

**BUSINESS COMBINATION AGREEMENT**

**between**

**NEW GOLD INC.**

**and**

**GEO MINERALS LTD.**

**and**

**GEONOVUS MINERALS CORP.**

**October 14, 2011**

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>ARTICLE 1 DEFINITIONS, INTERPRETATION AND SCHEDULES.....</b>     | <b>2</b>  |
| SECTION 1.01 DEFINITIONS .....                                      | 2         |
| SECTION 1.02 INTERPRETATION NOT AFFECTED BY HEADINGS .....          | 10        |
| SECTION 1.03 NUMBER, GENDER AND PERSONS .....                       | 10        |
| SECTION 1.04 DATE FOR ANY ACTION .....                              | 10        |
| SECTION 1.05 STATUTORY REFERENCES .....                             | 11        |
| SECTION 1.06 CURRENCY .....   | 11        |
| SECTION 1.07 INVALIDITY OF PROVISIONS .....                         | 11        |
| SECTION 1.08 ACCOUNTING MATTERS.....                                | 11        |
| SECTION 1.09 KNOWLEDGE .....  | 11        |
| SECTION 1.10 MEANING OF CERTAIN PHRASE .....                        | 11        |
| SECTION 1.11 SCHEDULES .....  | 12        |
| <b>ARTICLE 2 THE ARRANGEMENT.....</b>                               | <b>12</b> |
| SECTION 2.01 THE ARRANGEMENT .....                                  | 12        |
| SECTION 2.02 COURT PROCEEDINGS .....                                | 12        |
| SECTION 2.03 EFFECTING THE ARRANGEMENT .....                        | 13        |
| SECTION 2.04 CLOSING .....  | 13        |
| <b>ARTICLE 3 REPRESENTATIONS AND WARRANTIES.....</b>                | <b>13</b> |
| SECTION 3.01 REPRESENTATIONS AND WARRANTIES OF GEO AND SPINCO ..... | 13        |
| SECTION 3.02 REPRESENTATIONS AND WARRANTIES OF NEW GOLD .....       | 28        |
| SECTION 3.03 SURVIVAL OF REPRESENTATIONS AND WARRANTIES .....       | 30        |
| <b>ARTICLE 4 COVENANTS .....</b>                                    | <b>30</b> |
| SECTION 4.01 COVENANTS OF GEO.....                                  | 30        |
| SECTION 4.02 COVENANTS OF NEW GOLD.....                             | 41        |
| SECTION 4.03 POST CLOSING COVENANTS OF SPINCO .....                 | 43        |
| <b>ARTICLE 5 CONDITIONS.....</b>                                    | <b>43</b> |
| SECTION 5.01 MUTUAL CONDITIONS .....                                | 43        |
| SECTION 5.02 GEO CONDITIONS .....                                   | 45        |
| SECTION 5.03 NEW GOLD CONDITIONS .....                              | 46        |
| SECTION 5.04 NOTICE AND CURE PROVISIONS .....                       | 47        |
| SECTION 5.05 MERGER OF CONDITIONS .....                             | 48        |
| <b>ARTICLE 6 NON-SOLICITATION AND BREAK-UP FEE.....</b>             | <b>48</b> |
| SECTION 6.01 COVENANT REGARDING NON-SOLICITATION .....              | 48        |
| SECTION 6.02 NOTICE OF SUPERIOR PROPOSAL DETERMINATION.....         | 50        |
| SECTION 6.03 GEO TERMINATION FEE EVENT .....                        | 52        |
| SECTION 6.04 NEW GOLD TERMINATION FEE EVENT .....                   | 53        |
| <b>ARTICLE 7 AMENDMENT AND TERMINATION .....</b>                    | <b>54</b> |
| SECTION 7.01 AMENDMENT.....   | 54        |
| SECTION 7.02 TERMINATION .....                                      | 55        |
| <b>ARTICLE 8 GENERAL .....</b>                                      | <b>56</b> |
| SECTION 8.01 NOTICES .....  | 56        |
| SECTION 8.02 REMEDIES .....   | 57        |
| SECTION 8.03 EXPENSES .....   | 58        |

|              |                                 |    |
|--------------|---------------------------------|----|
| SECTION 8.04 | TIME OF THE ESSENCE .....       | 58 |
| SECTION 8.05 | ENTIRE AGREEMENT.....           | 58 |
| SECTION 8.06 | FURTHER ASSURANCES.....         | 58 |
| SECTION 8.07 | GOVERNING LAW .....             | 58 |
| SECTION 8.08 | EXECUTION IN COUNTERPARTS ..... | 58 |
| SECTION 8.09 | WAIVER .....                    | 59 |
| SECTION 8.10 | NO PERSONAL LIABILITY .....     | 59 |
| SECTION 8.11 | ENUREMENT AND ASSIGNMENT.....   | 59 |

## **BUSINESS COMBINATION AGREEMENT**

**THIS AGREEMENT** made the 14<sup>th</sup> day of October, 2011.

**BETWEEN :**

**NEW GOLD INC.,**

a corporation existing under the  
*Business Corporations Act* (British Columbia),

(**"NEW GOLD"**)

**OF THE FIRST PART**

- and -

**GEO MINERALS LTD.,**

a corporation existing under the  
*Business Corporations Act* (British Columbia),

(**"GEO"**)

**OF THE SECOND PART**

- and -

**GEONOVUS MINERALS CORP.**

a corporation existing under the  
*Business Corporations Act* (British Columbia),

(**"Spinco"**)

**OF THE THIRD PART**

**WITNESSES THAT:**

As NEW GOLD and GEO entered into a letter of intent dated September 16, 2011, pursuant to which they agreed to discuss a business combination by way of a Plan of Arrangement under the provisions of the *Business Corporations Act* (British Columbia);

And in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties to this Agreement, the above parties covenant and agree as follows:

**ARTICLE 1**  
**DEFINITIONS, INTERPRETATION AND SCHEDULES**

**Section 1.01 Definitions**

In this Agreement, unless the context otherwise requires, the following words and terms with the initial letter or letters capitalized shall have the meanings ascribed to them below:

- (a) **“Acquisition Proposal”** means, in respect of GEO, any *bona fide* inquiry, proposal or offer made by a party with whom GEO deals at arm’s length (including a stated intention to make a proposal or offer) regarding any merger, amalgamation, plan of arrangement, share exchange, business combination, take-over bid, tender offer, sale or other disposition of assets representing 20% or more of the book value (on a consolidated basis) of the assets of GEO and its Subsidiaries, in a single transaction or a series of related transactions (or any lease, long term supply agreement or other arrangement having the same economic effect as a sale of all or substantially all of GEO’s assets), any recapitalization, reorganization, liquidation, sale or issue of treasury securities or rights therein or thereto or rights or options to acquire treasury securities representing 5% or more of the outstanding GEO Common Shares, any exchange offer, secondary purchase or any type of similar transaction that would, or could reasonably be expected to, in any case, constitute a *de facto* acquisition or change of control of GEO or would or could reasonably be expected to, in any case, result in the sale or other disposition of all or substantially all of the assets of GEO (other than the Arrangement and all other transactions to be completed in connection with the Arrangement contemplated in this Agreement);
- (b) **“Agreement”** means this business combination agreement, together with the schedules attached, as amended, amended and restated or supplemented from time to time;
- (c) **“Arrangement”** means an arrangement under the provisions of Section 288 of the BCBCA on the terms and conditions set out in the Plan of Arrangement, subject to any amendment or supplement made in accordance therewith, herewith or made at the direction of the Court in the Final Order;
- (d) **“BCBCA”** means the *Business Corporations Act* (British Columbia);
- (e) **“Business Day”** means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario or Vancouver, British Columbia;
- (f) **“Canadian GAAP”** means accounting principles generally accepted in Canada;

- (g) “**Cash Consideration**” means \$0.16 per GEO Common Share;
- (h) “**Change in GEO Recommendation**” shall have the meaning ascribed in paragraph 4.01(b)(iii);
- (i) “**Change of Control Proposal**” means (i) any proposal or offer for a merger, amalgamation, reorganization, recapitalization or other business combination involving GEO (except for what would generally be considered as an internal reorganization, i.e. a reorganization which does not entail any change in the proportion and nature of ownership and control in securities of GEO of each securityholder thereof immediately prior to such reorganization), (ii) any proposal or offer to acquire in any manner, directly or indirectly, assets which individually or in the aggregate exceed 50% of the consolidated assets of GEO, (iii) any proposal or offer to acquire in any manner, directly or indirectly, any shares or securities convertible, exercisable or exchangeable for securities which exceed 20% of the outstanding voting securities of GEO, or (iv) any sale of treasury shares, or securities convertible, exercisable or exchangeable for treasury shares, which exceed 20% of the outstanding voting securities of GEO or rights or interests therein or thereto;
- (j) “**Competition Act**” means the *Competition Act* (Canada);
- (k) “**Completion Deadline**” means the date by which the transactions contemplated by this Agreement are to be completed, which date shall be February 15, 2012;
- (l) “**Court**” means the Supreme Court of British Columbia;
- (m) “**de facto acquisition or change of control**” means the acquisition, directly or indirectly, by any Person or group of Persons acting jointly or in concert, of beneficial ownership of, or control or direction over, sufficient voting securities of GEO to permit such Person or Persons to exercise, or to control or direct the voting of, 20% or more of the total number of votes attached to all outstanding voting securities of GEO;
- (n) “**disclosed by NEW GOLD**” means disclosed by NEW GOLD in its public disclosure filings since January 1, 2011;
- (o) “**Dissent Rights**” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;
- (p) “**Effective Date**” means the Effective Date as defined in the Plan of Arrangement;
- (q) “**Effective Time**” means the Effective Time as defined in the Plan of Arrangement;

- (r) **“Encumbrance”** means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (s) **“Environmental Approvals”** means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Governmental Entity pursuant to any Environmental Law;
- (t) **“Environmental Laws”** means all applicable Laws, including applicable common law, relating to the protection of the environment and employee and public health and safety, and includes Environmental Approvals;
- (u) **“Final Order”** means the order of the Court pursuant to Section 291 of the BCBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (v) **“GEO”** means Geo Minerals Ltd., a corporation existing under the BCBCA;
- (w) **“GEO Common Shares”** means common shares in the capital of GEO;
- (x) **“GEO Disclosure Letter”** means the letter dated October 14, 2011 delivered by GEO to NEW GOLD in the form accepted by NEW GOLD with respect to certain matters in this Agreement;
- (y) **“GEO Documents”** shall have the meaning ascribed in subsection 3.01(w);
- (z) **“GEO Financial Statements”** shall have the meaning ascribed in subsection 3.01(i);
- (aa) **“GEO Meeting”** means the special meeting, including any adjournments or postponements thereof, of the GEO Securityholders to be held, among other things, to consider and, if deemed advisable, to approve the GEO Resolution;
- (bb) **“GEO Options”** means options to purchase GEO Common Shares issued pursuant to the GEO Option Plan and described in the GEO Disclosure Letter;
- (cc) **“GEO Optionholders”** means the holders of outstanding GEO Options;

- (dd) **“GEO Option Plan”** means the stock option plan dated June 17, 2007, as amended March 9, 2010 and June 3, 2011, as approved by the GEO Shareholders on June 3, 2011;
- (ee) **“GEO Resolution”** means the special resolution of the GEO Securityholders approving the Arrangement, the Plan of Arrangement and this Agreement substantially in the form of Schedule C attached;
- (ff) **“GEO Shareholders”** means, at any time, the holders of GEO Common Shares;
- (gg) **“GEO Securityholders”** means the GEO Shareholders, the GEO Optionholders and the GEO Warrantholders;
- (hh) **“GEO Securityholder Approval”** shall have the meaning ascribed in paragraph 2.02(a)(ii);
- (ii) **“GEO Subsidiaries”** means Juturna Geothermal Inc., Geo Minerals (Arizona Ltd.), Juturna Geothermal (Arizona) Inc., 2009812 DE Inc., and Spinco;
- (jj) **“GEO Termination Payment”** shall have the meaning ascribed in Section 6.03;
- (kk) **“GEO Warrants”** means warrants and broker warrants to purchase GEO Common Shares as described in the GEO Disclosure Letter;
- (ll) **“GEO Warrantholders”** means the holders of outstanding GEO Warrants;
- (mm) **“Governmental Entity”** means any applicable (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (nn) **“Hazardous Substance”** means any chemical, material or substance in any form, whether solid, liquid, gaseous, semisolid or any combination thereof, whether waste material, raw material, finished product, intermediate product, byproduct or any other material or article, that is listed or regulated under any Environmental Laws as a hazardous substance, toxic substance, waste or contaminant or is otherwise listed or regulated under any Environmental Laws because it poses a hazard to human health or the environment, including petroleum products, asbestos, PCBs, urea formaldehyde foam insulation and lead-containing paints or coatings;

- (oo) **“Interim Order”** means the interim order of the Court in a form acceptable to the parties made in connection with the Arrangement, providing for, among other things, the calling and holding of the GEO Meeting, as such order may be amended, supplemented or varied by the Court with the consent of the Parties, each acting reasonably;
- (pp) **“Laws”** means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity;
- (qq) **“Liability”** of any Person shall mean and include: (i) any right against such Person to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; (ii) any right against such Person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and (iii) any obligation of such Person for the performance of any covenant or agreement (whether for the payment of money or otherwise);
- (rr) **“Lock-Up Agreements”** means the Lock-Up Agreements dated October 14, 2011 and made between NEW GOLD and certain officers, directors and Advisory Board members of GEO;
- (ss) **“Locked-Up Shareholders”** means the persons who are party to the Lock-Up Agreements, other than NEW GOLD;
- (tt) **“Material Adverse Change”** means, in respect of any Person, any one or more facts, circumstances, changes, effects, events or occurrences, and **“Material Adverse Effect”** means, in respect of any Person an effect, which, in either case either individually or in the aggregate with all other facts, changes, circumstances, effects, events or occurrences is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, prospects, assets, capital, liabilities or financial condition of that Person and its Subsidiaries, taken as a whole, other than any change, fact, circumstance, change, event, occurrence or effect: (i) relating to the global economy or securities markets in general; (ii) affecting the worldwide mining industry in general and which does not have a materially disproportionate effect on that Person, on a consolidated basis; (iii) relating to change in the market trading price of shares of such Person arising from: (A) the announcement of the execution of this Agreement or the transactions contemplated hereby; or (B) primarily resulting from a fact, circumstance, change, event, or occurrence excluded from this definition under (i), (ii) or (v) hereof; (iv) relating to any generally applicable change in Laws (other than orders, judgments or decrees made against that Person or any of its Subsidiaries; (v) resulting

from changes in the price of gold, silver or copper, (vi) any natural disaster or the commencement, occurrence or continuation of any war, armed hostility or act of terrorism which does not have a materially disproportionate effect on that Person; or (vii) relating to the rate at which Canadian dollars can be exchanged for United States dollars or vice versa, and references in this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, interpretive of the amount used for the purpose of determining whether a “Material Adverse Change” has occurred or whether a state of facts exists that has or could have a “Material Adverse Effect” and such defined terms and all other references to materiality in this Agreement shall be interpreted without reference to any such amounts *provided, however* that such effect referred to in clause (i), (ii), (v) or (vi) above does not primarily relate only to that Person and its Subsidiaries taken as a whole compared to other companies of similar size operating in the mining industry;

- (uu) **“NEW GOLD”** means New Gold Inc., a corporation existing under the BCBCA;
- (vv) **“NEW GOLD Termination Payment”** shall have the meaning ascribed in Section 6.04;
- (ww) **“Person”** means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status;
- (xx) **“Plan of Arrangement”** means a plan of arrangement substantially in the form and content of Schedule A attached and any amendment or variation made in accordance with Section 6.01 of the Plan of Arrangement or Section 7.01;
- (yy) **“Proxy Circular”** means the management information circular to be prepared by GEO in respect of the GEO Meeting, as the same may be amended or supplemented from time to time;
- (zz) **“Release”** shall mean any release, spill, leak, discharge, abandonment, disposal, pumping, pouring, emitting, emptying, injecting, leaching, dumping, depositing, dispersing, passive migration, allowing to escape or migrate into or through the environment (including ambient air, surface water, ground water, land surface and subsurface strata or within any building, structure, facility or fixture) of any Hazardous Substance, including the abandonment or discarding of Hazardous Substances in barrels, drums, tanks or other containers, regardless of when discovered;
- (aaa) **“Remedial Action”** shall mean any investigation, feasibility study, monitoring, testing, sampling, removal (including removal of underground

storage tanks), restoration, clean-up, remediation, closure, site restoration, remedial response or remedial work, in each case in relation to environmental matters;

- (bbb) “**Securities Act**” means the *Securities Act* (British Columbia);
- (ccc) “**Securities Authorities**” means the British Columbia Securities Commission and the other securities regulatory authorities in each of the provinces and territories of Canada and the SEC, collectively;
- (ddd) “**SEC**” means the United States Securities and Exchange Commission;
- (eee) “**Spinco**” means Geonovus Minerals Corp., a corporation incorporated under the BCBCA;
- (fff) “**Spinco Shares**” means common shares in the capital of Spinco;
- (ggg) “**Spin-Out Assets and Liabilities**” means all assets, debt and liabilities of whatever kind and nature of GEO, other than the following assets: (i) the interest of GEO in the West Blackwater Property; and (ii) cash;
- (hhh) “**Subsidiary**” means, with respect to a specified body corporate, any body corporate of which the specified body corporate is entitled to elect a majority of the directors thereof and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to such a body corporate, excluding any body corporate in respect of which such direction or control is not exercised by the specified body corporate as a result of any existing contract, agreement or commitment;
- (iii) “**Superior Proposal**” means a bona fide written Acquisition Proposal to acquire 50% or more of the assets of GEO (on a consolidated basis) or, directly or indirectly, 50% or more of the GEO Common Shares: (a) which is not subject to a financing condition or is otherwise contingent or conditional upon the party making the Acquisition Proposal obtaining financing in order to complete the Acquisition Proposal beyond what is permitted by Multilateral Instrument 62-104; (b) is not subject, either by the terms of the proposal or by virtue of any applicable Law or rule or regulation of any stock exchange, to any requirement that the approval of the shareholders of the party making the Acquisition Proposal be obtained; (c) that is reasonably capable of being completed without undue delay, taking into account all legal, regulatory, financial and other aspects of the proposal and the party making the proposal; (d) is not subject to a due diligence or access to information condition; (e) that is made to all shareholders in compliance with applicable securities laws; and (f) in respect of which the directors of GEO have determined in good faith, after consultation with, and receiving advice from, as appropriate, the financial, legal and other advisors to GEO to the effect that such Acquisition

Proposal would, if consummated in accordance with the terms thereof, but without assuming away the risk of non-completion, result in a transaction which is more favourable to the GEO Securityholders, from a financial point of view, than the terms of the Arrangement, taking into account any adjustment to the terms of the Arrangement that may be proposed by NEW GOLD as contemplated by Section 6.02;

- (jjj) **“Tax”** and **“Taxes”** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, mining taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan premiums, excise, severance, social security, workers’ compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;
- (kkk) **“Tax Act”** means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended;
- (lll) **“Tax Returns”** means all returns, schedules, elections, declarations, reports, information returns, notices, filings, forms, statements and other documents (whether in tangible, electronic, or other form) and includes any amendments, supplements, appendices and exhibits made, prepared or filed with any taxing authority or required to be made, prepared or filed with any taxing authority relating to Taxes;
- (mmm) **“Triggering Event”** shall have the meaning ascribed in Section 6.03;
- (nnn) **“TSX-V”** means the TSX Venture Exchange;
- (ooo) **“West Blackwater Property”** means collectively, GEO’S interest in the Blackwater deposit property, the Vanderhoof mineral claims and the Vanderhoof and Chilcotin claim located approximately 100 kilometres south of Vanderhoof, British Columbia as more specifically described in Schedule “D”;

- (ppp) **“United States”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (qqq) **“1933 Act”** means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated from time to time thereunder;
- (rrr) **“1934 Act”** means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated from time to time thereunder; and
- (sss) **“1940 Act”** means the United States *Investment Company Act of 1940*, as amended, and the rules and regulations promulgated from time to time thereunder.

In addition, words and phrases used in this Agreement and defined in the BCBCA shall have the same meaning this Agreement as in the BCBCA unless the context otherwise requires.

### **Section 1.02 Interpretation Not Affected by Headings**

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto.

