (iii) (i) is not a party to any litigation or administrative proceeding, nor so far as it knows is any litigation or administrative proceeding threatened against it or its property or assets, which in either case (1) asserts or alleges that it violated any Environmental Law, (2) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the Environmental Release of any Hazardous Substances, or (3) asserts or alleges that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Environmental Release of any Hazardous Substances, (ii) has no knowledge of any conditions existing currently which could reasonably be expected to subject it to damages, penalties, injunctive relief or cleanup costs under any Environmental Law or which require or are likely to require cleanup, removal, remedial action or other response by it pursuant to applicable Environmental Laws; and (iii) is not subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Laws and has not been named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Law;
 - (iv) is not involved in operations and does not know of any facts, circumstances or conditions, including any Environmental Release of Hazardous Substances, that would reasonably be expected to result in any environmental liabilities that would reasonably be expected to have a Material Adverse Effect on Columbus;

- (v) Columbus and the Columbus Subsidiaries hold all Environmental Approvals required under any Environmental Laws in connection with the operation of their respective businesses, as currently operated, and the ownership and use including rehabilitation of their respective assets, all such Environmental Approvals are in full force and effect, and neither Columbus nor any of the Columbus Subsidiaries has received any notification from any Governmental Entity pursuant to any Environmental Laws that any work, undertaking, study, report, assessment, repairs, constructions or other expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any Environmental Approvals issued pursuant thereto, or that any Environmental Approvals referred to above are about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
 - (vi) there are no changes in the status, terms or conditions of any Environmental Approvals held by Columbus or any of the Columbus Subsidiaries, or any renewal, modification, revocation, reassurance, alteration, transfer, restriction or amendment of any such Environmental Approvals, or any review by, or approval of, any Governmental Entity of such Environmental Approvals that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business and operations of Columbus or any of the Columbus Subsidiaries following the Effective Date;
 - (vii) Columbus and the Columbus Subsidiaries have made available to EnerGulf all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental, health and safety matters; and
 - (viii) except as disclosed in the Columbus Disclosure Documents and the Columbus Disclosure Letter, and to the knowledge of Columbus, none of Columbus and the Columbus Subsidiaries are subject to any past or present fact, condition or circumstance that could reasonably be expected to result in liability under any Environmental Laws that would reasonably be expected to have a Material Adverse Effect on Columbus.
- (z) Tax Matters: Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Columbus:
- (i) each of Columbus and the Columbus Subsidiaries 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 Entity and such Tax Returns are complete and correct;

- (ii) each of Columbus and the Columbus Subsidiaries 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 Laws to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Laws 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, sales, value added and federal, provincial, state or territorial sales taxes, required by Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Laws to be remitted by it;
- (iii) the charges, accruals and reserves for Taxes reflected on the Columbus Financial Statements (whether or not due and whether or not shown on any of the Tax Returns but excluding any provision for deferred income taxes) are, in the opinion of Columbus, adequate under Applicable Accounting Principles to cover Taxes with respect to Columbus and the Columbus Subsidiaries accruing for the periods covered thereby;
- (iv) there are no proceedings, investigations, audits, assessments, reassessments or claims now pending or to the knowledge of Columbus, threatened against Columbus or the Columbus Subsidiaries that propose to assess Taxes in addition to those reported in the Tax Returns;
- (v) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Columbus or any of the Columbus Subsidiaries;
- (vi) none of Columbus and the Columbus Subsidiaries has entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date;
- (vii) there are no proceedings, investigations, audits or claims now pending or threatened against Columbus or any of the Columbus Subsidiaries in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes;
- (viii) neither Columbus nor any of the Columbus Subsidiaries has acquired property from a non-arm's length Person, within the meaning of the Tax Act: (A) for consideration the value of which is less than the fair market value of the property; or (B) as a contribution of capital for which no shares were issued by the acquirer of the property;
- (ix) for the purposes of the Tax Act and any other relevant Tax purposes:
 - (A) Columbus is resident in Canada; and