### **Section 1.03 Number, Gender and Persons**

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter, and the word Person and all words importing Persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any Governmental Entity, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

### **Section 1.04 Date for any Action**

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

### **Section 1.05 Statutory References**

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

### **Section 1.06 Currency**

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

### **Section 1.07 Invalidity of Provisions**

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

### **Section 1.08 Accounting Matters**

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

### **Section 1.09 Knowledge**

Where the phrases “to the knowledge of NEW GOLD” or “to NEW GOLD’s knowledge” or “to the knowledge of GEO” or “to GEO’s knowledge” are used in respect of NEW GOLD, GEO or the GEO Subsidiaries, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon: (A) in the case of NEW GOLD, the collective actual knowledge of the Chief Financial Officer and the Vice President, Corporate Development of NEW GOLD; and (B) in the case of GEO and the GEO Subsidiaries, the collective actual knowledge, after due inquiry, of the Chief Executive Officer and the Chief Financial Officer.

### **Section 1.10 Meaning of Certain Phrase**

In this Agreement the phrase “in the ordinary and regular course of business” shall mean and refer to those activities that are normally conducted by

corporations engaged in the exploration for precious and base metals and in the construction and operation of precious and base metal mines.

### **Section 1.11 Schedules**

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

| <b><u>Schedule</u></b> | <b><u>Matter</u></b>      |
|------------------------|---------------------------|
| A                      | Plan of Arrangement       |
| B                      | Form of Lock-Up Agreement |
| C                      | Arrangement Resolution    |
| D                      | West Blackwater Property  |
| E                      | Other Mineral Interests   |

## **ARTICLE 2 THE ARRANGEMENT**

### **Section 2.01 The Arrangement**

At the Effective Time, NEW GOLD, GEO and Spinco will effect an Arrangement under the BCBCA pursuant to the terms of this Agreement and the Plan of Arrangement.

### **Section 2.02 Court Proceedings**

GEO shall apply to the Court pursuant to the BCBCA for the Interim Order and the Final Order as follows:

- (a) As soon as is reasonably practicable after the date of execution of this Agreement, GEO shall file, proceed with and diligently prosecute an application to the Court for the Interim Order. Such application will clearly state GEO's and Spinco's intention to rely on the exemption from registration requirements of the 1933 Act provided by Section 3(a)(10) of the 1933 Act to issue GEO shares and Spinco Shares as contemplated in the Plan of Arrangement, to those GEO Securityholders who are resident in the United States without registration under the 1933 Act. The application shall request that the Interim Order shall provide:
  - (i) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the GEO Meeting and for the manner in which such notice is to be provided;
  - (ii) that the requisite approval for the GEO Resolution shall be 66 $\frac{2}{3}$ % of the votes cast on the GEO Resolution by the holders of GEO Common Shares, GEO Warrants and GEO Options, voting as a

single class, present in person or by proxy at the GEO Meeting, and such securityholder approval as is required by the TSX-V and/or applicable securities laws (the “**GEO Securityholder Approval**”);

- (iii) that in all other respects, the terms, conditions and restrictions of the GEO constating documents, including quorum requirements and other matters, shall apply in respect of the GEO Meeting;
- (iv) for the grant of Dissent Rights to the registered holders of GEO Common Shares and GEO Warrants;
- (v) for notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (vi) that each GEO Securityholder will have the right to appear before the Court at the hearing of the Court to approve the application for the Final Order so long as they enter an appearance within a reasonable time; and
- (vii) that the GEO Meeting may be adjourned from time to time by management of GEO without the need for additional approval of the Court.

### **Section 2.03 Effecting the Arrangement**

Subject to the rights of termination contained in Section 7.02, upon the GEO Securityholders providing the GEO Securityholder Approval in accordance with the Interim Order, GEO obtaining the Final Order and the other conditions contained in Article 5 being complied with or waived, the Arrangement shall be effective at the Effective Time on the Effective Date.

### **Section 2.04 Closing**

The closing of the Arrangement will take place at the offices of RICHARDS BUELL SUTTON LLP, 700 - 401 West Georgia Street, Vancouver, BC , at 10:00 a.m. (Vancouver time) on the Effective Date.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

### **Section 3.01 Representations and Warranties of GEO and Spinco**

GEO (and where specified Spinco) represents and warrants to NEW GOLD, and acknowledges that NEW GOLD is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement, as follows:

- (a) *Organization.* Each of GEO and Spinco and each GEO Subsidiary have been incorporated, are validly subsisting and have full corporate or legal power and authority to own their respective properties and assets and to conduct their respective businesses as currently owned and conducted. A copy of the articles and by-laws or other constating documents of GEO and each GEO Subsidiary has been provided directly to NEW GOLD. GEO and the GEO Subsidiaries are registered, licensed or otherwise qualified as an extra-provincial corporation or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on GEO. All of the outstanding shares of the GEO Subsidiaries are validly issued, fully paid and non-assessable. All of the outstanding shares of the GEO Subsidiaries are owned directly or indirectly by GEO. Except pursuant to restrictions on transfer contained in the articles or by-laws (or their equivalent) of the GEO Subsidiaries and except as disclosed in the GEO Disclosure Letter, the outstanding shares of the GEO Subsidiaries are owned by GEO free and clear of all Encumbrances and GEO is not liable to any creditor in respect thereof. Except pursuant to this Agreement and the transactions contemplated hereby, there are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any issued or unissued securities of, or interest in, the GEO Subsidiaries from GEO.
- (b) *Capitalization.* GEO is authorized to issue an unlimited number of GEO Common Shares. As at October 13, 2011, there were: (i) 93,579,750 GEO Common Shares outstanding; (ii) GEO Options to acquire an aggregate of 6,695,000 GEO Common Shares outstanding; and (iii) GEO Warrants to acquire an aggregate of 41,717,482 GEO Common Shares outstanding. The outstanding GEO Options and the outstanding GEO Warrants are described in the GEO Disclosure Letter. In addition to the foregoing, up to 1,550,000 GEO Common Shares are issuable pursuant to property agreements as disclosed in the GEO Disclosure Letter. Spinco is authorized to issue an unlimited number of Spinco Shares. As at October 13, 2011, there were 10 Spinco Shares outstanding. Except as disclosed in the GEO Disclosure Letter and pursuant to this Agreement and the transactions contemplated hereby, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating GEO or the GEO Subsidiaries to issue or sell any shares of GEO, the GEO Subsidiaries or any securities or obligations of any kind convertible into or exchangeable for any shares of GEO or the GEO Subsidiaries. All outstanding GEO Common Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date of this Agreement, there are no

outstanding bonds, debentures or other evidences of indebtedness of GEO or the GEO Subsidiaries having the right to vote with the GEO Securityholders on any matter. There are no outstanding contractual obligations of GEO or the GEO Subsidiaries to repurchase, redeem or otherwise acquire any outstanding GEO Common Shares or with respect to the voting or disposition of any outstanding GEO Common Shares.

- (c) *Authority.* Each of GEO and Spinco has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by GEO and Spinco 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 GEO and Spinco and the completion by GEO of the transactions contemplated by this Agreement have been authorized by the directors of GEO and Spinco and, subject to obtaining the GEO Securityholder Approval, the Interim Order and the Final Order in the manner contemplated in this Agreement, and providing to the Registrar of Companies under the BCBCA any records, information or other documents required by him in connection with the Arrangement, no other corporate proceedings on the part of GEO and Spinco are necessary to authorize this Agreement or to complete the transactions contemplated hereby other than in connection with the approval by the directors of GEO of the Proxy Circular. This Agreement has been executed and delivered by GEO and Spinco and constitutes a legal, valid and binding obligation of GEO and Spinco, enforceable against GEO and Spinco in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. Except as disclosed in the GEO Disclosure Letter, the execution and delivery by GEO and Spinco of this Agreement and the performance by each of GEO and Spinco of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:
- (i) result in a violation, contravention or breach of, require any consent to be obtained under or give rise to any termination rights under any provision of:
    - (A) the articles or by-laws (or their equivalent) of GEO or the GEO Subsidiaries;
    - (B) any Law; or
    - (C) any contract, agreement, licence or permit to which GEO or either of the GEO Subsidiaries is bound or is subject to or of which GEO or a GEO Subsidiary is the beneficiary,

in each case, which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on GEO;

- (ii) give rise to any right of termination or acceleration of indebtedness, or cause any indebtedness owing by GEO or a GEO Subsidiary to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on GEO;
- (iii) result in the imposition of any Encumbrance upon any of the property or assets of GEO or a GEO Subsidiary or restrict, hinder, impair or limit the ability of GEO or a GEO Subsidiary to conduct the business of GEO or a GEO Subsidiary as and where it is now being conducted which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on GEO; or
- (iv) result in any material payment (including severance, unemployment compensation, “golden parachute”, bonus or otherwise) becoming due to any director or officer of GEO or a GEO Subsidiary or increase any benefits otherwise payable under any pension or benefits plan of GEO or a GEO Subsidiary or result in the acceleration of the time of payment or vesting of any such benefits.

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by GEO or the GEO Subsidiaries in connection with the execution and delivery of this Agreement or the consummation by GEO of the transactions contemplated hereby other than: (i) any approvals required by the Interim Order; (ii) any approvals required by the Final Order; (iii) filings required under the BCBCA and filings with and approvals required by Securities Authorities, state “blue sky” securities laws and stock exchanges; (iv) compliance with and approvals required by the Competition Act; (v) any other consents, waivers, permits, orders or approvals referred to in the GEO Disclosure Letter; and (vi) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on GEO.

- (d) *Fairness Opinion and Directors’ Approvals.* The board of directors of GEO has received an oral opinion from PI Financial Corp., the financial advisors to the board, that the consideration payable to the GEO Securityholders pursuant to the Arrangement is fair, from a financial point of view, to the GEO Securityholders other than NEW GOLD. The board of directors of GEO, after consultation with its legal and financial advisors, has, unanimously:

- (i) determined that the Arrangement is fair to the GEO Securityholders and the Arrangement is in the best interests of GEO;
  - (ii) recommended that the GEO Securityholders vote in favour of the GEO Resolution; and
  - (iii) authorized the entering into of this Agreement, and the performance of its provisions, by GEO.
- (e) *GEO Subsidiaries.* The only Subsidiaries of GEO are the GEO Subsidiaries and there are no other corporations or unincorporated entities (including any joint ventures) in which GEO owns a direct or indirect voting or equity interest.
- (f) *No Defaults.* Except as disclosed in the GEO Disclosure Letter, neither GEO, nor any GEO Subsidiary is in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by GEO or a GEO Subsidiary under any contract, agreement or licence that is material to the conduct of the business of GEO or a GEO Subsidiary to which any of them is a party or by which any of them is bound that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on GEO.
- (g) *Absence of Changes.* Since May 31, 2011, except as disclosed in the GEO Disclosure Letter:
  - (i) each of GEO and the GEO Subsidiaries have conducted their business only in the ordinary and regular course of business consistent with past practice;
  - (ii) neither GEO nor the GEO Subsidiaries have incurred or suffered a Material Adverse Change;
  - (iii) there has not been any acquisition or sale by GEO or a GEO Subsidiary of any material property or assets;
  - (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by GEO or a GEO Subsidiary of any debt for borrowed money, any creation or assumption by GEO or a GEO Subsidiary of any Encumbrance or any making by GEO or a GEO Subsidiary of any loan, advance or capital contribution to or investment in any other Person;
  - (v) GEO has not declared or paid any dividends or made any other distribution on any of the GEO Common Shares;

- (vi) GEO has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding GEO Common Shares;
  - (vii) there has not been any material increase in or modification of the compensation payable to or to become payable by GEO or a GEO Subsidiary to any of their respective directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without limitation, the granting of GEO Options pursuant to the GEO Option Plan) made to, for or with any of such directors, officers, employees or consultants;
  - (viii) GEO has not effected any material change in its accounting methods, principles or practices; and
  - (ix) GEO has not adopted any, or materially amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan.
- (h) *Employment Agreements.* Except as disclosed in the GEO Disclosure Letter:
- (i) neither GEO nor any of the GEO 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 GEO or any of the GEO Subsidiaries that cannot be terminated upon payment of a maximum of 12 times such individual's monthly salary;
  - (ii) neither GEO nor any GEO Subsidiary has any employee or consultant whose employment or contract with GEO or any GEO Subsidiary cannot be terminated upon payment of a maximum of 12 months' notice; and
  - (iii) neither GEO nor any GEO Subsidiary:
    - (A) is a party to any collective bargaining agreement;
    - (B) is, to the knowledge of GEO, 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 GEO, pending or threatened strike or lockout.

- (i) *Financial Matters.* The audited consolidated balance sheets, consolidated statements of operations, comprehensive loss and deficit and consolidated statements of cash flows of GEO as at and for the financial years ended August 31, 2010 and August 31, 2009 and the unaudited consolidated balance sheets, consolidated statements of operations, comprehensive loss and deficit and consolidated statements of cash flows of GEO as at and for the quarter ended May 31, 2011 (collectively, the “**GEO Financial Statements**”) were prepared in accordance with Canadian GAAP, consistently applied, and fairly present in all material respects the consolidated financial condition of GEO at the respective dates indicated and the results of operations of GEO for the periods covered on a consolidated basis. Except as disclosed in the GEO Disclosure Letter, neither GEO nor any GEO Subsidiary has any liability or obligation (including, without limitation, liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, not reflected in the unaudited consolidated financial statements of GEO for the quarter ended May 31, 2011, except liabilities and obligations incurred in the ordinary and regular course of business.
- (j) *Books and Records.* The financial books, records and accounts of GEO and each of the GEO Subsidiaries: (A) have been maintained in accordance with applicable Laws and Canadian GAAP on a basis consistent with prior years; (B) accurately and fairly reflect the material transactions, acquisitions and dispositions of the assets of GEO and each of the GEO Subsidiaries; and (C) accurately and fairly reflect the basis for the GEO Financial Statements. GEO’ minute books and those of each of the GEO Subsidiaries contain minutes of all meetings and resolutions of their respective boards of directors and committees of such boards of directors, other than those portions of minutes of meetings reflecting discussions of the Arrangement or transactions similar to the Arrangement, and shareholders held according to applicable Laws and are complete and accurate in all material respects. True and complete copies of all such minute books recording such meetings and resolutions have been provided to NEW GOLD.
- (k) *Disclosure Controls.* GEO has designed such disclosure controls and procedures, or caused them to be designed under the supervision of the Chief Executive Officer and Chief Financial Officer of GEO as required by law, to provide reasonable assurance that material information relating to GEO is recorded, processed, summarized and reported on a timely basis to the Chief Executive Officer and Chief Financial Officer by others within GEO and the GEO Subsidiaries, particularly during the period in which the annual or interim filings are being prepared.
- (l) *Internal Controls.* GEO has designed such internal controls over financial reporting, or caused them to be designed under the supervision of the

Chief Executive Officer and Chief Financial Officer of GEO as required by law, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. GEO has not failed to disclose in the GEO Documents any information regarding any event, circumstance or action taken or failed to be taken within the knowledge of GEO as at the date of this Agreement which could reasonably be expected to have a Material Adverse Effect on GEO.

- (m) *Litigation.* There is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of GEO, threatened against or relating to GEO or a GEO Subsidiary or affecting any of their respective properties or assets before any Governmental Entity which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on GEO. There are no pending or, to the knowledge of GEO, threatened criminal proceedings involving GEO, any GEO Subsidiary or any employee or agent of GEO. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of GEO, threatened against or relating to GEO or a GEO Subsidiary before any Governmental Entity. Neither GEO nor any GEO Subsidiary nor any of their respective properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of GEO or a GEO Subsidiary, as the case may be, to conduct its business in all material respects as it has been carried on prior to the date of this Agreement, or that would materially impede the consummation of the transactions contemplated by this Agreement, except to the extent any such matter would not have a Material Adverse Effect on GEO.
- (n) *Title to West Blackwater Property and Other Mineral Properties.* The West Blackwater Property is accurately described in Schedule “D”. Schedule “D” contains a complete description of the claims, licenses, permits, agreements and other rights comprising its interest in the West Blackwater Property. Except as disclosed in the GEO Disclosure Letter, applying customary standards in the mining industry, GEO and the GEO Subsidiaries have sufficient title, free and clear of any title defect or Encumbrance, to the West Blackwater Property, except for such defects in title or Encumbrances that, individually or in the aggregate, do not have, and would not reasonably be expected to have, a Material Adverse Effect on GEO. Schedule “E” contains a complete description of the claims, licenses, permits, agreements and other rights of the GEO and the GEO Subsidiaries in other mineral properties not forming part of the West Blackwater Property.
- (o) *West Blackwater Property.* Except as disclosed in the GEO Disclosure Letter:

- (i) no Person has any agreement, option, right of first refusal or right, title or interest or right capable of becoming an agreement, option, right of first refusal or right, title or interest, in or to the West Blackwater Property;
  - (ii) GEO has all necessary corporate power to own the West Blackwater Property and is in compliance with all applicable Laws, registrations, permits, consents and qualifications to which the West Blackwater Property is subject;
  - (iii) all taxes, local improvements, assessment rates, utilities and any and all other payments to or assessments of any Governmental Entity having jurisdiction in respect of the West Blackwater Property have been paid by GEO in respect of the West Blackwater Property;
  - (iv) neither the West Blackwater Property nor any minerals or product derived from the West Blackwater Property are subject to or bound by any royalty or royalty interest, whether registered or unregistered, and neither GEO nor any GEO Subsidiary has granted any royalty interest in or affecting the foregoing;
  - (v) there is no action, suit, order, work order, petition, prosecution or other similar proceeding of which process initiating the same has been served on GEO or any GEO Subsidiary or, to the best of GEO's knowledge, threatened against GEO or any GEO Subsidiary and affecting the West Blackwater Property at law or in equity or before or by any Governmental Entity; and
  - (vi) neither GEO nor any GEO Subsidiary has received notice of any breach of any applicable Law in respect of its conduct on the West Blackwater Property which could have a Material Adverse Effect on the West Blackwater Property or the right, title and/or interest of GEO therein and thereto.
- (p) Mineral Rights.
- (i) Except as disclosed in the GEO Disclosure Letter, and applying customary standards in the mining industry of the applicable jurisdiction, each of GEO and the GEO Subsidiaries:
    - (A) holds all its mineral concessions, claims, leases, licenses, permits, access rights and other rights and interests necessary to explore on the West Blackwater Property (collectively, the “**Mineral Rights**”), free and clear of any material Encumbrances, the Mineral Rights are sufficient to permit the operation of the business of GEO as presently conducted, and GEO does not have any liability or obligation

to pay any commission, royalty, licence fee or similar payment to any Person with respect to the Mineral Rights.