- (B) each of the Columbus Subsidiaries is resident in the jurisdiction in which it was formed, and is not resident in any other country except as disclosed in the Columbus Disclosure Letter;
- (x) there are no Encumbrances for Taxes upon any properties or assets of Columbus or any of the Columbus Subsidiaries (other than Encumbrances relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included in the Columbus Financial Statements);
- (xi) Neither Columbus nor any of its Subsidiaries is an “expatriated entity” within the meaning of Section 7874 of the U.S. Tax Code;
- (xii) Neither Columbus nor any of its Subsidiaries has received any notice or inquiry from any Governmental Entity outside of the country in which it or its Subsidiaries, respectively, is organized, to the effect that it or any of its Subsidiaries is subject to net basis taxation or is tax resident or tax domiciled in any country other than the country in which it or any of its Subsidiaries, respectively, is organized;
- (xiii) Columbus does not own, and shall not own on the Effective Date, any “United States real property interest” as defined under section 897(c)(1)(A) of the U.S. Tax Code and regulations promulgated thereunder;
- (xiv) There are no circumstances existing which could result in the application of section 17, section 78, section 79, or sections 80 to 80.04 of the Tax Act, or any equivalent provision under applicable provincial law, to Columbus. Columbus has not claimed nor shall it claim any reserve under any provision of the Tax Act or any equivalent provincial provision, if any amount could be included in the income of the Columbus for any period ending after the Effective Time; and
- (xv) For all transactions between Columbus, on the one hand, and any non-resident Person with whom Columbus was not dealing at arm’s length, for the purposes of the Tax Act, on the other hand, during a taxation year commencing after 1998 and ending on or before the Effective Time, Columbus has made or obtained records or documents that satisfy the requirements of paragraphs 247(4)(a) to (c) of the Tax Act.
- (aa) Insurance: As of the date hereof, Columbus has in place reasonable and prudent insurance policies appropriate for its size, nature and stage of development. All premiums payable prior to the date hereof under such policies of insurance have been paid and neither Columbus nor any of the Columbus Subsidiaries has failed to make a claim thereunder on a timely basis. Each of such policies and other forms of insurance is in full force and effect on the date hereof. No written, or to the knowledge of Columbus other, notice of cancellation or termination has been

received by Columbus or any Columbus Subsidiaries with respect to any such policy.

- (bb) Non-Arm's Length Transactions: Except for employment or employment compensation agreements entered into in the ordinary course of business, and as disclosed in the Columbus Disclosure Letter, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by Columbus or any of the Columbus Subsidiaries) between Columbus or any of the Columbus Subsidiaries on the one hand, and any: (i) officer or director of Columbus or any of the Columbus Subsidiaries; (ii) any holder of record or, to the knowledge of Columbus, beneficial owner of five percent or more of the voting securities of Columbus; or (iii) any affiliate or associate of any officer, director or beneficial owner, on the other hand.
- (cc) No Option on Assets: Except in connection with the royalty as set out in the Columbus Disclosure Letter, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Columbus or the Columbus Subsidiaries of the material assets of Columbus.
- (dd) Winding Up: No order has been made, petition presented or meeting convened for the purpose of winding up of Columbus or any of the Columbus Subsidiaries, or for the appointment of any provisional liquidator or in relation to any other process whereby the business is terminated and the assets of Columbus or any of the Columbus Subsidiaries are distributed amongst the creditors and/or shareholders or other contributors, and there are no proceedings under any applicable insolvency, bankruptcy, reorganisation or similar laws in any relevant jurisdiction, and no events have occurred which, under applicable Laws, would be reasonably likely to justify any such cases or proceedings.
- (ee) Brokers: No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Columbus, other than the Columbus Financial Advisor, the fees and expenses of which are as set forth in the Columbus Disclosure Letter.
- (ff) No Expropriation: To the knowledge of Columbus, no property or asset of Columbus or any of the Columbus Subsidiaries (including any Columbus Mineral Rights) has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Columbus, is there any intent or proposal to give any such notice or to commence any such proceeding.
- (gg) Corrupt Practices: Neither Columbus, Columbus Subsidiaries, nor, to the knowledge of Columbus, any of their respective officers, directors or employees acting on behalf of Columbus or a Columbus Subsidiary has taken, committed to take or been alleged to have taken any action which would cause Columbus or a

Columbus Subsidiary to be in violation of the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Laws of similar effect of any other jurisdiction, and to the knowledge of Columbus no such action has been taken by any of its Affiliates, agents, representatives or other Persons acting on behalf of Columbus or any Columbus Subsidiary.