- (ii) Except as disclosed in the GEO Disclosure Letter, and applying customary standards in the mining industry of the applicable jurisdiction:
  - (A) GEO and the GEO Subsidiaries are the legal and/or beneficial owner of all right, title and interest in and to the Mineral Rights comprising the West Blackwater Property pursuant to valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, and none of GEO nor the GEO Subsidiaries is in default of any of the material provisions of such documents, agreements and instruments nor has any such default been alleged;
  - (B) the Mineral Rights comprising the West Blackwater Property have been properly located and recorded in compliance with applicable Laws and the Mineral Rights are comprised of valid and subsisting mineral claims;
  - (C) the Mineral Rights comprising the West Blackwater Property are in good standing under applicable Laws, all assessment work required to be performed the Mineral Rights has been performed and filed, all related taxes and other payments have been paid and all related filings have been made;
  - (D) there is no material adverse claim against or challenge to the title of GEO, or its ownership of, the Mineral Rights comprising the West Blackwater Property;
  - (E) the employees, agents and representatives of GEO have free and unrestricted access to the West Blackwater Property and have not been prevented or restrained in any manner from exercising their rights of access;
  - (F) GEO has the exclusive right to deal with the Mineral Rights comprising the West Blackwater Property;
  - (G) no other Person has any material interest in the Mineral Rights comprising the West Blackwater Property or the production from any of the underlying mineral deposits or any right to acquire any such interest;
  - (H) there are no back-in rights, earn-in rights, rights of first refusal or similar provisions which would materially affect the

interest of GEO in the Mineral Rights comprising the West Blackwater Property; and

- (l) GEO has not received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke any of its interests in any of the Mineral Rights comprising the West Blackwater Property.
- (iii) GEO has provided NEW GOLD with access to full and complete copies of all exploration information and data within the possession or control of GEO, including, without limitation, all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies, concerning the Mineral Rights comprising the West Blackwater Property and GEO has the sole title, ownership and right to use all such information, data reports and studies.
- (iv) There is no claim or proceeding that has been commenced or, to the knowledge of GEO, is pending or threatened (and, to the knowledge of GEO, there is no existing ground on which any such claim or proceeding might be commenced with any reasonable likelihood of success) which, if determined adversely to GEO, could materially and adversely affect the ability of GEO to make use of, transfer or otherwise exploit the Mineral Rights comprising the West Blackwater Property.
- (v) All work and activities carried out on the West Blackwater Property by GEO or the GEO Subsidiaries or, to the knowledge of GEO, by any other Person have been carried out in all material respects in compliance with all applicable Laws, and neither GEO nor any of the GEO Subsidiaries, nor, to the knowledge of GEO, any other Person, has received any notice of breach of any such applicable Laws.
- (q) *Operational Matters.* Except as disclosed in the GEO Disclosure Letter or as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect on GEO:
  - (i) all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens and other payments due or payable on or prior to the date of this Agreement under or with respect to the direct or indirect assets of GEO and the GEO Subsidiaries have been properly and timely paid;
  - (ii) all rentals, payments, and obligations due and payable or performable on or prior to the date of this Agreement under or on

account of any of the direct or indirect assets of GEO and the GEO Subsidiaries have been duly paid, performed, or provided for; and

- (iii) all costs, expenses and liabilities payable on or prior to the date of this Agreement under the terms of any contracts and agreements to which GEO or any of the GEO Subsidiaries 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.
- (r) *Insurance.* Except for d&o insurance, GEO does not maintain any insurance policy;
- (s) *Environmental.* Except as disclosed in the GEO Disclosure Letter:
  - (i) Each of GEO and the GEO Subsidiaries has carried on its operations in compliance with all applicable Environmental Laws, except to the extent that a failure to be in such compliance, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on GEO.
  - (i) The West Blackwater Property has not been used by GEO or any GEO Subsidiary to generate, manufacture, refine, treat, recycle, transport, store, handle, dispose of, transfer, produce or process Hazardous Substances, except in compliance in all material respects with all Environmental Laws and except to the extent that such non-compliance would not reasonably be expected to have a Material Adverse Effect on GEO. Neither GEO nor any of the GEO Subsidiaries has caused or permitted the Release of any Hazardous Substances at, in, on, under or from any West Blackwater Property, except in compliance, individually or in the aggregate, with all Environmental Laws, except where the failure to be in such compliance would not be reasonably be expected to have a Material Adverse Effect on GEO. All Hazardous Substances handled, recycled, disposed of, treated or stored on or off site of the West Blackwater Property by GEO or any GEO Subsidiary have been handled, recycled, disposed of, treated and stored in material compliance with all Environmental Laws, except to the extent that a failure to be in such compliance would not be reasonably likely to have a Material Adverse Effect on GEO. To the knowledge of GEO, there are no Hazardous Substances at, in, on, under or migrating from the West Blackwater Property, except in material compliance with all Environmental Laws and except to the extent that any failures to be in compliance would not reasonably be expected to have a Material Adverse Effect on GEO.

- (ii) Neither of GEO nor the GEO Subsidiaries has treated or disposed of, or arranged for the treatment or disposal of, any Hazardous Substances at any location: (A) listed on any list of hazardous sites or sites requiring Remedial Action issued by any Governmental Entity; (B) to the knowledge of GEO, proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action, or any similar federal, state or provincial lists; or (C) which is the subject of enforcement actions by any Governmental Entity that creates the reasonable potential for any proceeding, action, or other claim against GEO or the GEO Subsidiaries. To the knowledge of GEO, no site or facility now or previously owned, operated or leased by GEO or the GEO Subsidiaries is listed or, to the knowledge of GEO, is proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action or is the subject of Remedial Action.
- (iii) Except to the extent that it would not reasonably be expected to have a Material Adverse Effect on GEO, neither GEO nor any GEO Subsidiary has caused or permitted the Release of any Hazardous Substances on or to the West Blackwater Property in such a manner as: (A) would reasonably be expected to impose Liability for cleanup, natural resource damages, loss of life, personal injury, nuisance or damage to other property, except to the extent that such Liability would not have a Material Adverse Effect on GEO; or (B) would be reasonably expected to result in imposition of a lien, charge or other encumbrance or the expropriation of the West Blackwater Property or the assets of GEO or the GEO Subsidiaries.
- (iv) Except to the extent that would not reasonably be expected to have a Material Adverse Effect on GEO and except as disclosed in the GEO Disclosure Letter, neither GEO nor the GEO Subsidiaries has received from any Person or Governmental Entity any notice, formal or informal, of any proceeding, action or other claim, Liability or potential Liability arising under any Environmental Law that is pending as of the date of this Agreement.
- (t) *Tax Matters.* Except as disclosed in the GEO Disclosure Letter or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on GEO:
  - (i) GEO and each GEO Subsidiary 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 has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon.

- (i) GEO and each GEO Subsidiary 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 Law to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Law to be remitted by it, and (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it.
- (ii) The charges, accruals and reserves for Taxes reflected on the GEO Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of GEO, adequate under Canadian GAAP to cover Taxes with respect to GEO and each GEO Subsidiary accruing through the date thereof.
- (iii) There are no proceedings, investigations, audits, assessments, reassessments or claims now pending or, to the knowledge of GEO, threatened against either GEO or a GEO Subsidiary that propose to assess Taxes in addition to those reported in the Tax Returns.
- (iv) No waiver of any statute of limitations with respect to Taxes has been given or requested with respect to GEO or any GEO Subsidiary.
- (u) *Pension and Employee Benefits.* Neither the GEO nor any of the GEO Subsidiaries have established any pension or retirement income plans or other employee compensation or benefit plans, agreements, policies, programs, arrangements or practices.
- (v) *Reporting Status.* GEO is a reporting issuer or its equivalent in the Provinces of British Columbia, Alberta and Ontario. The GEO Common Shares are listed on the TSX-V.
- (w) *Reports.* Since August 31, 2010, GEO has filed with all applicable Securities Authorities, the TSX-V and all applicable self-regulatory authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it, including, without limitation, all documents required to be filed by it in compliance with continuous disclosure requirements of applicable securities laws (such forms, reports, schedules, statements, certifications and other documents, including any financial statements or other documents, including any schedules included

therein, are referred to herein as the “**GEO Documents**”). The GEO Documents, at the time filed or, if amended, as of the date of such amendment (i) did not contain any misrepresentation (as defined by the Securities Act) and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities having jurisdiction over GEO (including without limitation, complied with National Instrument 43-101, Standards of Disclosure for Mineral Projects) in the case of disclosure relating to technical information on GEO’s mineral projects, except where such non-compliance has not had, and would not reasonably be expected to have, a Material Adverse Effect on GEO. Except as disclosed in the GEO Disclosure Letter, there are no outstanding unresolved comments of any Securities Authority in respect of any GEO Document that has been filed. GEO has not filed any confidential material change or other report or other document with any Securities Authority or the TSX-V or other self-regulatory authority which at the date of this Agreement remains confidential. The GEO Subsidiaries are not required to file any reports or other documents with any Securities Authorities or the TSX-V.

- (x) *Diligence Documents.* After due inquiry, GEO is not aware of anything that would indicate that any of the due diligence information provided by or on behalf of GEO to NEW GOLD or any of its affiliates, is not true and accurate in all material respects.
- (y) *Compliance with Laws.* GEO and the GEO Subsidiaries have complied with and are not in violation of any applicable Law other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on GEO.
- (z) *No Cease Trade.* GEO is not subject to any cease trade or other order of the TSX-V or any Securities Authority and, to the knowledge of GEO, no investigation or other proceedings involving GEO that may operate to prevent or restrict trading of any securities of GEO are currently in progress or pending before the TSX-V or any Securities Authority.
- (aa) *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 GEO or any GEO Subsidiary of any of the material assets of GEO or the GEO Subsidiaries other than as described or contemplated herein and except as disclosed in the GEO Disclosure Letter.
- (bb) *Certain Contracts.* Neither GEO nor any GEO Subsidiary is a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree that purports to (i) limit

the manner or the localities in which all or any material portion of their business is conducted, (ii) limit any business practice of GEO or the GEO Subsidiaries in any material respect, or (iii) restrict any acquisition or disposition of any property by GEO or the GEO Subsidiaries, except with respect to (ii) and (iii) as disclosed in the GEO Disclosure Letter.

- (cc) *U.S. Securities Laws.* As of the date of this Agreement, GEO is not registered, does not report nor is it required to be registered or report under the 1933 Act.
- (dd) *No Broker's Commission.* Neither GEO nor any of the GEO Subsidiaries has entered into any agreement that would entitle any Person to any valid claim against GEO for a broker's commission, finder's fee or any like payment in respect of the Arrangement or any other matter contemplated by this Agreement, except for the fees and expenses disclosed in the GEO Disclosure Letter.
- (ee) *Certain Business Practices.* To the knowledge of GEO, neither GEO, the GEO Subsidiaries nor any director, officer, agent or employee of GEO or the GEO Subsidiaries (in their capacities as such) has:
  - (i) used or agreed to use any funds for contributions, gifts, entertainment or other purposes relating to political activity in violation of Law including; or
  - (ii) made or agreed to make any payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns in violation of Law.

### **Section 3.02 Representations and Warranties of NEW GOLD**

NEW GOLD represents and warrants to GEO, and acknowledges that GEO is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement, as follows:

- (a) *Organization.* NEW GOLD has been incorporated, are validly subsisting and have full corporate and legal power and authority to own their respective property and assets and to conduct their respective businesses as currently owned and conducted. NEW GOLD is registered, licensed or otherwise qualified as an extra-provincial corporation or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on NEW GOLD or as otherwise disclosed by NEW GOLD on SEDAR.

(b) *Authority.* NEW GOLD has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by NEW GOLD as contemplated by this Agreement, and to perform their respective obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by NEW GOLD and the completion by NEW GOLD of the transactions contemplated by this Agreement have been authorized by the directors of NEW GOLD and no other corporate proceedings on the part of NEW GOLD are necessary to authorize this Agreement or to complete the transactions contemplated hereby. This Agreement has been executed and delivered by NEW GOLD and constitutes a legal, valid and binding obligation of each NEW GOLD, enforceable against NEW GOLD in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by NEW GOLD of this Agreement and the performance of its obligations hereunder and the completion of the transactions contemplated hereby do not and will not result in a violation, contravention or breach of, require any consent to be obtained under or give rise to any termination rights under any provision of,

- (i) the articles or by-laws (or their equivalent) of NEW GOLD;
- (ii) any Law; or
- (iii) any contract, agreement, licence or permit to which NEW GOLD is bound or is subject to or of which NEW GOLD is the beneficiary,

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on NEW GOLD;

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by NEW GOLD in connection with the execution and delivery of this Agreement or the consummation by NEW GOLD of the transactions contemplated hereby other than: (i) any approvals required by the Interim Order; (ii) any approvals required by the Final Order; (iii) filings with and approvals by Securities Authorities having jurisdiction and stock exchanges; and (iv) 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 NEW GOLD.

(c) *Directors' Approvals.* The directors of NEW GOLD has authorized the entering into of this Agreement, and the performance of its provisions, by NEW GOLD.

### **Section 3.03 Survival of Representations and Warranties**

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished on the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms. Any investigation by NEW GOLD, GEO or Spinco and their respective advisors shall not mitigate, diminish or affect the representations and warranties contained in this Agreement.

## **ARTICLE 4 COVENANTS**

### **Section 4.01 Covenants of GEO**

Subject to Sections 6.01 and 6.02, GEO covenants and agrees with NEW GOLD as follows:

- (a) Interim Order; Court Procedures.
  - (i) As soon as practicable, GEO shall file, proceed with and diligently prosecute an application to the Court for the Interim Order on terms and conditions acceptable to NEW GOLD, acting reasonably;
  - (ii) GEO will provide legal counsel to NEW GOLD with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court (including, without limitation, drafts of the Proxy Circular) in connection with the Arrangement, including by providing on a timely basis notice of any information required to be supplied by NEW GOLD for inclusion in such material, prior to the service and filing of that material and will incorporate any reasonable comments of such counsel. In addition, GEO will not object to legal counsel to NEW GOLD appearing and making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided that GEO is advised of the nature of any submissions prior to the hearing. GEO will also provide legal counsel to NEW GOLD on a timely basis with copies of any notice of appearance and evidence served on GEO or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal therefrom and any notice (written or oral) received by GEO indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order. Subject to applicable Laws, GEO will not file any material with the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with NEW GOLD's prior written consent, not to be unreasonably withheld;

provided that nothing herein will require NEW GOLD to agree or consent to any increase in consideration or other modification or amendment to such filed or served materials that expands or increases NEW GOLD's obligations set forth in any such filed or served materials under this Agreement.

- (b) GEO Meeting. In a timely and expeditious manner, GEO shall:
- (i) promptly carry out such terms of the Interim Order as are required under its terms to be carried out by GEO;
  - (ii) prepare, with the assistance of NEW GOLD, and file the Proxy Circular and all required amendments thereto (which shall be in a form satisfactory to NEW GOLD, acting reasonably), together with any other documents required by applicable Laws, in all jurisdictions where the Proxy Circular and any amendments or supplements thereto, is required to be filed and mail the Proxy Circular, as ordered by the Interim Order and in accordance with all applicable Laws, in and to all jurisdictions where the Proxy Circular is required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof and in the form and containing the information required by all applicable Laws, including all applicable corporate and securities legislation and requirements, and not containing any misrepresentation (as defined under applicable securities legislation and requirements) with respect thereto, other than with respect to any information relating to and provided by NEW GOLD;
  - (iii) subject to the terms of this Agreement, GEO shall: (i) take all commercially reasonable lawful action to solicit in favour of the GEO Resolution and the GEO Securityholder Approval; (ii) recommend to all holders of GEO Common Shares,, GEO Options and GEO Warrants, that they vote in favour of the GEO Resolution; and (iii) not withdraw, modify or qualify, or publicly propose to or publicly state that it intends to withdraw, modify or qualify in any manner adverse to NEW GOLD such recommendation (a "**Change in GEO Recommendation**"), except as expressly permitted by Sections 6.01 and 6.02;
  - (iv) convene and hold the GEO Meeting as soon as possible, but in any event hold the GEO Meeting by no later than December 27, 2011, in the manner provided in the Interim Order;
  - (v) provide notice to NEW GOLD of the GEO Meeting and allow representatives of NEW GOLD to attend the GEO Meeting;

- (vi) allow NEW GOLD, at its own expense, to solicit proxies for the GEO Meeting either directly or through a proxy solicitation agent;
  - (vii) conduct the GEO Meeting in accordance with the Interim Order, the BCBCA, the articles of GEO and as otherwise required by applicable Laws; and
  - (viii) take all such actions as may be required under the BCBCA in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.
- (c) *Status of Voting.* GEO will advise NEW GOLD, at least on a daily basis on each of the 10 Business Days prior to the date of the GEO Meeting, as to the aggregate tally of the proxies received by GEO in respect of the GEO Resolution.
- (d) *Adjournment.* Except as expressly provided in this Agreement, GEO shall not adjourn, postpone or cancel the GEO Meeting (or propose to do so), except: (i) if quorum is not present at the GEO Meeting; (ii) if required by applicable Laws; or (iii) if otherwise agreed with NEW GOLD.
- (e) *Dissent Rights.* GEO shall provide NEW GOLD with a copy of any purported exercise of the Dissent Rights and written communications with any GEO Securityholder purportedly exercising such Dissent Rights, and shall not settle or compromise any action brought by any present, former or purported holder of any of its securities in connection with the transactions contemplated by this Agreement, including the Arrangement, without the prior consent of NEW GOLD.
- (f) *Amendments.* In a timely and expeditious manner, GEO shall prepare (in consultation with NEW GOLD), and file any mutually agreed (or as otherwise required by applicable Laws) amendments or supplements to the Proxy Circular (which amendments or supplements shall be in a form satisfactory to NEW GOLD, acting reasonably) with respect to the GEO Meeting and mail such amendments or supplements, as required by the Interim Order and in accordance with all applicable Laws, in and to all jurisdictions where such amendments or supplements are required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof.
- (g) *Securityholder Lists.* GEO will prepare or cause to be prepared and provide to NEW GOLD lists of holders of all classes and series of securities of GEO, including lists of the GEO Shareholders, the GEO Optionholders and the GEO Warrantholders, as well as security position listing from each depository of its securities, including CDS Clearing and Depository Services Inc. and The Depository Trust and Clearing Corporation, and will obtain and deliver to NEW GOLD thereafter, as soon

as reasonably practicable after any demand therefor, supplemental lists setting out any changes thereto, all such deliveries to be in printed form and, if available, in computer-readable format.

- (h) *Final Order.* Subject to the approval of the GEO Resolution in accordance with the provisions of the Interim Order, GEO shall forthwith file, proceed with and diligently prosecute an application for the Final Order, which application shall be in form and substance satisfactory to the parties to this Agreement, acting reasonably. GEO shall advise the Court in the application for the Final Order that it is GEO's and Spinco's intention to rely upon the exemption from registration requirement of the 1933 Act provided by Section 3(a)(10) of the 1933 Act to implement the transactions contemplated hereby in respect of the GEO Securityholders who are resident in the United States.
- (i) *Compliance with Orders.* GEO shall forthwith carry out the terms of the Interim Order and the Final Order.
- (j) *Copy of Documents.* Except for proxies and other non-substantive communications, GEO shall furnish promptly to NEW GOLD a copy of each notice, report, schedule or other document or communication delivered, filed or received by GEO in connection with this Agreement, the Arrangement, the Interim Order or the GEO Meeting or any other meeting at which all GEO Securityholders are entitled to attend relating to special business, any filings made under any applicable Law and any dealings or communications with any Governmental Entity, Securities Authority or stock exchange in connection with, or in any way affecting, the transactions contemplated by this Agreement.
- (k) *Usual Business.* Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement and except as set forth below, GEO shall, and shall cause the GEO Subsidiaries to, conduct business only in, and not take any action except in, the ordinary course of business and consistent with past practice and shall ensure to keep West Blackwater Properties in good standing.
- (l) *Certain Actions Prohibited.* Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement, GEO shall not, without the prior written consent of NEW GOLD, directly or indirectly do or permit to occur any of the following:
  - (i) issue, sell, or agree to issue or sell, any GEO Common Shares or any options, warrants, calls, conversion privileges or rights of any kind to acquire any GEO Common Shares, create any Encumbrance on the shares of any GEO Subsidiary, or permit any GEO Subsidiary to issue, sell, or agree to issue, sell, pledge, lease, dispose of, any shares of, or any options, warrants, calls,

conversion privileges or rights of any kind to acquire any shares of any GEO Subsidiary; other than the issue of GEO Common Shares pursuant to the exercise of the GEO Options and the GEO Warrants issued and outstanding on the date of this Agreement in accordance with their terms as of the date of this Agreement;

- (ii) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other Persons and only if such rights have been disclosed in the GEO Disclosure Letter), sell, lease or otherwise dispose of, or permit any GEO Subsidiary to sell, lease or otherwise dispose of, any property or assets or enter into any agreement or commitment in respect of any of the foregoing;
- (iii) amend or propose to amend the articles or by-laws (or the equivalent) of GEO or any GEO Subsidiary or, except as contemplated herein, any of the terms of the GEO Options or the outstanding GEO Warrants as they existed on October 13, 2011;
- (iv) split, combine or reclassify any of the shares of GEO or any GEO Subsidiary or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the shares of GEO or any GEO Subsidiary;
- (v) redeem, purchase or offer to purchase, or permit any GEO Subsidiary to redeem, purchase or offer to purchase, any GEO Common Shares and, other than pursuant to the GEO Option Plans, any options or obligations or rights under existing contracts, agreements and commitments;
- (vi) reorganize, amalgamate or merge GEO or any GEO Subsidiary;
- (vii) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity, or permit any GEO Subsidiary to acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity;
- (viii) (A) satisfy or settle any claim or dispute which is, individually or in the aggregate, in an amount in excess of \$20,000, except such as have been included in the consolidated financial statements of GEO delivered to NEW GOLD or which constitutes a claim between GEO and any GEO Subsidiary; (B) relinquish any contractual rights that are, individually or in the aggregate, in an amount in excess of \$20,000; or (C) enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar

financial instruments other than in the ordinary and regular course of business and not for speculative purposes;

- (ix) incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money, or permit any GEO Subsidiary to incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money;
  - (x) except as required by Canadian GAAP or any applicable Law (which for greater clarity includes the transition to International Financial Reporting Standards), make any changes to the existing accounting practices of GEO or make any material tax election inconsistent with past practice; or
  - (xi) enter into, or cause any GEO Subsidiary to enter into, new commitments of a capital expenditure nature or incur any new contingent liabilities other than (A) expenditures made in the ordinary course of business consistent with past practice; (B) expenditures required by Law; and (C) expenditures made in connection with transactions contemplated in this Agreement.
- (m) *Employment Arrangements.* Except where the prior intention to do so has been disclosed in the GEO Disclosure Letter, GEO shall not, without the prior written consent of NEW GOLD, and shall cause any GEO Subsidiary not to, enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of GEO or such GEO Subsidiary.
- (n) *Insurance.* GEO shall use its commercially reasonable efforts, and shall cause each GEO Subsidiary to use its commercially reasonable efforts, to cause their 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.

- (o) *Certain Actions.* GEO shall:
- (i) not take any action, or refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by GEO in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Time if then made, or which would or could have a Material Adverse Effect on GEO; and
  - (ii) promptly notify NEW GOLD of (A) any Material Adverse Change or Material Adverse Effect, or any fact, circumstance, change, event, occurrence or effect that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of GEO, (B) any Governmental Entity or third person making a material complaint, investigation or hearing (or communications indicating that the same may be contemplated), (C) any breach by GEO of any covenant or agreement contained in this Agreement, and (D) any event occurring subsequent to the date of this Agreement that would render any representation or warranty of GEO contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.
- (p) *No Compromise.* GEO shall not, and shall cause each GEO Subsidiary to, not settle or compromise any claim brought by any present, former or purported holder of any securities of GEO in connection with the transactions contemplated by this Agreement prior to the Effective Time without the prior written consent of NEW GOLD.
- (q) *Contractual Obligations.* GEO shall not, and shall not cause any GEO Subsidiary to, enter into, renew or modify in any respect any material contract, agreement, lease, commitment or arrangement to which GEO or any GEO Subsidiary 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.
- (r) *Satisfaction of Conditions.* GEO shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations hereunder to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

- (i) obtain the approval, as necessary, of GEO Securityholders of the Arrangement in accordance with the provisions of the BCBCA, the Interim Order and the requirements of any applicable regulatory authority;
  - (ii) obtain all other consents, approvals and authorizations as are required to be obtained by GEO or any GEO Subsidiary under any applicable Law or from any Governmental Entity that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on GEO;
  - (iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement and participate and appear in any proceedings of any party to this Agreement before any Governmental Entity;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the parties to this Agreement to consummate, the transactions contemplated hereby;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by GEO; and
  - (vi) cooperate with NEW GOLD in connection with the performance by NEW GOLD of its obligations hereunder provided however that the foregoing shall not be construed to obligate GEO to pay or cause to be paid any monies to cause such performance to occur.
- (s) *Cooperation and Consultation.* GEO shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws. Prior to the Effective Time, GEO will consult and coordinate with NEW GOLD prior to issuing any press releases or otherwise making public statements (including, without limitation, participating to analyst calls and investor conferences). In addition, GEO will consult with NEW GOLD prior to making any filing with any Governmental Entity with respect to the Arrangement. GEO will use all commercially reasonable efforts to enable NEW GOLD to review and comment on all such press releases before the release thereof and will enable GEO to review and comment on such filings before the filing thereof, provided that the obligations herein will not prevent any party from making such disclosure as its counsel

advises is required by applicable laws or the rules and policies of the reporting jurisdictions of the party, or such disclosure that is made in the ordinary course of business consistent with past practice. GEO agrees not to make any public statement that is inconsistent with any such press release or this Agreement.

- (t) *Consultation West Blackwater Property.* In addition, GEO will fully cooperate and consult through meetings with NEW GOLD, as the NEW GOLD may reasonably request, to allow NEW GOLD to monitor, and provide input with respect to the direction and control of, all activities relating to the exploration and maintenance of the West Blackwater Property (and any disclosure of new technical information), including without limitation those items dealt with in a budget of expenditures to be agreed by NEW GOLD from time to time.
- (u) *Representations.* GEO shall use its commercially reasonable efforts to conduct its affairs and to cause the GEO Subsidiaries to conduct their affairs so that all of the representations and warranties of GEO contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (v) *Access.* GEO shall, and shall cause the GEO Subsidiaries to, afford officers, employees, counsel, accountants and other authorized representatives and advisors of NEW GOLD reasonable access, during normal business hours from the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, to the properties, books, contracts and records (including all technical and operational data including, without limitation, drilling results) as well as to the personnel of GEO and the GEO Subsidiaries, and, during such period, GEO shall, and shall cause the GEO Subsidiaries to, furnish promptly to NEW GOLD all information concerning the business, properties and personnel of GEO and the GEO Subsidiaries as NEW GOLD may reasonably request. Subject to applicable Laws, GEO shall continue to make available and cause to be made available to NEW GOLD and the agents and advisors thereto all documents, agreements, corporate records and minute books as may be necessary to enable NEW GOLD to effect a thorough examination of GEO and the GEO Subsidiaries and the business, properties and financial status thereof, and shall cooperate with NEW GOLD in securing access for NEW GOLD to any documents, agreements, corporate records or minute books not in the possession or under the control of GEO.
- (w) *Closing Documents.* GEO shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, opinions and other closing documents as may be required by NEW GOLD, all in form satisfactory to NEW GOLD, acting reasonably.

- (x) *Pre-Acquisition Reorganization.* GEO shall effect such reorganization of its business, operations, subsidiaries and assets or such other transactions (each, a “Pre-Acquisition Reorganization”) as NEW GOLD may reasonably request prior to the Effective Date (for greater clarity, preliminary steps necessary to effect the Plan if Arrangement as currently contemplated by Plan of Arrangement attached to this Agreement shall not constitute elements of a Pre-Acquisition Reorganization), and the Plan of Arrangement, if required, shall be modified accordingly; provided, however, that GEO need not effect a Pre-Acquisition Reorganization which in the opinion of GEO, acting reasonably: (i) would require GEO to obtain the prior approval of the shareholders of GEO in respect of such Pre-Acquisition Reorganization other than at the GEO Meeting; (ii) would impede or materially delay the consummation of the Arrangement; or (iii) would result in any reduction in the benefits to be received by GEO or any security holder thereof under the transactions contemplated by this Agreement, including, without limitation, the Arrangement. Without limiting the foregoing and other than as set forth in clause (i) above, GEO shall use its commercially reasonable efforts to obtain all necessary consents, approvals or waivers from any Persons to effect each Pre-Acquisition Reorganization, and GEO shall cooperate with NEW GOLD in structuring, planning and implementing any such Pre-Acquisition Reorganization. NEW GOLD shall provide written notice to GEO of any proposed Pre-Acquisition Reorganization at least 10 Business Days prior to the date of the GEO Meeting. In addition:
- (i) NEW GOLD shall indemnify and save harmless GEO and the GEO Subsidiaries’ respective officers, directors, employees, agents, advisors and representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgments and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization;
  - (ii) any Pre-Acquisition Reorganization shall not become effective unless NEW GOLD shall have waived or confirmed in writing the satisfaction of all conditions in its favour and shall have confirmed in writing that it is prepared to promptly without condition (other than the satisfaction of any condition as it relates to the Pre-Acquisition Reorganization) proceed to effect the Arrangement;
  - (iii) any Pre-Acquisition Reorganization will be effective as close, as is reasonably practicable, to the Effective Date;
  - (iv) any Pre-Acquisition Reorganization shall not unreasonably interfere in material operations prior to the Effective Time of GEO or any of the GEO Subsidiaries;

- (v) unless the Parties otherwise agree, any Pre-Acquisition Reorganization shall not require any filings with, notifications to or approvals of any Governmental Entity or third party (other than such Tax rulings, and filing such Tax elections or notifications and prefilings or pre-clearances with corporations branches or similar Governmental Entities, as are necessary or advisable in the circumstances);
- (vi) any Pre-Acquisition Reorganization shall not require GEO or any GEO Subsidiary to contravene any applicable Laws, their respective organizational documents or any material contract; and
- (vii) GEO and the GEO Subsidiaries shall not be obligated to take any action that could result in any Taxes being imposed on, or any adverse Tax or other consequence to, any security holder of GEO greater than the Taxes or other consequences to such Person in connection with the consummation of the Arrangement in the absence of any Pre-Acquisition Reorganization.

NEW GOLD acknowledges and agrees that the planning for and implementation of any Pre-Acquisition Reorganization shall not be considered a breach of any covenant under this Agreement and shall not be considered in determining whether a representation or warranty of GEO hereunder has been breached. NEW GOLD and GEO shall work cooperatively and use reasonable commercial efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization. For greater certainty, GEO shall not be liable for the failure of NEW GOLD to benefit from any anticipated tax efficiency as a result of a Pre-Acquisition Reorganization. If the Arrangement is not completed, NEW GOLD shall, in addition to the payment of the NEW GOLD Termination Payment if payable in accordance with Section 6.04, forthwith reimburse GEO for all reasonable fees and expenses (including, without limitation, any professional fees and expenses) incurred by GEO and the GEO Subsidiaries in reversing or voiding any Pre-Acquisition Reorganization that was effected at NEW GOLD's request. The obligation of NEW GOLD to reimburse GEO as set out in this section and the indemnity described in this section will be in addition to any other obligation hereunder and will survive termination of this Agreement indefinitely.

- (y) *Spin-Out Assets and Liabilities.* Prior to the Effective Time, GEO and Spinco shall take all necessary steps, including completing all documentation, to arrange for the transfer to, and the assumption by, Spinco, at the Effective Time, all of its right, title, interest, obligations and liabilities in the Spin-Out Assets and Liabilities in consideration of the issuance by Spinco of Spinco Shares as contemplated in the

Arrangement. Prior to the Effective Time, GEO shall cause all third parties to agree to the assignment of Spin-Out Assets and Liabilities to Spinco on terms that are satisfactory to NEW GOLD in its sole discretion.

*West Blackwater Property.* Prior to the Effective Time, GEO shall have become the 100% registered owner of Tenure claim #835014 free and clear of all Encumbrances (except for the existing 2% net smelter royalty) and all payments therefor shall have been completed on terms satisfactory to NEW GOLD.

#### **Section 4.02 Covenants of NEW GOLD**

NEW GOLD hereby covenants and agrees with GEO as follows:

- (a) *Proceedings.* In a timely and expeditious manner, NEW GOLD shall take all such actions and do all such acts and things as are specified in the Interim Order, the Plan of Arrangement and the Final Order to be taken or done by NEW GOLD.
- (b) *Information for Proxy Circular.* In a timely and expeditious manner, NEW GOLD shall provide to GEO all information as may be reasonably requested by GEO or as required by the Interim Order or applicable Laws with respect to NEW GOLD and its businesses and properties for inclusion in the Proxy Circular or in any amendment or supplement to the Proxy Circular that complies in all material respects with all applicable Laws on the date of the mailing thereof and containing all material facts relating to NEW GOLD required to be disclosed in the Proxy Circular and not containing any misrepresentation (as defined under applicable securities legislation and requirements) with respect thereto. NEW GOLD shall fully cooperate with GEO and provide such assistance as GEO may reasonably request in the preparation of the Proxy Circular.
- (c) *Amendments.* In a timely and expeditious manner, NEW GOLD shall provide GEO with information as requested by GEO in order to prepare any amendments or supplements to the Proxy Circular (which amendments or supplements shall be in a form satisfactory to NEW GOLD, acting reasonably) with respect to the GEO Meeting.
- (d) *Certain Actions.* NEW GOLD shall:
  - (i) not take any action, or refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by NEW GOLD in this Agreement

untrue or inaccurate in any material respect at any time prior to the Effective Time if then made; and

- (ii) promptly notify GEO of (A) any Governmental Entity or third person making a material complaint, investigation or hearing (or communications indicating that the same may be contemplated), (B) any breach by NEW GOLD of any covenant or agreement contained in this Agreement, and (C) any event occurring subsequent to the date of this Agreement that would render any representation or warranty of NEW GOLD contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.
- (e) *Satisfaction of Conditions.* NEW GOLD shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all of the conditions precedent to its obligations hereunder to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:
- (i) obtain all consents, approvals and authorizations as are required to be obtained by NEW GOLD under any applicable Law or from any Governmental Entity that would, if not obtained, materially impede the completion of the transactions contemplated hereby;
  - (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any party to this Agreement before any Governmental Entity;
  - (iii) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the parties to this Agreement to consummate, the transactions contemplated hereby;
  - (iv) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by it; and
  - (v) cooperate with GEO in connection with the performance by GEO of its obligations hereunder, provided however that the foregoing shall not be construed to obligate NEW GOLD to pay or cause to be paid any monies to cause such performance to occur.

- (f) *Cooperation.* NEW GOLD shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.
- (g) *Representations.* NEW GOLD shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of NEW GOLD contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (h) *Closing Documents.* NEW GOLD shall execute and deliver, or cause to be executed and delivered at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions and other closing documents as may be required by GEO, all in form satisfactory to GEO, acting reasonably.
- (i) *Tax Election.* after the Effective Time, NEW GOLD will cause GEO to make the election provided for in subsection 110(1.1) of the Tax Act in respect of GEO Options.

#### **Section 4.03 Post Closing Covenants of Spinco**

Spinco covenants to the NEW GOLD that after the Effective Date, it shall use the \$250,000, to be subscribed by NEW GOLD for common shares of Spinco in the Arrangement, to maintain and continue its business operations. Spinco further covenants to the NEW GOLD that as soon as possible after the Effective Date, it shall make all best efforts to seek and obtain a listing for its common shares on the TSX-V or another more senior stock exchange in North America.

### **ARTICLE 5 CONDITIONS**

#### **Section 5.01 Mutual Conditions**

The respective obligations of GEO and NEW GOLD to complete the transactions contemplated in this Agreement are subject to the fulfillment of the following conditions at or before the Effective Time or such other time as is specified below:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the parties to this Agreement, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the parties to this Agreement, acting reasonably, on appeal or otherwise;
- (b) the GEO Securityholder Approval shall have been obtained at the GEO Meeting in accordance with the provisions of the BCBCA, the Interim Order and the requirements of any applicable regulatory authority;

- (c) the Court shall have determined that the terms and conditions of the Arrangement are procedurally and substantively fair to the GEO Securityholders and the Final Order shall have been granted in form and substance satisfactory to the parties to this Agreement, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the parties to this Agreement, acting reasonably, on appeal or otherwise;
- (d) there shall not be in force any Law, ruling, order or decree, and there shall not have been any action taken under any Law or by any Governmental Entity or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement in accordance with the terms hereof or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Arrangement that has, or could reasonably be expected to have, a Material Adverse Effect on GEO or NEW GOLD;
- (e) the TSX-V shall have, if required, accepted notice for filing of all transactions of GEO contemplated herein or necessary to complete the Arrangement, subject only to compliance with the usual requirements of the TSX-V;
- (f) (A) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Entity and the expiry of any waiting periods, in connection with, or required to permit, the completion of the Arrangement; and (B) all third person and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements, indentures or arrangements (other than as contemplated in the GEO Disclosure Letter), the failure of which to obtain or the non-expiry of which would, or could reasonably be expected to have, a Material Adverse Effect on GEO or materially impede the completion of the Arrangement, shall have been obtained or received on terms that are reasonably satisfactory to each party to this Agreement; and
- (g) this Agreement shall not have been terminated pursuant to Article 7.

The foregoing conditions are for the mutual benefit of the parties to this Agreement and may be waived by mutual consent of NEW GOLD and GEO in writing at any time. If any of such conditions shall not be complied with or waived as aforesaid on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.04, any party to this Agreement may terminate this Agreement by written notice to the others of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such rescinding party hereto.

## **Section 5.02 GEO Conditions**

The obligation of GEO to complete the transactions contemplated in this Agreement is subject to the fulfillment of the following additional conditions at or before the Effective Date or such other time as is specified below:

- (a) the representations and warranties made by NEW GOLD in this Agreement that are qualified by the expression “Material Adverse Change” or “Material Adverse Effect” shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by NEW GOLD in this Agreement 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 that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), in either case, except where any failures or breaches of representations and warranties would not either individually or in the aggregate have a Material Adverse Effect on NEW GOLD, and NEW GOLD shall have provided to GEO a certificate of two officers thereof certifying such accuracy or lack of Material Adverse Effect on the Effective Date. No representation or warranty made by NEW GOLD hereunder shall be deemed not to be true and correct if the facts or circumstances which make such representation or warranty untrue or incorrect are provided for or stated to be exceptions under this Agreement;
- (b) NEW GOLD shall have complied in all material respects with its covenants herein and NEW GOLD shall have provided to GEO a certificate of two officers thereof, certifying that, as of the Effective Date, NEW GOLD has so complied with its covenants herein; and
- (c) the directors of NEW GOLD and Subco shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by NEW GOLD and Subco to permit the consummation of the Arrangement.

The foregoing conditions are for the benefit of GEO and may be waived, in whole or in part, by GEO in writing at any time. If any of such conditions shall not be complied with or waived by GEO on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.04, GEO may terminate this Agreement by written notice to NEW GOLD in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by GEO.

### **Section 5.03 NEW GOLD Conditions**

The obligation of NEW GOLD to complete the transactions contemplated in this Agreement is subject to the fulfillment of the following additional conditions at or before the Effective Date or such other time as is specified below:

- (a) the representations and warranties made by GEO in this Agreement that are qualified by the expression “Material Adverse Change” or “Material Adverse Effect” shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by GEO in this Agreement 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 that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), in either case, except where any failures or breaches of representations and warranties would not either, individually or in the aggregate, have a Material Adverse Effect on GEO, and GEO shall have provided to NEW GOLD a certificate of two officers thereof certifying such accuracy or lack of Material Adverse Effect on the Effective Date. No representation or warranty made by GEO hereunder shall be deemed not to be true and correct if the facts or circumstances that make such representation or warranty untrue or incorrect are disclosed or referred to in the GEO Disclosure Letter, or provided for or stated to be exceptions under this Agreement;
- (b) from the date of this Agreement until the Effective Date, there shall not have occurred, and neither GEO nor a GEO Subsidiary shall have incurred or suffered, any one or more facts, circumstances, changes, effects, events or occurrences that, either individually, or in the aggregate have, or could reasonably be expected to have, a Material Adverse Effect on GEO;
- (c) GEO shall have complied in all material respects with its covenants herein and GEO shall have provided to NEW GOLD a certificate of two officers thereof certifying that, as of the Effective Date, GEO has so complied with its covenants herein;
- (d) GEO Securityholders holding no more than 5% of the outstanding GEO Common Shares shall have exercised their Dissent Rights (and not withdrawn such exercise) and NEW GOLD shall have received a certificate dated the day immediately preceding the Effective Date of two officers of GEO to such effect;

- (e) each of the Locked-Up Shareholders shall have entered into the Lock-Up Agreement (in form and substance satisfactory to NEW GOLD) with NEW GOLD on the date of this Agreement and none of the Locked-Up Shareholders shall have breached, in any material respect, any of the representations, warranties and covenants thereof;
- (f) the directors of GEO and the GEO Subsidiaries shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by GEO and the GEO Subsidiaries to permit the consummation of the Arrangement.

The foregoing conditions are for the benefit of NEW GOLD and may be waived, in whole or in part, by NEW GOLD in writing at any time. If any of such conditions shall not be complied with or waived by NEW GOLD on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.04, NEW GOLD may terminate this Agreement by written notice to GEO in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by NEW GOLD.

#### **Section 5.04 Notice and Cure Provisions**

Each party to this Agreement shall give prompt notice to the others of them of the occurrence, or failure to occur, at any time from the date of this Agreement until the Effective Date, of any event or state of facts which occurrence or failure would, would be likely to or could:

- (a) cause any of the representations or warranties of such party to this Agreement contained herein to be untrue or inaccurate in any respect on the date of this Agreement or on the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such party hereto prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other parties hereto contained in Sections 5.01, 5.02 or 5.03, as the case may be.