- (hh) Acquisition Proposals: Other than this Agreement, Columbus has not negotiated any Acquisition Proposal with any Person with respect to the assets or securities of Columbus.
 - (ii) Competition Act: As calculated in accordance with Part IX of the *Competition Act* and the regulations thereto, Columbus and its affiliates (as that term is defined in the *Competition Act*) have: a) assets in Canada with a book value of less than \$369 million; and b) gross revenues from sales in, from or into Canada of less than \$369 million.
 - (jj) Vote Required: The only votes of the holders of any class or series of the Columbus Shares, Columbus Options, or other securities of Columbus necessary to approve this Agreement and the Arrangement and the transactions contemplated hereby or thereby is, subject to the Interim Order, the Columbus Shareholder Approval.
 - (kk) Ownership of or Control over EnerGulf Securities: Except as set out in the Columbus Disclosure Letter, neither Columbus nor any Person acting jointly or in concert with Columbus legally or beneficially owns or exercises control or direction over any securities of EnerGulf.
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Schedule 4

FORM OF ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under section 288 of the *Business Corporations Act* (British Columbia) S.B.C. 2002, C.57 (the “**BCBCA**”) involving Columbus Copper Corporation (“**Columbus**”) and EnerGulf Resources Inc. (“**EnerGulf**”), all as more particularly described and set forth in the Management Proxy Circular (the “**Circular**”) of Columbus dated ♦, 2015 accompanying the notice of this meeting (as the Arrangement may be modified or amended), is hereby authorized, approved and adopted;
 2. The plan of arrangement, as it may be or has been amended (the “**Plan of Arrangement**”), involving Columbus and implementing the Arrangement, the full text of which is set out in Appendix ♦ to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended), is hereby approved and adopted;
 3. The arrangement agreement (the “**Arrangement Agreement**”) between Columbus and EnerGulf, dated ♦, 2015, the actions of the directors of Columbus in approving the Arrangement and the actions of the officers of Columbus 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 securityholders of Columbus or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Columbus are hereby authorized and empowered, without further notice to, or approval of, the securityholders of Columbus:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
 5. Any director or officer of Columbus be and is hereby authorized and directed, for and on behalf of Columbus, to execute and deliver, or cause to be executed and delivered, any and all other documents, agreements and instruments and to perform, or cause to be performed, such other acts and things, as in such person’s opinion may be necessary or desirable to give full effect to this resolution and the matters authorized hereby, including the transactions required or contemplated by the Plan of Arrangement and the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or other instruments or the doing of any such act or thing.
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Schedule 5

FORM OF OFFICE SHARING AGREEMENT

See attached.

SERVICES AGREEMENT

This Services Agreement is made effective as of the _____ day _____, 2015.

BETWEEN:

COLUMBUS GOLD CORP., a company validly subsisting under the laws of the Province of British Columbia and having its registered office and records located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9.

(the "**Service Provider**")

AND:

ENERGULF RESOURCES, INC., a company validly subsisting under the Province of British Columbia and having its registered office and records located at 36 Toronto Street, Suite 1000, Toronto, Ontario M5C 2C5.

(the "**Recipient**")

WHEREAS:

- A. The Service Provider carries on the business of providing certain office, administrative, accounting, chief financial officer, corporate secretarial services, certain in-house legal, corporate development, investor relations, marketing, controller and related services; and
- B. The Recipient and the Service Provider wish to formalize and ratify the terms on which the Recipient is currently retaining the Service Provider, on a non-exclusive basis, to provide the Services to the Recipient (and its wholly owned subsidiary companies).

NOW THEREFORE, in consideration of the covenants and agreement hereinafter contained set forth, and other good and valuable consideration, the receipt and sufficiency of which is mutually agreed by the parties hereto, the parties do hereby covenant and agree as follows:

1.00 APPOINTMENT

- 1.01 The Recipient engages the Service Provider to provide, and the Service Provider agrees to provide to the Recipient and all its subsidiary companies, the Services (as such term is defined below in Section 2.01) to the Recipient on the terms and conditions of this Agreement.
- 1.02 The Service Provider agrees to undertake the Services in accordance with the instruction of the officers and directors of the Recipient.