Subject as provided in this Agreement, a party hereto may (a) elect not to complete the transactions contemplated hereby by virtue of the conditions for its benefit contained in Sections 5.01, 5.02 or 5.03 not being satisfied or waived or (b) exercise any termination right arising therefrom; provided, however, that (i) promptly and in any event prior to the Effective Date, the party hereto intending to rely thereon has delivered a written notice to the other parties hereto specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties or other matters that the party hereto delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be, and (ii) if any such notice is delivered, and a party hereto is proceeding diligently, at its own expense, to cure such matter, if such matter is

susceptible to being cured, the party hereto that has delivered such notice may not terminate this Agreement until the earlier of the Completion Deadline and the expiration of a period of 21 days from date of delivery of such notice. If such notice has been delivered prior to the date of the GEO Meeting, the GEO Meeting shall be adjourned or postponed until the expiry of such period.

### **Section 5.05 Merger of Conditions**

The conditions set out in Sections 5.01, 5.02 or 5.03 shall be conclusively deemed to have been satisfied, fulfilled or waived as of the Effective Time.

## **ARTICLE 6 NON-SOLICITATION AND BREAK-UP FEE**

### **Section 6.01 Covenant Regarding Non-Solicitation**

- (a) On and after the date of this Agreement, except as otherwise expressly permitted herein, GEO shall not, directly or indirectly, through any officer, director, employee, representative, advisor or agent of GEO or any GEO Subsidiary, or otherwise:
  - (i) make, solicit, initiate, facilitate, entertain, encourage or promote (including by way of furnishing information, permitting any visit to facilities or properties of GEO or any GEO Subsidiary or entering into any form of agreement, arrangement or understanding) any inquiries or proposals regarding, constituting or that may reasonably be expected to lead to an Acquisition Proposal or potential Acquisition Proposal;
  - (ii) participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to any Person any information or otherwise cooperate with, respond to, assist or participate in, any Acquisition Proposal or potential Acquisition Proposal;
  - (iii) remain neutral with respect to, or agree to, approve or recommend, or propose publicly to agree to, approve or recommend any Acquisition Proposal or potential Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal until five Business Days following formal commencement of such Acquisition Proposal shall not be considered a violation of this paragraph 6.01(a)(iii));
  - (iv) make, or propose publicly to make a Change in GEO Recommendation;
  - (v) accept, enter into, or propose publicly to accept or enter into, any agreement, understanding or arrangement related to any Acquisition Proposal or potential Acquisition Proposal; or

- (vi) make any public announcement or take any other action inconsistent with, or that could reasonably be likely to be regarded as detracting from, the recommendation of the directors of GEO to approve the transactions contemplated herein,

provided, however, that, notwithstanding the preceding part of this subsection 6.01(a), but subject to the following provisions of Article 6 of this Agreement, the directors of GEO and on the direction of any of the directors of GEO, any officer, employee, representative, agent or advisor of GEO may, prior to the approval of the Arrangement by GEO Securityholders, consider or negotiate any unsolicited Acquisition Proposal that may constitute a Superior Proposal (which for greater certainty may include an Acquisition Proposal that is subject to a due diligence condition), and the directors of GEO may make a Change in GEO Recommendation in respect of a Superior Proposal, or approve or recommend to the GEO Securityholders or enter into an agreement in respect of a Superior Proposal in accordance with the provisions of the following subsections of this Article 6 but in each case only if the Acquisition Proposal did not result from a breach of Section 6.01 of this Agreement by GEO and if the directors of GEO determine in good faith after consulting with outside counsel (which may include written opinions or advice) that failure to take such action would be inconsistent with the fiduciary duties of such directors under applicable Law.

- (b) GEO shall, and shall cause the officers, directors, employees, consultants, representatives and agents of GEO and its Subsidiaries to, immediately terminate and cease any discussions or negotiations on behalf of GEO with any parties (other than NEW GOLD) with respect to any proposal that constitutes, or may reasonably be expected to constitute, an Acquisition Proposal. GEO agrees not to release any third party from any confidentiality agreement relating to a potential Acquisition Proposal to which such third party is a party. GEO further agrees not to release any third party from any standstill agreement or provision to which such third party is a party and to take all required action to enforce such standstill agreements. GEO shall forthwith, if provided for in a confidentiality agreement with such third party, request the return or destruction of all information provided to any third party that, at any time since August 31, 2009, has entered into a confidentiality agreement with GEO to the extent that such information has not previously been returned or destroyed, and shall use all commercially reasonable efforts to ensure that such requests are honoured.
- (c) Promptly and, in any event, within 24 hours of the receipt by any director or officer of GEO of any Acquisition Proposal, or any amendment to an Acquisition Proposal, or any request for non-public information relating to GEO or a GEO Subsidiary in connection with any potential Acquisition Proposal or for access to the properties, books or records of GEO or a

GEO Subsidiary by any Person that informs GEO or a GEO Subsidiary that it is considering making, or has made, an Acquisition Proposal, GEO shall notify NEW GOLD thereof, at first orally and then, as soon as possible thereafter, in writing. Such written notice shall include the identity of the person(s) making such proposal, all material terms and conditions of the Acquisition Proposal, copies of all draft agreements and, to the extent available to GEO, copies of all lock up and similar agreements and provide such other details of the Acquisition Proposal, inquiry or contact as NEW GOLD may reasonably request.

- (d) If GEO receives a request for material non-public information from a Person who is considering making or has made a written Acquisition Proposal (the existence and content of which have been disclosed to NEW GOLD), and the directors of GEO determine that such proposal could, if consummated in accordance with its terms, reasonably be expected to result in a Superior Proposal or does constitute a Superior Proposal then, provided that GEO has complied with subsection 6.01(c), and only in such case, the directors of GEO may, subject to the execution of a confidentiality agreement on commercially reasonable terms and in any event on terms that are not more favourable to the Person making or considering making the Acquisition Proposal than those set forth in any confidentiality agreement between GEO and NEW GOLD and which includes a standstill provision that restricts such Person from acquiring, or publicly announcing an intention to acquire, any securities or assets of GEO or a GEO Subsidiary (other than pursuant to a Superior Proposal) for a period not less than one year from the date of such agreement, provide such Person with access to information regarding GEO; provided, however, that GEO sends a copy of any such confidentiality agreement to NEW GOLD immediately upon the execution thereof and NEW GOLD is provided with a list of or a copy of the information, if any, provided to such Person that was not previously provided to NEW GOLD and NEW GOLD is immediately provided with access to similar information.
- (e) GEO shall ensure that its officers, directors, consultants and employees and any financial advisors or other advisors or representatives retained by GEO are aware of the provisions of this Section 6.01, and GEO shall be responsible for any breach of this Section 6.01 by its financial advisors or other advisors or representatives.

## **Section 6.02 Notice of Superior Proposal Determination**

- (a) GEO and the directors of GEO shall not make a Change of GEO Recommendation or accept, approve, recommend or enter into any agreement in respect of an Acquisition Proposal (other than a confidentiality agreement and a standstill agreement contemplated by subsection 6.01(d)) unless (i) GEO has complied with its obligations under Section 6.01 and the other provisions of this Article 6, (ii) it has provided

NEW GOLD with the information about such Acquisition Proposal as required under subsection 6.01(c); (iii) the directors of GEO have determined the Acquisition Proposal would be a Superior Proposal pursuant to subsection 6.01(a), and (iv) five Business Days shall have elapsed from the later of the date NEW GOLD received notice of the determination of the directors of GEO to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal and the date NEW GOLD received the documents pursuant to subsection 6.01(c).

- (b) During the five Business Days referred to in subsection 6.02(a), NEW GOLD shall have the opportunity, but not the obligation, to offer in writing to amend the terms of this Agreement and the Arrangement. The directors of GEO shall review any offer by NEW GOLD to amend the terms of this Agreement and the Arrangement in order to determine in good faith, as of the later of the dates referred to in item (iv) of subsection 6.02(a), whether the offer of NEW GOLD upon acceptance by GEO would result in the Acquisition Proposal not being a Superior Proposal. If the directors of GEO so determine, GEO shall enter into an amended agreement with NEW GOLD reflecting the amended proposal of NEW GOLD and will promptly reaffirm its recommendation of the Arrangement as amended. If the board of directors of GEO determines that the Acquisition Proposal continues to be a Superior Proposal, GEO may approve and its board of directors may recommend that the GEO Securityholders accept such Superior Proposal and may terminate this Agreement in order to enter into and support a Superior Proposal in accordance with Sections 6.02, 6.03 and 7.02.
- (c) GEO acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of the requirement under item (iv) of subsection 6.02(a) and shall initiate an additional five Business Day period.
- (d) If the Proxy Circular has been sent to GEO Securityholders prior to the expiry of the five Business Day period set forth in subsection 6.02(a) and, during such period, NEW GOLD requests in writing that the GEO Meeting proceed, unless otherwise ordered by the Court, GEO shall continue to take all reasonable steps necessary to hold the GEO Meeting and to cause the GEO Resolution to be voted on at the GEO Meeting.
- (e) Where at any time before the GEO Meeting, GEO has provided NEW GOLD with a notice under subsection 6.01(c), an Acquisition Proposal has been publicly disclosed or announced, and the five Business Day period under subsection 6.02(a) has not elapsed, then, subject to applicable Laws, at NEW GOLD's request, GEO will postpone or adjourn the GEO Meeting at the GEO Meeting (but not beforehand without NEW GOLD's consent) to a date acceptable to NEW GOLD, acting reasonably, which shall not be later than ten (10) days after the scheduled date of the GEO

Meeting and shall, in the event that NEW GOLD and GEO amend the terms of this Agreement pursuant to subsection 6.02(b), ensure that the details of such amended Agreement are communicated to the GEO Securityholders prior to the resumption of the adjourned GEO Meeting.

### **Section 6.03 GEO Termination Fee Event**

In the event that (each of the events below being a “**Triggering Event**”):

- (a) this Agreement is terminated by NEW GOLD pursuant to subsection 7.02(c) or (f);
- (b) this Agreement is terminated by NEW GOLD pursuant to subsection 7.02(b) due to GEO having breached its obligations under Section 6.01 or 6.02 in a material respect;
- (c) this Agreement is terminated by NEW GOLD pursuant to subsection 7.02(b) through the fault (whether by commission or omission) of GEO failing to submit the Arrangement for approval to the GEO Securityholders, in accordance with the terms of this Agreement, on or prior to the date that is five Business Days prior to the Completion Deadline or GEO has breached its obligations under paragraph 4.01(b)(iii), in each case provided that the GEO Meeting has not been adjourned or postponed at the request of NEW GOLD pursuant to subsection 6.02(e);
- (d) an Acquisition Proposal shall have been made to GEO and made known to GEO Securityholders generally or shall have been made directly to GEO Securityholders generally or any Person shall have publicly announced an intention to make an Acquisition Proposal in respect of GEO (a “**Pending GEO Acquisition Proposal**”) and such Pending GEO Acquisition Proposal or announced intention shall not have been publicly withdrawn prior to the GEO Meeting and, thereafter, the GEO Securityholders do not approve the Arrangement at the GEO Meeting, this Agreement is terminated by either NEW GOLD or GEO pursuant to subsection 7.02(d) or (e) and within twelve months following the termination of this Agreement either: (i) GEO completes an Acquisition Proposal with the person (or persons) who made such Pending GEO Acquisition Proposal, or (ii) GEO otherwise completes a Change of Control Proposal with any person or persons);
- (e) the board of directors of GEO shall have made a Change in GEO Recommendation and, thereafter, the GEO Securityholders do not approve the Arrangement at the GEO Meeting and this Agreement is terminated by either GEO or NEW GOLD pursuant to subsection 7.02(d);  
or

- (f) this Agreement is terminated by GEO pursuant to subsection 7.02(g), then GEO shall pay to NEW GOLD in the circumstances set forth in subsections 6.03(a), (b), (c) or (e) above, at the time of the termination of this Agreement and, in the circumstances set forth in subsection 6.03(d) above, within five days following the completion of such Acquisition Proposal, as consideration for NEW GOLD's disposition of rights under this Agreement, an amount in cash equal to \$230,000 (the "**GEO Termination Payment**"), in immediately available funds. GEO shall not be obligated to make more than one payment pursuant to this Section 6.03. GEO and NEW GOLD hereby acknowledge that the GEO Termination Payment is a payment of liquidated damages which are a genuine pre-estimate of the damages which NEW GOLD will suffer or incur as a result of the event giving rise to such damages and the resultant non-completion of the Arrangement and are not penalties. GEO hereby irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Upon receipt of payment of the GEO Termination Payment by NEW GOLD, NEW GOLD shall have no further claim against GEO in respect of the failure to complete the Arrangement, provided that nothing herein shall preclude NEW GOLD from seeking injunctive relief to restrain any breach or threatened breach by GEO of any of its obligations hereunder or otherwise to obtain specific performance without the necessity of posting bond or security in connection therewith.

#### **Section 6.04 NEW GOLD Termination Fee Event**

In the event that:

- (a) this Agreement is terminated by GEO pursuant to subsection 7.02(b) due to NEW GOLD having breached its obligations under this Agreement in a material respect;
- (b) this Agreement is terminated by GEO pursuant to subsection 7.02(b) or (e) through the fault (whether by commission or omission) of NEW GOLD failing to provide the information contemplated under subsection 4.02(b) in a timely and expeditious manner so as to cause GEO to be unable to submit the Arrangement for approval to the GEO Securityholders, in accordance with the terms of this Agreement, on or prior to the date that is five Business Days prior to the Completion Deadline, in each case provided that the GEO Meeting has not been adjourned or postponed on mutual agreement of GEO and the NEW GOLD;

then NEW GOLD shall pay to GEO in the circumstances set forth above, at the time of the termination of this Agreement as consideration for GEO's disposition of rights under this Agreement, an amount in cash equal to \$230,000 (the "**NEW GOLD Termination Payment**"), in immediately available funds. NEW GOLD shall not be obligated to make more than one payment pursuant to this Section 6.04. GEO and NEW GOLD hereby

acknowledge that the NEW GOLD Termination Payment is a payment of liquidated damages which are a genuine pre-estimate of the damages which GEO will suffer or incur as a result of the event giving rise to such damages and the resultant non-completion of the Arrangement and are not penalties. NEW GOLD hereby irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Upon receipt of payment of the NEW GOLD Termination Payment by GEO, GEO shall have no further claim against NEW GOLD in respect of the failure to complete the Arrangement, provided that nothing herein shall: (i) preclude GEO from seeking injunctive relief to restrain any breach or threatened breach by NEW GOLD of any of its obligations hereunder or otherwise to obtain specific performance without the necessity of posting bond or security in connection therewith, or (ii) release NEW GOLD from its obligations under subsection 4.01(x) herein.

## **ARTICLE 7 AMENDMENT AND TERMINATION**

### **Section 7.01 Amendment**

This Agreement may, at any time and from time to time before or after the holding of the GEO Meeting be amended by mutual written agreement of the parties hereto without, subject to applicable Law, further notice to or authorization on the part of the GEO Securityholders and any such amendment may, without limitation:

- (a) change the time for the performance of any of the obligations or acts of either of the parties hereto;
- (b) waive any inaccuracies in 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 the performance of any of the obligations of any of the parties hereto; and
- (d) waive compliance with or modify any condition herein contained;

provided, however, that notwithstanding the foregoing, following the GEO Meeting, the Cash Consideration, the terms of the transfer of assets to Spinco or the distribution of Spinco Shares to GEO Securityholders shall not be amended without the approval of the GEO Securityholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court. 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 to this Agreement under Sections 5.01, 5.02, 5.03, 6.03 and Article 7 shall remain unaffected.

## Section 7.02 Termination

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

- (a) by the mutual written consent, duly authorized by the Board of Directors of each of the parties hereto;
- (b) if any of the conditions in Sections 5.01, 5.02 or 5.03 for the benefit of the terminating party is not satisfied or waived in accordance with those sections;
- (c) by NEW GOLD if an Acquisition Proposal in respect of GEO has been made or proposed and the directors of GEO: (i) shall have made a Change in GEO Recommendation, or (ii) except as permitted under paragraph 6.01(a)(iii), shall have failed, after being requested by NEW GOLD in writing, to reaffirm its approval or recommendation of the Arrangement and the transactions contemplated herein as promptly as possible (but in any event within five Business Days) after receipt of such written request from NEW GOLD, or (iii) shall have accepted, approved, recommended or entered into an agreement (other than a confidentiality agreement that complies with subsection 6.01(d)) in respect of any Acquisition Proposal;
- (d) by NEW GOLD or by GEO if the GEO Securityholder Approval shall not have been obtained at the GEO Meeting;
- (e) by either NEW GOLD or GEO if the Arrangement shall not have been completed by the Completion Deadline provided however, if the Arrangement has not been completed by such date because the GEO Meeting has not been held due to the fault of GEO (the parties acknowledging that GEO is not at fault in the event that the GEO Meeting has not been held due to an order of a Governmental Entity or a request by NEW GOLD to postpone or adjourn the GEO Meeting under subsection 6.02(e)), then GEO shall not be entitled to terminate this Agreement;
- (f) by NEW GOLD if the directors of GEO shall have made a Change in GEO Recommendation; or
- (g) by GEO if GEO proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with Sections 6.01 and 6.02, provided that GEO has paid the GEO Termination Payment to NEW GOLD;

provided that any termination by a party hereto in accordance with paragraphs (b) to (g) above shall be made by such party delivering written notice thereof to the other party or parties hereto prior to the Effective Date and specifying therein in reasonable detail the matter or matters giving rise to such termination right. In the event of any such termination, the provisions of Sections 6.03, 6.04, 8.03 and 8.10 shall survive the

termination hereof and remain in full force and effect. In all other respects, each party hereto shall be deemed to have released, remised and forever discharged the other parties hereto in respect of any and all claims arising in respect of this Agreement, except as otherwise provided herein.

## **ARTICLE 8 GENERAL**

### **Section 8.01 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a party to this Agreement shall be in writing and shall be delivered by hand to the party hereto to which the notice is to be given at the following address or sent by facsimile to the following numbers or to such other address or facsimile number as shall be specified by a party hereto by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by facsimile be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 4:00 p.m. (Toronto time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the parties to this Agreement shall be as follows:

- (a) if to GEO or Spinco:

GEO Minerals Ltd.  
Suite 1220 – 789 West Pender Street  
Vancouver, British Columbia  
V6C 1H2

Attention: President and Chief Executive Officer  
Facsimile: (604) 683-3988

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

Richards Buell Sutton LLP  
700-401 West Georgia,  
Vancouver, British Columbia  
V6B 5A1

Attention: Sharon White  
Facsimile: (604) 688-3830

(b) if to NEW GOLD:

NEW GOLD Inc.  
Suite 3110 - 666 Burrard Street  
Vancouver, British Columbia  
V6C 2X8

Attention: President and Chief Executive Officer  
Facsimile: (604) 696-4110

and to:

NEW GOLD Inc.  
Suite 3120-200 Bay Street  
Toronto, Ontario  
M5J 2J4

Attention: Vice President, Corporate Development  
Facsimile: (416) 324-9494

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

Cassels Brock & Blackwell LLP  
2100 Scotia Plaza  
40 King Street West  
Toronto, Ontario  
M5H 3C2

Attention: André Boivin  
Facsimile: (416) 640-3157

## **Section 8.02 Remedies**

The parties to this Agreement acknowledge and agree that an award of money damages may be inadequate for any breach of this Agreement by any party hereto or its representatives and advisors and that such breach may cause the non-breaching party hereto irreparable harm. Accordingly, the parties hereto agree that, in the event of any such breach or threatened breach of this Agreement by one of the parties hereto, GEO (if NEW GOLD is the breaching party) or NEW GOLD (if GEO is the breaching party) will be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including injunctive relief and specific performance. Subject to any other provision hereof including, without limitation, Subsection 4.01(x), Sections 6.03 and 6.04, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder or at law or in equity to each of the parties hereto.

### **Section 8.03 Expenses**

The parties to this Agreement agree that, subject to Subsection 4.01(x), all out-of-pocket expenses incurred in connection with this Agreement and the transactions contemplated hereby, the GEO Meeting, and the preparation and mailing of the Proxy Circular, including legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, shall be paid by the party hereto incurring such expense and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses. The provisions of this Section 8.03 shall survive the termination of this Agreement.

### **Section 8.04 Time of the Essence**

Time shall be of the essence in this Agreement.