- 1.03 The Service Provider may, at its own cost and expense, employ, retain or contract with such persons, firms, and corporations as the Service Provider may select in order to provide the Recipient with the Services to be provided by the Service Provider under this Agreement.
- 1.04 The Recipient will bear sole, exclusive and complete responsibility for the activities and remuneration of any persons, firms and corporations engaged by the Recipient to work with or at the direction of the Service Provider, including external legal counsel and auditors.
- 1.05 The Recipient will indemnify and save harmless the Service Provider and its employees and agents from and against any loss, liability, claim, damage or expense, including the reasonable cost of investigating, settling, or defending any alleged loss, liability, claim, damage or expense and reasonable counsel fees incurred in connection therewith, incurred by the Service Provider or its employees or agents as a result of, or in connection with, the execution by the Service Provider of its office and duties under this Agreement, provided that:
- a.) the Service Provider has not committed any material fraudulent act in performing any of its obligations or any material, deliberate misrepresentation to the Recipient or to its directors, officers or shareholders; and
 - b.) the Service Provider has not committed an act of malfeasance or misfeasance in the performance of its duties.

2.00 SERVICES

- 2.01 The Service Provider, through the services of its officers and employees, will provide services required in the day to day administration of the Recipient's business as follows (collectively, the "**Services**"):
- a.) Accounting services, including payroll, maintaining accounting records, and preparing budgets, and financial statements with related schedules;
 - b.) Office services, including receptionist, clerical and secretarial services;
 - c.) Contract management, including diarizing and monitoring payment and notice requirements;
 - d.) Corporate secretarial services, including corporate registry filings, news release dissemination, coordination of SEDAR filings through external counsel, preparing and filing all Information Circulars, AIFs, Filing Statements, Prospectuses, statements and reports to governmental and other regulatory agencies in

accordance with applicable law including applicable securities regulators and stock exchanges;

- e.) In-house legal counsel services, as appropriate and liaising with external counsel;
- f.) Corporate development services;
- g.) Investor relations services;
- h.) Marketing services;
- i.) Preparation of cheques, notices, and documents for delivery or filing for the signatures of the Recipient's authorized signatories;
- j.) Liaise with and provide information to Recipient's public relations consultants, auditors, tax advisers;
- k.) Alarmed access to office space which is protected by an automated security camera system;
- l.) Access to photocopier and other office equipment
- m.) Use of data server which is backed up on-site and off-site on a daily basis and which has a disaster data recovery system in place; and
- n.) Internet access.

2.02 The Service Provider shall not provide auditing or legal opinions. The Service Provider will provide legal advice and will consult with external counsel where appropriate.

2.03 Without limiting the generality of the foregoing, and in addition to any other enumerated Services to be provided by the Service Provider hereunder, the Service Provider shall second the following individuals to the Recipient to perform the roles set out below:

- a.) Akbar Hassanally, Chief Financial Officer;
- b.) Jorge Martinez, Vice President;
- c.) Jenna Virk, Corporate Secretary and VP Legal;
- d.) Andrew Yau, Controller;
- e.) Daniela Freitas, Legal and Accounting Assistant; and
- f.) An Executive Assistant/Receptionist

3.00 SERVICE FEES & EXPENSES

- 3.01 Subject to paragraph 3.02, for and in consideration of the Services provided by the Service Provider to the Recipient under paragraph 2.01, the parties hereto agree and, as applicable, ratify: (i) the payment by the Recipient to the Service Provider a service fee in the amount of \$5,000.00 plus GST per month to be paid in advance on the first day of each month for the six months following the date of this Agreement, and increasing to \$10,000.00 plus GST per month to be paid in advance on the first day of each month thereafter, (the "**Monthly Fee**") on a going forward basis during the term of this Agreement unless otherwise amended by agreement of each of the parties hereto.
- 3.02 The Monthly Fee is based on the level of the Recipient's requirements for Services as of the date of this Agreement and with the prior written approval of the Recipient, such fees will be increased to reflect the Recipient's requirements for increased or additional services including but not limited to expansion of operations, mergers, changes in legal compliance requirements or increased government or regulatory requirements. If, at any time and from time to time, in the opinion of the Service Provider, the Recipient for any reason requires increased Services, either on an ongoing basis or for specific projects, the Service Provider may so notify the Recipient and the parties will negotiate in good faith in an attempt to reach agreement on a revised Monthly Fee to reflect the increased service requirements. In the event the parties cannot reach agreement within 30 days of such notification either party may have the matter finally resolved by arbitration pursuant to Section 8.
- 3.03 All costs and expenses directly incurred by the Service Provider for the benefit of the Recipient in the performance of its duties hereunder will be paid by the Recipient to the Service Provider on or before the last day of the month following the month in which these costs are incurred during the term of this Agreement.

4.00 RELATIONSHIP OF PARTIES

- 4.01 The Service Provider will perform its duties hereunder as an independent contractor and neither it nor any of its directors, officers or employees are or will be deemed to be employees or partners of, or co-venturers with the Recipient or any other independent contractors of the Recipient and nothing in this Agreement will be construed so as to make them employees, partners or co-venturers of the Recipient or anything other than independent contractors of the Recipient or to impose any liability on the Recipient as an employer, partner or co-venturer.
- 4.02 The Service Provider is not an agent of the Recipient and, except as may be specifically authorized, Service Provider personnel, as such, do not have authority to sign cheques, contracts or other documents on behalf of the Recipient.
- 4.03 Neither the Service Provider nor any of its directors, officers or employees are or will be entitled to any benefits provided by the Recipient to its employees included, without limitation, any pension, retirement or similar plan, vacation, sick leave, severance or any

other benefits. The Recipient, at its discretion, may arrange for the grant of stock options to the directors, officers or employees of the Service Provider who provide the Services to the Recipient.

- 4.04 The Recipient shall not withhold or remit any amount from the amounts payable to the Service Provider under this Agreement.
- 4.05 The Service Provider agrees to remit and shall be responsible for all withholding taxes, income taxes, Canada Pension Plan, Employment Insurance premiums and all other remittances required by any applicable provincial or federal statutes for it and any of its employees or subcontractors.
- 4.06 The Recipient is interested only in the result obtained by the Service Provider providing the Services under this Agreement. The manner or means of providing the Services are under the sole control of the Service Provider using its own means and methods of work.
- 4.07 This Agreement contemplates the provision of the Services of the Service Provider and not the provision of the Services of any particular person, and as such in performing the Services the Service Provider may contract with any person it deems necessary to properly provide the Services. The Recipient shall bear any cost incurred and have final approval in so contracting with any third party.

5.00 OBLIGATIONS OF THE PARTIES

- 5.01 The Service Provider will exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Recipient and will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 5.02 It is acknowledged that in connection with the provision of the Services the Recipient shall make available to the Service Provider, its officers and employees, certain information and data and shall grant such persons access to documents or premises as are reasonably necessary to enable the Service Provider to perform the Services contemplated hereby. The Service Provider hereby covenants and agrees with the Recipient to not and to cause its officers and employees to not publicly disclose or use any information not otherwise in the public domain which the Service Provider now has or may hereafter acquire relating to the Recipient or its business other than in connection with the performance by the Service Provider of the Services.
- 5.03 It is expressly understood and agreed that the Service Provider may provide services, including services which might be similar to the Services, to persons other than the Recipient.
- 5.04 The Service Provider is solely responsible for all expenses and disbursements incurred by the Service Provider in the performance of the Services, save and except that the

Recipient shall reimburse the Service Provider for all reasonable postage, long distance telephone and facsimile charges and with the prior consent of the Recipient transportation expenses incurred by the Service Provider in travelling on behalf of or at the request of the Recipient, in performing the Services and all reasonable promotional expenses incurred by the Service Provider providing the Services or in an effort to promote the Recipient's business. For greater certainty, the Recipient will be solely responsible for the expenses and disbursements with respect to the remuneration of any persons, firms and corporations referenced above in Section 1.04 and such persons, firms and corporations will send applicable invoices directly to the Recipient.

6.00 TERM AND TERMINATION

6.01 This Agreement will be effective as and from the date first above written and will, unless otherwise terminated pursuant to this Agreement, continue in force until **December 31, 2016** (the "**Term**").