### **Section 8.05 Entire Agreement**

This Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

### **Section 8.06 Further Assurances**

Each party to this Agreement shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Plan of Arrangement.

### **Section 8.07 Governing Law**

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of British Columbia and the applicable laws of Canada but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of British Columbia.

### **Section 8.08 Execution in Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement, and any

party delivering an executed counterpart of the signature page to this Agreement by facsimile to any other party shall thereafter also promptly deliver a manually executed original counterpart of this Agreement to such other party, but the failure to deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

### **Section 8.09 Waiver**

No waiver or release by any party to this Agreement shall be effective unless in writing and executed by the party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 7.01.

### **Section 8.10 No Personal Liability**

No director or officer of GEO shall have any personal liability whatsoever (other than in the case of fraud, negligence or wilful misconduct) to NEW GOLD under this Agreement or any other document delivered in connection with this Agreement or the Arrangement by or on behalf of GEO.

No director or officer of NEW GOLD shall have any personal liability whatsoever (other than in the case of fraud, negligence or wilful misconduct) to GEO under this Agreement or any other document delivered in connection with this Agreement or the Arrangement by or on behalf of NEW GOLD.

### **Section 8.11 Enurement and Assignment**

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

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

**NEW GOLD INC.**

By: "Robert Gallagher"

Name: Robert Gallagher

Title: President and Chief Executive  
Officer

**GEO MINERALS LTD.**

By: "Michael England"

Name: Michael England

Title: President

**GEONOVUS MINERALS CORP.**

By: "Michael England"

Name: Michael England

Title: President

**SCHEDULE "A"**  
**TO THE BUSINESS COMBINATION AGREEMENT**

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

Please see attached.

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

**ARTICLE ONE  
DEFINITIONS AND INTERPRETATION**

Section 1.01 *Definitions*

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) “**Arrangement**” means the arrangement under section 288 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 7.01 of the Business Combination Agreement or this Plan of Arrangement at the direction of the Court;
- (b) “**Arrangement Resolution**” means, collectively, the special resolution of the GEO Securityholders approving the Arrangement to be considered at the GEO Meeting and such resolution of the GEO Securityholders approving the Arrangement to be considered at the GEO Meeting as may be required by the TSX Venture Exchange;
- (c) “**BCBCA**” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time;
- (d) “**Business Combination Agreement**” means the business combination agreement dated as of October 14, 2011 among NEW GOLD, GEO, and Spinco, together with the GEO Disclosure Letter delivered in connection with the Business Combination Agreement, as the same may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;
- (e) “**Business Day**” means any day other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia;
- (f) “**Cash Consideration**” means \$0.16 per GEO Common Share;
- (g) “**Class A Shares**” means the class A common shares of GEO which are to be created in accordance with this Plan of Arrangement and which shall have attached thereto the right to vote at all meetings of GEO Shareholders, the right to dividends as and when declared by the directors of GEO, subject to the preferential right of the holders of Class B Shares

to dividends, and the right to participate in the remaining assets of GEO upon a winding up of GEO;

- (h) “**Class B Shares**” means the GEO Common Shares following their re-designation as Class B Shares in accordance with this Plan of Arrangement, such Class B Shares to bear the same rights and privileges as the GEO Common Shares provided that such Class B Shares shall be entitled to dividends as and when declared by the directors of GEO in preference to dividends to be paid on the Class A Shares;
- (i) “**Court**” means the Supreme Court of British Columbia;
- (j) “**CRA**” means the Canada Revenue Agency;
- (k) “**Depository**” means any trust company, bank or financial institution agreed to in writing between NEW GOLD and GEO for the purpose of, among other things, exchanging certificates representing GEO Common Shares for Cash Consideration and Spinco Shares in connection with the Arrangement;
- (l) “**Dissent Rights**” shall have the meaning ascribed to such term in Article 4.01 hereof;
- (m) “**Dissenting Shareholder**” means a registered holder of GEO Common Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their GEO Common Shares;
- (n) “**Dissenting Warrantholder**” means a registered holder of GEO Warrants who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their GEO Warrants;
- (o) “**Effective Date**” means the date agreed to by NEW GOLD and GEO in writing as the effective date of the Arrangement, after all of the conditions precedent to the completion of the Arrangement as set out in the Business Combination Agreement and the Final Order have been satisfied or waived;
- (p) “**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date;
- (q) “**Final Order**” means the final order of the Court pursuant to Section 291 of the BCBCA, after a hearing on the fairness of the terms and conditions of the Arrangement, approving the Arrangement 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;

- (r) **“Former GEO Securityholders”** means the holders of GEO Common Shares, GEO Warrants and GEO Options immediately prior to the Effective Time;
- (s) **“Former GEO Shareholders”** means the holders of GEO Common Shares immediately prior to the Effective Time;
- (t) **“GEO”** means GEO Minerals Ltd., a company existing under the BCBCA;
- (u) **“GEO Common Shares”** means the issued and outstanding common shares of GEO and following the re-designation of such common shares to Class B Shares in accordance with this Plan of Arrangement, means the Class B Shares which GEO will be authorized to issue and, following the exchange of the Class B Shares for Class A Shares in accordance with this Plan of Arrangement, means the Class A Shares which GEO will be authorized to issue;
- (v) **“GEO Meeting”** means the special meeting of the GEO Securityholders, including any adjournment or postponement thereof, to be held in accordance with the Interim Order to consider the Arrangement Resolution;
- (w) **“GEO Optionholders”** means holders of outstanding GEO Options;
- (x) **“GEO Options”** means options to purchase GEO Common Shares issued pursuant to the GEO Option Plan;
- (y) **“GEO Option Plan”** means the stock option plan dated June 11, 2007 as amended March 9, 2010, as amended and approved by the GEO Shareholders on June 3, 2011;
- (z) **“GEO Securityholders”** means collectively the GEO optionholders and the GEO Warranholders;
- (aa) **“GEO Shareholders”** means the holders of GEO Common Shares;
- (bb) **“GEO Warranholders”** means the holders of GEO Warrants;
- (cc) **“GEO Warrants”** means warrants and broker warrants to purchase GEO Common Shares as described in the GEO Disclosure Letter delivered in connection with the Business Combination Agreement;
- (dd) **“Interim Order”** means the interim order of the Court, providing for, among other things, the calling and holding of the GEO Meeting, as the same may be amended by the Court;
- (ee) **“NEW GOLD”** means New Gold Inc., a corporation incorporated under the BCBCA;

- (ff) **“Option Consideration”** means, in respect of a GEO Option, the number of GEO Common Shares obtained by dividing: (i) the amount, if any, by which: (A) the product obtained by multiplying the number of GEO Common Shares underlying such GEO Option by the Cash Consideration per GEO Common Share; exceeds: (B) the exercise price payable under such GEO Option to acquire GEO Common Shares; by (ii) the Cash Consideration per GEO Common Share;
- (gg) **“Plan of Arrangement”** means this plan of arrangement and any amendments or variations hereto made in accordance with Section 7.01 of the Business Combination Agreement or this plan of arrangement or made at the direction of the Court;
- (hh) **“Spinco”** means Geonovus Minerals Corp., a wholly-owned subsidiary of GEO;
- (ii) **“Spinco Shares”** means common shares in the capital of Spinco;
- (jj) **“Spin-Out Assets and Liabilities”** means all assets, debts and liabilities of whatever kind and nature of GEO, other than the following assets: (i) the interest of GEO in the West Blackwater Property as defined in the Business Combination Agreement, and (ii) \$● in cash;
- (kk) **“Tax Act”** means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;
- (ll) **“U.S. Tax Code”** means the United States *Internal Revenue Code of 1986*, as amended; and
- (mm) **“Warrant Consideration”** means, in respect of a GEO Warrant, the number of GEO Common Shares obtained by dividing: (i) the amount, if any, by which: (A) the product obtained by multiplying the number of GEO Common Shares underlying such GEO Warrant by the Cash Consideration per GEO Share; exceeds: (B) the exercise price payable under such GEO Warrant to acquire GEO Common Shares; by (ii) the Cash Consideration per GEO Common Share.

In addition, words and phrases used herein and defined in the Business Combination Agreement and not otherwise defined herein shall have the same meaning herein as in the Business Combination Agreement unless the context otherwise requires.

#### Section 1.02 *Interpretation Not Affected by Headings*

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any

particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

#### Section 1.03 *Number, Gender and Persons*

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

#### Section 1.04 *Date for any Action*

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

#### Section 1.05 *Statutory References*

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

#### Section 1.06 *Currency*

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

#### Section 1.07 *Governing Law*

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada applicable therein.

## **ARTICLE TWO BINDING EFFECT**

#### Section 2.01 *Binding Effect*

As of and from the Effective Time, this Plan of Arrangement shall be binding upon:

- (a) NEW GOLD;
- (b) GEO;

- (c) Spinco;
- (d) the Dissenting Shareholders;
- (e) the Dissenting Warrantholders;
- (f) the GEO Shareholders;
- (g) the GEO Optionholders; and
- (h) the GEO Warrantholders.

### **ARTICLE THREE ARRANGEMENT**

#### **Section 3.01 *Arrangement***

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further act or formality:

- (a) notwithstanding any vesting or exercise provisions to which a GEO Option might otherwise be subject (whether by contract, the conditions of a grant, applicable law or the terms of the GEO Option Plan):
  - (i) each GEO Option issued and outstanding at the time referred to in this subsection 3.01(a) will, without any further action by or on behalf of any holder of such GEO Option, be deemed to be fully vested and transferred by the holder thereof to GEO (free and clear of all liens, claims and encumbrances of whatsoever nature) and cancelled in exchange for the Option Consideration, less any amounts withheld pursuant to Section 5.03;
  - (ii) with respect to each GEO Option, the holder thereof will cease to be the holder of such GEO Option, will cease to have any rights as a holder in respect of such GEO Option or under the GEO Option Plan, such holder's name will be removed from the register of GEO Options, and all option agreements, grants and similar instruments relating thereto will be cancelled; and
  - (iii) the GEO Option Plan will be terminated;
- (b) contemporaneously with the steps contemplated in subsection 3.01(a), notwithstanding any exercise provisions to which a GEO Warrant might otherwise be subject (whether by contract, the conditions of a grant, or applicable law):
  - (i) each GEO Warrant issued and outstanding at the time referred to in this subsection 3.01(b) (other than any GEO Warrants held by a Dissenting Warrantholder) will, without any further action by or on

behalf of any holder of such GEO Warrant, be transferred by the holder thereof to GEO (free and clear of all liens, claims and encumbrances of whatsoever nature) and cancelled in exchange for the Warrant Consideration, less any amounts withheld pursuant to Section 5.03; and

- (ii) with respect to each GEO Warrant, the holder thereof will cease to be the holder of such GEO Warrant, will cease to have any rights as a holder in respect of such GEO Warrant, such holder's name will be removed from the register of GEO Warrants, and all agreements, grants and similar instruments relating thereto will be cancelled.
- (c) all of Spin-out Assets and Liabilities shall be transferred to Spinco by GEO in exchange for the issuance of a particular number of fully-paid and non-assessable Spinco Shares to GEO such that immediately after the foregoing issuance GEO shall hold in aggregate (together with the Spinco Shares held immediately prior to the foregoing issuance) that number of Spinco Shares that is equal to one fifteenth (1/15<sup>th</sup>) of the number of GEO Common Shares that are issued and outstanding immediately prior to the Effective Time (adjusted as provided in Section 3.03 below) less the number of GEO Shares held by Dissenting Shareholders;
- (d) NEW GOLD shall subscribe for that number of Spinco Shares that will result in NEW GOLD holding 9.9% of the issued and outstanding Spinco Shares for a total of \$250,000 in cash;
- (e) GEO shall undertake a reorganization of capital within the meaning of section 86 of the Tax Act as follows, and in the following order:
  - i. The authorized capital of GEO shall be amended by:
    - A. re-designating the GEO Common Shares as Class B Shares and each certificate representing such an outstanding GEO Common Share shall, as and from the time such re-designation is effective, represent a Class B Share; and
    - B. the creation of an unlimited number of Class A Shares;and the articles of GEO shall be deemed to be amended accordingly;
  - ii. Each issued Class B Share, other than those held by Dissenting GEO Shareholders, shall be exchanged with GEO for one Class A Share and one fifteenth (1/15<sup>th</sup>) of a Spinco Share;
  - iii. The stated capital of GEO for the outstanding Class A Shares shall be an amount equal to the paid up capital (within the meaning of

the Tax Act) of the GEO Class B Shares, less the paid up capital (within the meaning of the Tax Act) of the GEO Class B Shares that is attributable to each issued Class B Share held by Dissenting GEO Shareholders and described in paragraph 3(f) hereof, and less the fair market value of the Spinco Shares distributed to GEO Shareholders.

- (f) the following steps shall be effected contemporaneously:
- (i) each issued Class A Share held by a Former GEO Securityholder shall be transferred to NEW GOLD (free and clear of all liens, claims, charges and encumbrances of whatsoever nature) and NEW GOLD shall pay each Former GEO Securityholder, in exchange therefor, the Cash Consideration (subject to Section 3.03 and Article Five hereof). Following completion of this step, NEW GOLD shall be the holder of all of the issued and outstanding Class A Shares and the central securities register of GEO shall be revised accordingly;
  - (ii) each Class B Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part (free and clear of all liens, claims and encumbrances of whatsoever nature), to NEW GOLD and NEW GOLD shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article Four hereof, and the name of such holder shall be removed from the central securities register of GEO as a holder of Class B Shares and NEW GOLD shall be recorded as the registered holder of the Class B Shares so transferred and shall be deemed to be the legal owner of such Class B Shares;
  - (iii) each Class B Share (other than Class B Shares held by Dissenting Shareholders and acquired by NEW GOLD) shall be cancelled;
  - (iv) each GEO Warrant held by a Dissenting Warrantholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part (free and clear of all liens, claims and encumbrances of whatsoever nature), to NEW GOLD and NEW GOLD shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 hereof, and the name of such holder shall be removed from the register of holders of GEO Warrants as a holder of GEO Warrants and NEW GOLD shall be recorded as the registered holder of the GEO Warrants so transferred and shall be deemed to be the legal owner of such GEO Warrants;
- (g) GEO will file an election with CRA to cease to be a public corporation for the purposes of the *Tax Act*, and

- (h) the exchanges, cancellations and steps provided for in this Section 3.01 shall be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

### Section 3.02 *Effective Time Procedures*

- (a) Following the receipt of the Final Order and prior to the Effective Date, NEW GOLD shall deliver or arrange to be delivered to the Depository cash in an aggregate amount sufficient to pay the aggregate Cash Consideration payable and GEO shall deliver or arrange to be delivered to the Depository certificates representing the Spinco Shares required to be delivered to Former GEO Securityholders in accordance with the provisions of Section 3.01 hereof, which cash and certificates shall be held by the Depository as agent and nominee for such Former GEO Securityholders for distribution to such Former GEO Securityholders in accordance with the provisions of Article 5 hereof.
- (b) Subject to the provisions of Article 5 hereof, and upon return of a properly completed letter of transmittal by a registered Former GEO Securityholder, together with certificates representing GEO Common Shares and such other documents as the Depository may require, such Former GEO Securityholder shall be entitled to receive delivery of the Cash Consideration and certificates representing the Spinco Shares to which he entitled pursuant to Section 3.01 hereof.

### Section 3.03 *No Fractional Shares*

- (a) No fractional Spinco Shares or GEO Common Shares forming part of the Option Consideration and Warrant Consideration shall be distributed to Former GEO Securityholders.
- (b) The number of Spinco Shares to be distributed to Former GEO Securityholder shall be rounded up to the nearest whole Spinco Share in the event that a GEO Securityholder is entitled to a fractional share representing 0.5 or more of a Spinco Share and shall be rounded down to the nearest whole Spinco Share in the event that a Former GEO Securityholder is entitled to a fractional share representing less than 0.5 of a Spinco Share.
- (c) The number of GEO Common Shares to be issued to Former GEO Securityholders who were GEO Optionholders or GEO Warranholders as part of the Option Consideration or the Warrant Consideration, as the case may be, shall be rounded down to the nearest whole GEO Common Share.
- (d) Any Cash Consideration payable to a Former GEO Securityholder shall be rounded up to the next whole cent.

## **ARTICLE FOUR DISSENT RIGHTS**

### *Section 4.01 Dissent Rights*

Pursuant to the Interim Order, holders of GEO Common Shares and GEO Warrants may exercise rights of dissent (“**Dissent Rights**”) under Division 2 of Part 8 of the BCBCA, as modified by this Article 4, the Interim Order and the Final Order, with respect to GEO Common Shares and GEO Warrants in connection with the Arrangement, provided that the written notice of dissent to the Arrangement Resolution contemplated by Section 242 of the BCBCA must be sent to GEO by holders who wish to dissent at least two days before the GEO Meeting or any date to which the GEO Meeting may be postponed or adjourned and provided further that holders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their GEO Common Shares or GEO Warrants which fair value shall be the fair value of such shares or warrants immediately before the passing by the GEO Securityholder of the Arrangement Resolution, shall be paid an amount in cash equal to such fair value by NEW GOLD; and
- (b) are ultimately not entitled, for any reason, to be paid fair value for their GEO Common Shares or GEO Warrants shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of GEO Common Shares or GEO Warrants and shall be entitled to receive only the consideration contemplated in subsection Section 3.01 hereof that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights,

but in no case shall NEW GOLD, GEO or any other person be required to recognize holders of GEO Common Shares or GEO Warrants who exercise Dissent Rights as holders of GEO Common Shares or GEO Warrants after the time that is immediately prior to the Effective Time, and the names of such holders of GEO Common Shares who exercise Dissent Rights shall be deleted from the central securities register of GEO Common Shares and registers of holders of GEO Warrants, respectively, as holders of GEO Common Shares at the Effective Time and NEW GOLD shall be recorded as the registered holder of the GEO Common Shares or GEO Warrants so transferred and shall be deemed to be the legal owner of such GEO Common Shares or GEO Warrants.

## **ARTICLE FIVE DELIVERY OF CASH CONSIDERATION AND SPINCO SHARES**

### *Section 5.01 Delivery of Cash Consideration and Shares*

- (a) Each holder of GEO Common Shares on the Effective Date shall, following completion of the transactions described in Section 3.01, be entitled to receive, and the Depositary shall deliver to such holder

following the Effective Time, cash representing the Cash Consideration and certificates representing the Spinco Shares that such holder is entitled to receive in accordance with Section 3.01 hereof.

- (b) Upon surrender to the Depositary for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding GEO Common Shares that were exchanged for Spinco Shares and GEO Class A Shares that were exchanged for Cash Consideration in accordance with Section 3.01 hereof, together with such other documents and instruments as would have been required to effect the transfer of the GEO Common Shares formerly represented by such certificate under the terms of such certificate, the BCBCA or the articles of GEO and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, cash representing the Cash Consideration and certificates representing the Spinco Shares that such holder is entitled to receive in accordance with Section 3.01 hereof.
- (c) After the Effective Time and until surrendered for cancellation as contemplated by subsection 5.01(b) hereof, each certificate that immediately prior to the Effective Time represented one or more GEO Common Shares following completion of the transactions described in Section 3.01, shall be deemed at all times to represent only the right to receive in exchange therefor Cash Consideration and certificates representing the Spinco Shares that the holder of such certificate is entitled to receive in each case in accordance with Section 3.01 hereof.

#### Section 5.02 *Lost Certificates*

In the event any certificate, that immediately prior to the Effective Time represented one or more outstanding GEO Common Shares that were exchanged for Spinco Shares and GEO Common Shares and that were subsequently exchanged for Cash Consideration in accordance with Section 3.01 hereof, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, Cash Consideration and certificates representing Spinco Shares that such holder is entitled to receive in accordance with Section 3.01 hereof. When authorizing such delivery of a certificate representing Spinco Shares, that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom certificates representing such Spinco Shares is to be delivered shall, as a condition precedent to the delivery of cash and certificates representing such Spinco Shares, give a bond satisfactory to NEW GOLD and the Depositary in such amount as NEW GOLD and the Depositary may direct, or otherwise indemnify NEW GOLD and the Depositary in a manner satisfactory to NEW GOLD and the Depositary, against any claim that may be made against NEW GOLD or the

Depository with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of GEO.

### Section 5.03 *Withholding Rights*

NEW GOLD, GEO and the Depository shall be entitled to deduct and withhold from any amount otherwise payable to any Former GEO Securityholder such amounts as NEW GOLD, GEO or the Depository is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the U.S. Tax Code or any provision of any applicable federal, provincial, territorial state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Former GEO Securityholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

### Section 5.04 *Limitation and Proscription*

To the extent that a Former GEO Securityholder shall not have complied with the provisions of Section 5.01 or Section 5.02 hereof on or before the date that is six years after the Effective Date (the “**final proscription date**”), then the Cash Consideration and the Spinco Shares that such Former GEO Securityholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the Cash Consideration shall be delivered to NEW GOLD by the Depository and the share certificates representing the Spinco Shares shall be delivered to Spinco and cancelled by Spinco and the interest of the Former GEO Securityholder in such Cash Consideration, and Spinco Shares to which it was entitled shall be terminated as of such final proscription date.

## **ARTICLE SIX AMENDMENTS**

### Section 6.01 *Amendments to Plan of Arrangement*

- (a) NEW GOLD and GEO reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by NEW GOLD and GEO, (iii) filed with the Court and, if made following the GEO Meeting, approved by the Court, and (iv) communicated to holders or former holders of GEO Common Shares, GEO Warrants or GEO Options, if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by GEO at any time prior to the GEO Meeting provided that NEW GOLD shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the GEO Meeting (other than as may be required

under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the GEO Meeting shall be effective only if: (i) it is consented to in writing by each of NEW GOLD and GEO; and (ii) if required by the Court, it is consented to by the GEO Securityholder voting in the manner directed by the Court.

**SCHEDULE "B"**  
**TO THE BUSINESS COMBINATION AGREEMENT**

FORM OF LOCK-UP AGREEMENT

Please see attached.

## LOCK-UP AGREEMENT

**THIS AGREEMENT** is made as of the 14<sup>th</sup> day of October, 2011.

**BETWEEN:**

**[NAME OF SHAREHOLDER]** (“**Shareholder**”)

-and-

**NEW GOLD INC.**, a corporation existing under the

*Business Corporations Act* (British Columbia) (“**Purchaser**”)

**WHEREAS** the Shareholder is the registered and/or direct or indirect beneficial owner of the issued and outstanding common shares in the capital of Geo Minerals Ltd. (“**Target**”) and any options or warrants to purchase common shares in the capital of Target as set out in Schedule A;

**AND WHEREAS** the Shareholder understands that Purchaser and Target are, concurrently with the execution and delivery of this Agreement, executing and delivering the Business Combination Agreement (as defined below) providing for the Arrangement (as defined below);

**AND WHEREAS** this Agreement sets out the terms and conditions of the agreement of the Shareholder (i) to vote the Subject Securities (as defined below) or cause the same to be voted in favour of the Target Resolution (as defined below), and (ii) to abide by the other restrictions and covenants set out in this Agreement;

**AND WHEREAS** the Shareholder acknowledges that Purchaser would not enter into the Business Combination Agreement but for the execution and delivery of this Agreement by such Shareholder;

**NOW THEREFORE** this Agreement witnesses that, in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

## **ARTICLE 1**

### **INTERPRETATION**

#### **1.1 Definitions**

In this Agreement:

“**Acquisition Proposal**” means, in respect of Target, any *bona fide* inquiry, proposal or offer made by a party with whom Target deals at arm’s length (including a stated intention to make a proposal or offer) regarding any merger, amalgamation, plan of arrangement, share exchange, business combination, take-over bid, tender offer, sale or other disposition of assets representing 20% or more of the book value (on a consolidated basis) of the assets of Target and its subsidiaries, in a single transaction or a series of related transactions (or any lease, long term supply agreement or other arrangement having the same economic effect as a sale of all or substantially all of Target’s assets), any recapitalization, reorganization, liquidation, sale or issue of treasury securities or rights therein or thereto or rights or options to acquire treasury securities representing 5% or more of the outstanding Target Shares, any exchange offer, secondary purchase or any type of similar transaction that would, or could, in any case, constitute a *de facto* acquisition or change of control of Target or would or could, in any case, result in the sale or other disposition of all or substantially all of the assets of Target (other than the Arrangement and all other transactions to be completed in connection with the Arrangement contemplated in the Business Combination Agreement);

“**affiliate**” has the meaning ascribed in the *Securities Act* (British Columbia);

“**Arrangement**” means the arrangement under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Business Combination Agreement and the Plan of Arrangement, subject to any amendments or supplements made in accordance with the Business Combination Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order;

“**BCBCA**” means the *Business Corporations Act* (British Columbia) and its regulations, as promulgated or amended from time to time;

“**Business Combination Agreement**” means the Business Combination Agreement between, among others, Purchaser and Target, dated October 14, 2011, as it may be amended from time to time in accordance with its terms;

“**Court**” means the Supreme Court of British Columbia;

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

**“Final Order”** means the order of the Court pursuant to Section 291 of the BCBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

**“Interim Order”** means the interim order of the Court made in connection with the Arrangement, as such order may be amended, supplemented or varied by the Court with the consent of the parties to the Business Combination Agreement, each acting reasonably;

**“Plan of Arrangement”** means the plan of arrangement, substantially in the form and content of Schedule A to the Business Combination Agreement, and any amendment or variation thereto made in accordance with the Business Combination Agreement or the Plan of Arrangement;

**“Subject Securities”** means: (i) all Target Shares owned by, or over which control or direction is exercised by, the Shareholder, including, but not limited to: (A) all Target Shares that may be issued subsequent to the date of this Agreement upon the exercise of Target Options held by the Shareholder; (B) all Target Shares that may be issued subsequent to the date of this Agreement upon the exercise of Target Warrants held by the Shareholder; and (C) all securities of Target or of any holding body corporate for securities issued by Target, issued or acquired in lieu of or in replacement for or in consideration of all or any of such Target Shares or any interest the Shareholder may have; and (ii) all Target Options and Target Warrants that or now or subsequently to this Agreement, owned by, or over which control or direction is exercised by, the Shareholder;

**“Target Meeting”** means the special meeting of Target Securityholders, including any adjournment or postponement, to be held in accordance with the Interim Order to consider the Target Resolution;

**“Target Option Plan”** means the stock option plan of Target dated June 11, 2007, as amended March 9, 2010 and June 3, 2011, as approved by the Target Shareholders on June 3, 2011;

**“Target Options”** means options to purchase Target Shares issued pursuant to the Target Option Plan and described in the Target Disclosure Letter;

**“Target Resolution”** means the special resolution of the Target Securityholders approving the Arrangement and the Business Combination Agreement, to be considered at the Target Meeting;

“**Target Shares**” means common shares in the capital of Target; and

“**Target Warrants**” means warrants to purchase Target Shares as described in the Target Disclosure Letter.

## **1.2 Definitions in Business Combination Agreement**

All terms used in this Agreement that are not defined in Section 1.1 or elsewhere in this Agreement and that are defined in the Business Combination Agreement shall have the respective meanings ascribed to them in the Business Combination Agreement.

## **1.3 Schedule**

The following Schedule attached constitutes an integral part of this Agreement:

Schedule A - Target Shares, Target Options and Target Warrants

## **ARTICLE 2 OVENANTS OF PURCHASER**

### **2.1 Obligations under Business Combination Agreement**

Purchaser covenants and irrevocably agrees in favour of the Shareholder that it will comply with its obligations set forth in the Business Combination Agreement.

## **ARTICLE 3 COVENANTS OF THE SHAREHOLDER**

### **3.1 General**

The Shareholder covenants and irrevocably agrees in favour of Purchaser that, from the date of this Agreement until the earlier of (i) the Effective Date, and (ii) the termination of this Agreement in accordance with Article 5, except as permitted by this Agreement, such Shareholder will:

- (a) not, directly or indirectly, through any officer, director, employee, representative (including any financial or other advisor) or agent of the Shareholder or any of its subsidiaries (collectively, the “**Representatives**”), (i) solicit, initiate, facilitate or knowingly encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) an Acquisition Proposal or the initiation of any inquiries or proposals regarding an Acquisition Proposal, (ii) participate in any substantive discussions or negotiations with any Person (other than Purchaser or any of its affiliates) regarding an Acquisition Proposal, (iii) approve, accept, endorse or recommend, or

propose publicly to accept, approve, endorse or recommend, any Acquisition Proposal, or (iv) accept or enter into or publicly propose to accept or enter into, any agreement, understanding or arrangement or other contract in respect of an Acquisition Proposal;

- (b) immediately cease and cause its Representatives to cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any Persons with respect to any Acquisition Proposal;
- (c) promptly (and in any event within 24 hours after it has received any proposal, inquiry, offer or request) notify Purchaser, at first orally and then in writing, in the event it or its Representatives receives an Acquisition Proposal, including the material terms and conditions thereof, and the identity of the Person or Persons making the Acquisition Proposal. The Shareholder will also provide such other details of such proposal, inquiry, offer or request, or any amendment to any of the foregoing, as Purchaser may reasonably request;
- (d) except with the Purchaser's prior written consent, not option, sell, transfer, pledge, encumber, grant a security interest in, hypothecate or otherwise convey any Subject Securities, or any right or interest therein (legal or equitable), to any Person or group or agree to do any of the foregoing;
- (e) not grant or agree to grant any proxy or other right to vote any Subject Securities, or enter into any voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of shareholders or give consents or approval of any kind as to the Subject Securities that in each case might reasonably be regarded as likely to prevent or delay the successful completion of the Arrangement or the other transactions contemplated by the Business Combination Agreement and this Agreement;
- (f) not take any other action of any kind which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the Arrangement and the other transactions contemplated by the Business Combination Agreement and this Agreement;
- (g) not vote or cause to be voted any Subject Securities in respect of any proposed action by Target or its shareholders or affiliates or any other Person in a manner which might reasonably be regarded as likely to prevent or delay the successful completion of the Arrangement or the other transactions contemplated by the Business Combination Agreement and this Agreement;
- (h) and does irrevocably waive, to the fullest extent permitted by law, any and all rights of the Shareholder to dissent with respect to the Target

Resolution or any other resolution relating to the approval of the Arrangement and not exercise any such right with respect to any such resolution;

- (i) in the event that any transaction other than the Arrangement is presented for approval of or acceptance by the securityholders of Target, not, directly or indirectly, vote in favour of, accept, assist or otherwise further the successful completion of such transaction or purport to tender or deposit into any such transaction any of the Subject Securities;
- (j) agree that any securities of Target purchased by the Shareholder in the market, by private agreement or otherwise, shall be deemed to be subject to the terms hereof as Subject Securities; and
- (k) take all such steps as are necessary or advisable to ensure that at the Effective Time, the Subject Securities will be held by the Shareholder with good and marketable title thereto, free and clear of any and all mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances and demands of any nature or kind whatsoever, and will not be subject to any shareholders' agreement, voting trust or similar agreement or any option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming a shareholders' agreement, voting trust or other agreement affecting the Subject Securities or the ability of any holder thereof to exercise all ownership rights thereto, including the voting of any the Subject Securities;

provided however that nothing in this Section 3.1 will prevent the Shareholder from acting in accordance with the exercise of his or her fiduciary duties as a director or officer of Target or other legal obligation to act in the best interests of Target, if such action is required in order for the Shareholder to fulfill his or her fiduciary duty as a director and/or officer of Target.

### **3.2 Voting of the Subject Securities in Favour of the Target Resolution**

The Shareholder agrees with Purchaser that it will, on or before the fifth Business Day prior to the Target Meeting, duly complete and cause forms of proxy in respect of all of the Subject Securities, and any other documents required in accordance with the Arrangement, to be validly delivered in support of the Target Resolution, and will not withdraw the forms of proxy except as expressly otherwise provided in this Agreement including, but not limited to, Section 3.1.

**ARTICLE 4**  
**REPRESENTATIONS, WARRANTIES AND COVENANTS**

**4.1 Representations, Warranties and Covenants of the Shareholder**

The Shareholder represents and warrants to and covenants with Purchaser as follows, and acknowledges that Purchaser is relying upon such representations, warranties and covenants in entering into this Agreement:

- (i) Legal Capacity. The Shareholder has full legal capacity to enter into this Agreement and to complete the transactions and perform its obligation under this Agreement.
- (ii) Authorization. This Agreement has been duly executed and delivered by the Shareholder and constitutes its legal, valid and binding agreement, enforceable by Purchaser against the Shareholder in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings, the equitable power of the courts to stay proceedings before them and the execution of judgments and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- (iii) Consents. No consent, waiver, approval, authorization, exemption, registration, licence or declaration of or by, or filing with, or notification to any Governmental Entity which has not been made or obtained is required to be made or obtained by the Shareholder in connection with (i) the execution and delivery by the Shareholder and enforcement against the Shareholder of this Agreement, or (ii) the consummation of any transactions by the Shareholder provided for herein, except for, in either case, the filing of insider trading reports under applicable securities legislation.
- (iv) Ownership of Subject Securities. The Shareholder is, and, subject to Section 3.1, will immediately prior to the Effective Date be, the direct or indirect beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of any and all mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances and demands or rights of others of any nature or kind whatsoever. The Shareholder is not a party to, bound or affected by or subject to, any charter or by-law, contract, provision, statute, regulation, judgment, order, decree or law which would in any material respect be violated, contravened, breached by, or under which any material default would occur as a result of, the execution and delivery of this Agreement or the consummation of any of the transactions provided for in this Agreement.

- (v) No Agreements. No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities, or any interest therein or right thereto, except pursuant to this Agreement.
- (vi) Voting. Other than pursuant to this Agreement, none of the Subject Securities are subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of shareholders or give consents or approvals of any kind.
- (vii) Legal Proceedings. There are no legal proceedings in progress or pending before any Governmental Entity or, to the knowledge of the Shareholder, threatened against the Shareholder or any of its affiliates that would adversely affect in any manner the ability of the Shareholder to enter into this Agreement and to perform its obligations hereunder or the title of the Shareholder to any of the Subject Securities and there is no judgment, decree or order against the Shareholder that would adversely affect in any manner the ability of the Shareholder to enter into this Agreement and to perform its obligations hereunder or the title of the Shareholder to any of the Subject Securities.
- (viii) No Other Securities. The only securities of Target beneficially owned or controlled, directly or indirectly, by the Shareholder are the Subject Securities and such Shareholder has no other agreement or option, or right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase or acquisition by the Shareholder or transfer to the Shareholder of additional securities of the Company.

#### **4.2 Representations and Warranties of Purchaser**

Purchaser represents and warrants to the Shareholder as follows, and acknowledges that the Shareholder is relying upon such representations and warranties in entering into this Agreement:

- (a) Incorporation. Purchaser is a subsisting corporation under the laws of the Province of British Columbia and has all necessary corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement.
- (b) Authorization. The execution and delivery of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated under this Agreement have been duly authorized by the board of directors of Purchaser and no other corporate proceedings on the part of Purchaser are necessary to authorize this Agreement or the transactions

contemplated hereby. This Agreement has been duly executed and delivered by Purchaser and constitutes a legal, valid and binding agreement enforceable by the Shareholder against Purchaser in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings, the equitable power of the courts to stay proceedings before them and the execution of judgments and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

## **ARTICLE 5** **TERMINATION**

### **5.1 Termination by Purchaser**

Purchaser, when not in material default in the performance of its obligations under this Agreement or the Business Combination Agreement, may, without prejudice to any of its rights hereunder and in its sole discretion, terminate this Agreement by written notice to the Shareholder if:

- (a) any of the representations and warranties of the Shareholder under this Agreement shall not be true and correct in all material respects; or
- (b) the Shareholder shall not have complied with its covenants to Purchaser contained in this Agreement in all material respects;

provided, however, that such termination shall be without prejudice to any rights which Purchaser may have as a result of any default by the Shareholder prior to such termination.

### **5.2 Termination by the Shareholder**

The Shareholder, when not in material default in the performance of its obligations under this Agreement, may, without prejudice to any of its rights hereunder and in its sole discretion, terminate this Agreement by written notice to Purchaser if:

- (a) any of the representations and warranties of Purchaser under this Agreement shall not be true and correct in all material respects; or
- (b) the Business Combination Agreement or the Plan of Arrangement shall have been amended, without the prior written consent of the Shareholder, to provide that the Cash Consideration is less than \$0.16 for each Target Share. It is acknowledged and agreed that Purchaser may amend the terms of the Business Combination Agreement or the Plan of Arrangement: (A) to increase the consideration (or the value of the

consideration) under the Arrangement; (B) to extend the Effective Date to a date no later than the Completion Deadline; or (C) to the extent that Purchaser has the power to do so, to waive any condition of the Arrangement or the Business Combination Agreement.

### **5.3 Automatic Termination**

Unless extended by mutual agreement of the Shareholder, on the one hand, and Purchaser, on the other hand, this Agreement shall automatically terminate on the Completion Deadline. In addition, this Agreement shall automatically terminate in the event that the Business Combination Agreement is terminated by Purchaser in accordance with its terms.

### **5.4 Agreement to Terminate**

This Agreement may be terminated by the mutual agreement of Purchaser and the Shareholder evidenced by a written instrument executed by each of Purchaser and the Shareholder.

### **5.5 Effect of Termination**

If this Agreement is terminated in accordance with this Article 5, the provisions of this Agreement will become void and no party shall have liability to any other party, except in respect of a breach of the representations, warranties, obligations, terms or conditions of this Agreement which occurred prior to such termination in which case any party to this Agreement shall be entitled to pursue any and all remedies at law or equity which may be available to it.

## **ARTICLE 6** **GENERAL**

### **6.1 Further Assurances**

The Shareholder and Purchaser shall, from time to time, execute and deliver all such further documents and instruments and do all such acts and things as the other party may reasonably require (at the requesting party's cost) to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

### **6.2 Survival of Representations and Warranties**

No investigations made by or on behalf of Purchaser or any of its authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the Shareholder.

No investigations made by or on behalf of the Shareholder or any of its

authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by Purchaser.

### **6.3 Disclosure**

Except as required by applicable laws or regulations or by any Governmental Entity or in accordance with the requirements of any stock exchange, no party shall make any public announcement or statement with respect to this Agreement without the approval of the other which shall not be unreasonably withheld or delayed. Moreover, the parties agree to consult with each other prior to issuing each public announcement or statement with respect to this Agreement, subject to the overriding obligations of applicable laws or regulations. The Parties acknowledge that the terms of this Agreement will be publicly disclosed.

### **6.4 Assignment**

Subject to prior written notice to the Shareholder, Purchaser may assign all or part of its rights under this Agreement to a direct or indirect wholly-owned subsidiary of Purchaser, but, if such assignment takes place, Purchaser shall continue to be liable jointly and severally with the assignee for any obligations under this Agreement. This Agreement shall not be otherwise assignable by any party without the prior written consent of the other party, which consent may not be unreasonably withheld or delayed.

### **6.5 Time**

Time shall be of the essence of this Agreement.

### **6.6 Governing Law**

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable (without regard to conflict of laws principles).

### **6.7 Entire Agreement**

This Agreement, including Schedule A and the provisions of the Business Combination Agreement incorporated by reference, constitutes the entire agreement and understanding between and among the parties with respect to the subject matter and supersedes any prior agreement, representation or understanding with respect to the subject matter.

### **6.8 Amendments**

This Agreement may not be modified, amended, altered or supplemented, except

upon the execution and delivery of a written agreement by each of the parties.

## 6.9 Notices

Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered, or sent by telecopier:

- (a) if to Purchaser, addressed as follows:

NEW GOLD Inc.  
Suite 3120-200 Bay Street  
Toronto , Ontario  
M5J 2J4

Attention: Vice President, Corporate Development  
Facsimile: (416) 324-9494

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

Cassels Brock & Blackwell LLP  
Suite 2100 - 40 King Street West  
Toronto, Ontario  
M5H 3C2

Attention: André Boivin  
Facsimile: (416) 640-3157

- (b) if to the Shareholder, at the address shown on the attached Schedule A,

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

Richards Buell Sutton LLP  
700 - 401 West Georgia St.  
Vancouver, British Columbia  
V6B 5A1

Attention: Sharon White  
Facsimile: (604) 688-3830

or to such other address as the relevant Person may from time to time advise by notice in writing given pursuant to this Section. The date of receipt of any such notice, request, consent, agreement or approval shall be deemed to be the date of delivery or sending if sent or delivered during normal business hours on a Business Day at the place of receipt and, otherwise, on the next following Business Day.