6.02 Notwithstanding paragraph 6.01, this Agreement may be terminated by the Recipient if:

- a) the Service Provider commits any material fraudulent act in performing any of its obligations or any material, deliberate misrepresentation to the Recipient or to its directors, officers or shareholders;
- b) the Service Provider fails to perform its duties and discharge its obligations under this Agreement;
- c) the Service Provider commits an act of malfeasance or misfeasance in the performance of its duties;
- d) an order is made or resolution passed for the liquidation or winding up of the Service Provider;
- e) a receiver or receiver manager is appointed in respect of the Service Provider; or
- f) the Service Provider becomes insolvent or acknowledges its insolvency.

6.03 Notwithstanding paragraph 6.01, this Agreement may be terminated by the Recipient on not less than 90 days' written notice to the Service Provider.

6.04 This Agreement may be terminated by the Service Provider on not less than 30 days' written notice to the Recipient.

6.05 From and after the effective date of termination of this Agreement, the Service Provider will not be entitled to a Monthly Service Fee for any further Services.

- 6.06 This Agreement may only be terminated in accordance with the conditions of this Section 6.00 or unless otherwise agreed to by both the Service Provider and the Recipient.
- 6.07 On the termination of the Services of the Service Provider under this Agreement, the Service Provider will do all things and take steps to transfer the administration, management, control and operation of the Recipient and the books, records and accounts of the Recipient to an individual designated and engaged by the Recipient and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.
- 6.08 On the termination of the Services of the Service Provider under this Agreement, the Recipient will release and hold harmless the Service Provider from any costs, damages, liabilities or expenses suffered or incurred by the Service Provider as a result of or rising out of events, other than any willful act or omission by the Service Provider, which occur in relation to the Recipient after such termination.

7.00 OTHER ACTIVITIES

- 7.01 The Service Provider is at liberty to provide services to, engage in or hold an interest in any other business, venture, investment or activity which directly competes with the business of the Recipient during the term of this Agreement.

8.00 ARBITRATION

- 8.01 All disputes arising out of or in connection with this contract, or in respect of any defined legal relationship associated therewith or derived therefrom, shall be referred to and finally resolved by arbitration pursuant to the *Commercial Arbitration Act* and administered by the British Columbia International Arbitration Centre pursuant to its Rules. The matter shall be heard before one arbitrator appointed in accordance with the Rules.
- 8.02 The decision of the Arbitrator on all issues or matters submitted to the Arbitrator for resolution shall be conclusive, final and binding on all of the parties.
- 8.03 The Arbitrator shall determine who shall bear the costs of arbitration pursuant to this section 8.

9.00 AMENDMENT

- 9.01 This Agreement may not be modified or amended except by an instrument in writing signed by the parties to this Agreement or, where applicable, by their successors or permitted assigns.

10.00 WAIVER

- 10.01 No conditioning, excusing or waiver by any party of any default, breach or non-observance by any other party at any time or times in respect of any covenant, proviso or condition will operate as a waiver of that party's rights in respect of any continuing or subsequent default, breach or non-observance, and no waiver will be inferred from or implied by anything done or omitted to be done by the party having those rights.

11.00 NOTICE

- 11.01 Any notice to be given by any party to any other party will be deemed to be given when in writing and delivered or communicated by facsimile on any business day to the address for notice of the intended recipient as first set forth above.
- 11.02 A party may by notice to the other party change its address for notice to some other address and shall so change its address for notice whenever the existing address for notice ceases to be adequate for delivery by hand.

12.00 HEADINGS

- 12.01 The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any of its provisions.

13.00 GOVERNING LAW

- 13.01 This Agreement shall be governed by and construed in accordance with the laws of British Columbia and any action or proceeding will be commenced and maintained in the court of appropriate jurisdiction in the Province of British Columbia.

14.00 ENTIRE AGREEMENT

- 14.01 The provisions of this Agreement constitute the entire agreement between the parties and supersede all previous communications, representative and agreements, whether verbal or written, between the parties with respect to its subject matter.

15.00 ENUREMENT

- 15.01 This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

16.00 APPROVALS

16.01 This Agreement may be subject to TSX Venture Exchange approval.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the effective date first written above.

COLUMBUS GOLD CORP.

FORM OF AGREEMENT

Authorized Signatory

ENERGULF RESOURCES, INC.

FORM OF AGREEMENT

John D. Elmore
President