## **6.10 Specific Performance and other Equitable Rights**

It is recognized and acknowledged that a breach by any party of any material obligations contained in this Agreement will cause the other party to sustain injury for which it would not have an adequate remedy at law for money damages. Accordingly, in the event of any such breach, any aggrieved party shall be entitled to the remedy of specific performance of such obligations and interlocutory, preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

## **6.11 Expenses**

Each of the parties shall pay its respective legal, financial advisory and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed or prepared and any other costs and expenses whatsoever and howsoever incurred.

## **6.12 Counterparts**

This Agreement may be executed in one or more counterparts which together shall be deemed to constitute one valid and binding agreement, and delivery of the counterparts may be effected by means of telecopier transmission.

## **6.13 Independent Legal Advice**

The Shareholder acknowledges that:

- (a) he has: (i) read this Agreement in its entirety, understands it and agrees to be bound by its terms and conditions; and (ii) been granted the opportunity to ask questions of, and to receive answers from, Target's legal counsel concerning the terms and conditions of this Agreement;
- (b) he has been advised to seek independent legal advice with respect to the Shareholder executing and delivering this Agreement and the Shareholder has received such advice or has, without undue influence, elected to waive the benefit of any such advice; and
- (c) the Shareholder is entering into this Agreement voluntarily.

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

**SIGNED, SEALED AND  
DELIVERED** in the presence of: )  
)  
)  
)  
)  
)  
)

\_\_\_\_\_  
Witness Name:

\_\_\_\_\_  
**[NAME OF SHAREHOLDER]**

**NEW GOLD INC.**

By: \_\_\_\_\_

Name:

Title:

**SCHEDULE A**

**TARGET SHARES, TARGET OPTIONS AND TARGET WARRANTS**

The following table indicates the number of Target Shares, Target Options and Target Warrants beneficially owned, directly or indirectly, by the Shareholder or over which such person exercises control or direction (please provide the details of any indirect ownership).

| <b>Name of Shareholder</b> | <b>Address of Shareholder</b> | <b>Number of Target Securities</b> |                       |                        |
|----------------------------|-------------------------------|------------------------------------|-----------------------|------------------------|
|                            |                               | <b>Target Shares</b>               | <b>Target Options</b> | <b>Target Warrants</b> |
|                            |                               |                                    |                       |                        |

**SCHEDULE “C”  
TO THE BUSINESS COMBINATION AGREEMENT**

**ARRANGEMENT RESOLUTION**

**BE IT RESOLVED THAT:**

1. The arrangement (the “Arrangement”) under Section 288 of the *Business Corporations Act* (British Columbia) (the “BCBCA”) involving Geo Minerals Ltd. (“GEO”), New Gold Inc. (“NEW GOLD”), and Geonovus Minerals Corp.. (“Spinco”), all as more particularly described and set out in the Management Proxy Circular (the “Circular”) of GEO dated ●, 2011 accompanying the notice of this meeting (as the Arrangement may be modified or amended), is authorized, approved and adopted;
2. The plan of arrangement, as it may be or has been amended (the “Plan of Arrangement”), involving GEO 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 authorized, approved and adopted;
3. The business combination agreement (the “Business Combination Agreement”) between GEO, NEW GOLD and Spinco, dated October 14, 2011, and all the transactions contemplated therein and the actions of the directors of GEO in approving the Arrangement and the actions of the officers of GEO in executing and delivering the Business Combination Agreement and any amendments thereto are ratified and approved;
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the securityholders of GEO or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of GEO are authorized and empowered, without further notice to, or approval of, the securityholders of GEO:
  - (a) to amend the Business Combination Agreement or the Plan of Arrangement to the extent permitted by the Business Combination Agreement or the Plan of Arrangement; or
  - (b) subject to the terms of the Business Combination Agreement, not to proceed with the Arrangement; and
5. Any one or more directors or officers of GEO is authorized, for and on behalf and in the name of GEO, to execute and deliver, whether under the corporate seal of GEO or not, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the

Business Combination Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Business Combination Agreement, including:

- (a) all actions required to be taken by or on behalf of GEO, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Business Combination Agreement or otherwise to be entered into by GEO;

such determination to be conclusively evidenced by the execution and delivery of such document or the doing of any such act or thing.

**SCHEDULE "D"**  
**West Blackwater Property**

The West Blackwater Property consists of the following:

West Blackwater Property – (Saulnier Agreement) – Dave Mineral Claim – No. 835014

Vanderhoof Mineral Claims Property – (Raven Agreement) – Claims Rich1 and Rich2 – Nos. 834367 and 834998

Vanderhoof & Chilcotin Property – (Smith Agreement) – Richfield Adjacent CC Claim – No. 641685

**SCHEDULE "E"**  
**Other Mineral Interests**

*Scotia Property*

8,366.41 hectares located 42 kilometers east-southeast of Prince Rupert situated in the Skeena mining district of British Columbia, consisting of the following:

| Tenure No. | Claim Name           | Map No. | Mining Division | Area (Ha) |
|------------|----------------------|---------|-----------------|-----------|
| 593613     | Scotia               | 103I    | Skeena          | 5576.27   |
| 629323     | Scotia Area Staked 1 | 103I    | Skeena          | 455.86    |
| 629324     | Scotia Area Claim 2  | 103I    | Skeena          | 474.79    |
| 629325     | Scotia Area Claim 3  | 103I    | Skeena          | 474.81    |
| 666263     | Scotia East          | 103I    | Skeena          | 473.93    |
| 666283     | Scotia East 1        | 103I    | Skeena          | 455.24    |
| 666284     | Scotia East 2        | 103I    | Skeena          | 455.50    |

*Onstrike*

Approximately 1,380 acres, located in northwestern Quebec.

*Silverbell*

188 mining claims covering more than 3,700 acres, located approximately 30 miles northwest of Tucson, Arizona, including the following:

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 1              | AMC373611        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 2              | AMC373612        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 3              | AMC373613        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 4              | AMC373614        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 5              | AMC373615        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 6              | AMC373616        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 7              | AMC373617        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 8              | AMC373618        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 9              | AMC373619        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 10             | AMC373620        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 5;6            |
| SB 11             | AMC373621        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 12             | AMC373622        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 13             | AMC373623        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 14             | AMC373624        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 15             | AMC373625        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 16             | AMC373626        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 17             | AMC373627        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 18             | AMC373628        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 19             | AMC373629        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 20             | AMC373630        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 5;6            |
| SB 21             | AMC373631        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |
| SB 22             | AMC373632        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |
| SB 23             | AMC373633        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 24             | AMC373634        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |
| SB 25             | AMC373635        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |
| SB 26             | AMC373636        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 27             | AMC373637        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 28             | AMC373638        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 29             | AMC373639        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 30             | AMC373640        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 5;6            |
| SB 31             | AMC373641        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |
| SB 32             | AMC373642        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |
| SB 33             | AMC373643        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |
| SB 34             | AMC373644        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |
| SB 35             | AMC373645        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6              |
| SB 36             | AMC373646        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 37             | AMC373647        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 38             | AMC373648        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 39             | AMC373649        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 6              |
| SB 40             | AMC373650        | Bronco Creek Expl | 6/10/2006            | 12S             | 8E           | 5;6            |
| SB 41             | AMC373651        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6;7            |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 42             | AMC373652        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6;7            |
| SB 43             | AMC373653        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6;7            |
| SB 44             | AMC373654        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6;7            |
| SB 45             | AMC373655        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6;7            |
| SB 46             | AMC373656        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6;7            |
| SB 47             | AMC373657        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6;7            |
| SB 48             | AMC373658        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6;7            |
| SB 49             | AMC373659        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 6;7            |
| SB 50             | AMC373660        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 5;6;7;8        |
| SB 51             | AMC373661        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7              |
| SB 52             | AMC373662        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7              |
| SB 53             | AMC373663        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7              |
| SB 54             | AMC373664        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7              |
| SB 55             | AMC373665        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7              |
| SB 56             | AMC373666        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7              |
| SB 57             | AMC373667        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7              |
| SB 58             | AMC373668        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7              |
| SB 59             | AMC373669        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7              |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 60             | AMC373670        | Bronco Creek Expl | 6/9/2006             | 12S             | 8E           | 7;8            |
| SB 63             | AMC374429        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 64             | AMC374430        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 65             | AMC374431        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 66             | AMC374432        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 67             | AMC374433        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 68             | AMC374434        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 69             | AMC374435        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 70             | AMC374436        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 71             | AMC374437        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 72             | AMC374438        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 73             | AMC374439        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 74             | AMC374440        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 75             | AMC374441        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 76             | AMC374442        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 77             | AMC374443        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7;8            |
| SB 78             | AMC374444        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 79             | AMC374445        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 80             | AMC374446        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 81             | AMC374447        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 82             | AMC374448        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 83             | AMC374449        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 84             | AMC374450        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 85             | AMC374451        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 86             | AMC374452        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 87             | AMC374453        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 88             | AMC374454        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 89             | AMC374455        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 90             | AMC374456        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 91             | AMC374457        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7              |
| SB 92             | AMC374458        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 7;8            |
| SB 93             | AMC374459        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 94             | AMC374460        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 95             | AMC374461        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 96             | AMC374462        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |
| SB 97             | AMC374463        | Bronco Creek Expl | 7/11/2006            | 12S             | 8E           | 8              |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 98             | AMC379989        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8              |
| SB 99             | AMC379990        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8              |
| SB 100            | AMC379991        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8              |
| SB 101            | AMC379992        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;9            |
| SB 102            | AMC379993        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8              |
| SB 103            | AMC379994        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8              |
| SB 104            | AMC379995        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8              |
| SB 105            | AMC379996        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;9            |
| SB 106            | AMC379997        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8              |
| SB 107            | AMC379998        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8              |
| SB 108            | AMC379999        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8              |
| SB 109            | AMC380000        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;9            |
| SB 110            | AMC380001        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;18           |
| SB 111            | AMC380002        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;18           |
| SB 112            | AMC380003        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;18           |
| SB 113            | AMC380004        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;18           |
| SB 114            | AMC380005        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;18           |
| SB 115            | AMC380006        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;18           |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 116            | AMC380007        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;18           |
| SB 117            | AMC380008        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;18           |
| SB 118            | AMC380009        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;18           |
| SB 119            | AMC380010        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 7;8;17;18      |
| SB 120            | AMC380011        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;17           |
| SB 121            | AMC380012        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;17           |
| SB 122            | AMC380013        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;17           |
| SB 123            | AMC380014        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;17           |
| SB 124            | AMC380015        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;17           |
| SB 125            | AMC380016        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;17           |
| SB 126            | AMC380017        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;17           |
| SB 127            | AMC380018        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;17           |
| SB 128            | AMC380019        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 8;9;16;17      |
| SB 129            | AMC380020        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 18             |
| SB 130            | AMC380021        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 18             |
| SB 131            | AMC380022        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 18             |
| SB 132            | AMC380023        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 18             |
| SB 133            | AMC380024        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 18             |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 134            | AMC380025        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 18             |
| SB 135            | AMC380026        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 18             |
| SB 136            | AMC380027        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 18             |
| SB 137            | AMC380028        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 18             |
| SB 138            | AMC380029        | Bronco Creek Expl | 12/13/2006           | 12S             | 8E           | 17;18          |
| SB 139            | AMC380030        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 17             |
| SB 140            | AMC380031        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 17             |
| SB 141            | AMC380032        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 17             |
| SB 142            | AMC380033        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 17             |
| SB 143            | AMC380034        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 17             |
| SB 144            | AMC380035        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 17             |
| SB 145            | AMC380036        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 17             |
| SB 146            | AMC380037        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 17             |
| SB 147            | AMC380038        | Bronco Creek Expl | 12/7/2006            | 12S             | 8E           | 16;17          |
| SB 148            | AMC383484        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 149            | AMC383485        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 150            | AMC383486        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 151            | AMC383487        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 152            | AMC383488        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 153            | AMC383489        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 154            | AMC383490        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 155            | AMC383491        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 156            | AMC383492        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 157            | AMC383493        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 158            | AMC383494        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9;10           |
| SB 159            | AMC383495        | Bronco Creek Expl | 3/14/2007            | 12S             | 8E           | 9              |
| SB 160            | AMC383496        | Bronco Creek Expl | 3/14/2007            | 12S             | 8E           | 9              |
| SB 161            | AMC383497        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 162            | AMC383498        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 163            | AMC383499        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 164            | AMC383500        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 165            | AMC383501        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 166            | AMC383502        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 167            | AMC383503        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 168            | AMC383504        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9              |
| SB 169            | AMC383505        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 9;10           |

| <b>Claim Name</b> | <b>Serial No</b> | <b>Holder</b>     | <b>Location Date</b> | <b>Township</b> | <b>Range</b> | <b>Section</b> |
|-------------------|------------------|-------------------|----------------------|-----------------|--------------|----------------|
| SB 170            | AMC383506        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10             |
| SB 171            | AMC383507        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10             |
| SB 172            | AMC383508        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10             |
| SB 173            | AMC383509        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10             |
| SB 174            | AMC383510        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10             |
| SB 175            | AMC383511        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10;15          |
| SB 176            | AMC383512        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10;15          |
| SB 177            | AMC383513        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10;15          |
| SB 178            | AMC383514        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10;15          |
| SB 179            | AMC383515        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10;15          |
| SB 180            | AMC383516        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 10;15          |
| SB 182            | AMC383517        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 15             |
| SB 183            | AMC383518        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 15             |
| SB 184            | AMC383519        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 15             |
| SB 185            | AMC383520        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 15             |
| SB 186            | AMC383521        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 15             |
| SB 187            | AMC383522        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 15             |
| SB 188            | AMC383523        | Bronco Creek Expl | 3/13/2007            | 12S             | 8E           | 15             |

| Claim Name | Serial No | Holder            | Location Date | Township | Range | Section |
|------------|-----------|-------------------|---------------|----------|-------|---------|
| SB 189     | AMC383524 | Bronco Creek Expl | 3/13/2007     | 12S      | 8E    | 15      |
| SB 190     | AMC383525 | Bronco Creek Expl | 3/13/2007     | 12S      | 8E    | 15      |
| SB 191     | AMC383526 | Bronco Creek Expl | 3/13/2007     | 12S      | 8E    | 15      |

#### Middle Mountain

The following State of Arizona Mineral Exploration Permits and US federal unpatented mining claims covering approximately 7,070 acres located in Pinal County, Arizona:

#### State of Arizona Exploration Permits

| Exploration Permit # | Acres | Lots (Legal Description) | Sec | Tw | Rng | Effective Date | Expiration Date |
|----------------------|-------|--------------------------|-----|----|-----|----------------|-----------------|
| 008-111132-00        | 640   | ALL                      | 16  | 6S | 11E | 12/14/2006     | 12/13/2011      |
| 008-111133-00        | 640   | ALL                      | 11  | 6S | 11E | 12/14/2006     | 12/13/2011      |
| 008-111134-00        | 640   | ALL                      | 10  | 6S | 11E | 12/14/2006     | 12/13/2011      |
| 008-111135-00        | 640   | ALL                      | 9   | 6S | 11E | 12/14/2006     | 12/13/2011      |
| 008-111502-00        | 320   | AS2                      | 2   | 6S | 11E | 3/13/2007      | 3/12/2012       |
| 008-111503-00        | 640   | ALL                      | 36  | 5S | 11E | 3/13/2007      | 3/12/2012       |
|                      |       | 2SNE,<br>SESW,           |     |    |     |                |                 |
| 008-112861           | 400   | E2SW,<br>SWSW, SE        | 3   | 6S | 11E | 5/29/2008      | 5/28/2013       |
| 008-112862           | 480   | S2N2, S2                 | 4   | 6S | 11E | 5/29/2008      | 5/28/2013       |
| 008-112863           | 480   | S2N2, S2                 | 5   | 6S | 11E | 5/29/2008      | 5/28/2013       |

|            |     |     |    |    |     |           |           |
|------------|-----|-----|----|----|-----|-----------|-----------|
| 008-112864 | 640 | ALL | 8  | 6S | 11E | 5/29/2008 | 5/28/2013 |
| 008-112865 | 640 | ALL | 17 | 6S | 11E | 5/29/2008 | 5/28/2013 |

US Federal Unpatented Mining Claims

County ID

| Serial No | Claim Name | Fee#/Doc ID# | Book | Page | County | Claim Loc Dt | Mr | Tw | Rng | Sec    |
|-----------|------------|--------------|------|------|--------|--------------|----|----|-----|--------|
| AMC376002 | NSH1       | 2006-168946  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 15     |
| AMC376003 | NSH2       | 2006-168947  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 15     |
| AMC376004 | NSH3       | 2006-168948  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 15     |
| AMC376005 | NSH4       | 2006-168949  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 15     |
| AMC376006 | NSH5       | 2006-168950  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 15     |
| AMC376007 | NSH6       | 2006-168951  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 15     |
| AMC376008 | NSH7       | 2006-168952  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 15     |
| AMC376009 | NSH8       | 2006-168953  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 15     |
| AMC376010 | NSH9       | 2006-168954  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 14, 15 |
| AMC376011 | NSH10      | 2006-168955  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 14     |
| AMC376012 | NSH11      | 2006-168956  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 14     |
| AMC376013 | NSH12      | 2006-168957  | NA   | NA   | PINAL  | 9/14/2006    | 14 | 6S | 11E | 14     |

|           |           |                 |    |    |       |               |    |    |     |           |
|-----------|-----------|-----------------|----|----|-------|---------------|----|----|-----|-----------|
| AMC376014 | NSH1<br>3 | 2006-<br>168958 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 14        |
| AMC376015 | NSH1<br>4 | 2006-<br>168959 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376016 | NSH1<br>5 | 2006-<br>168960 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376017 | NSH1<br>6 | 2006-<br>168961 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376018 | NSH1<br>7 | 2006-<br>168962 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376019 | NSH1<br>8 | 2006-<br>168963 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376020 | NSH1<br>9 | 2006-<br>168964 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376021 | NSH2<br>0 | 2006-<br>168965 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376022 | NSH2<br>1 | 2006-<br>168966 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376023 | NSH2<br>2 | 2006-<br>168967 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 14,<br>15 |
| AMC37624  | NSH2<br>3 | 2006-<br>168968 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 14        |
| AMC376025 | NSH2<br>4 | 2006-<br>168969 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 14        |
| AMC376026 | NSH2<br>5 | 2006-<br>168970 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 14        |
| AMC376027 | NSH2<br>6 | 2006-<br>168971 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 14        |
| AMC376028 | NSH2<br>7 | 2006-<br>168972 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376029 | NSH2<br>8 | 2006-<br>168973 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |

|           |           |                 |    |    |       |               |    |    |     |           |
|-----------|-----------|-----------------|----|----|-------|---------------|----|----|-----|-----------|
| AMC376030 | NSH2<br>9 | 2006-<br>168974 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376031 | NSH3<br>0 | 2006-<br>168975 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376032 | NSH3<br>1 | 2006-<br>168976 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376033 | NSH3<br>2 | 2006-<br>168977 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376034 | NSH3<br>3 | 2006-<br>168978 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376035 | NSH3<br>4 | 2006-<br>168979 | NA | NA | PINAL | 9/15/200<br>6 | 14 | 6S | 11E | 15        |
| AMC376036 | NSH3<br>5 | 2006-<br>168980 | NA | NA | PINAL | 9/15/200<br>6 | 14 | 6S | 11E | 14,<br>15 |
| AMC376037 | NSH3<br>6 | 2006-<br>168981 | NA | NA | PINAL | 9/15/200<br>6 | 14 | 6S | 11E | 14        |
| AMC376038 | NSH3<br>7 | 2006-<br>168982 | NA | NA | PINAL | 9/15/200<br>6 | 14 | 6S | 11E | 14        |
| AMC376039 | NSH3<br>8 | 2006-<br>168983 | NA | NA | PINAL | 9/15/200<br>6 | 14 | 6S | 11E | 14        |
| AMC376040 | NSH3<br>9 | 2006-<br>168984 | NA | NA | PINAL | 9/15/200<br>6 | 14 | 6S | 11E | 14        |
| AMC376041 | NSH4<br>0 | 2006-<br>168985 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15,<br>22 |
| AMC376042 | NSH4<br>1 | 2006-<br>168986 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15,<br>22 |
| AMC376043 | NSH4<br>2 | 2006-<br>168987 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15,<br>22 |
| AMC376044 | NSH4<br>3 | 2006-<br>168988 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15,<br>22 |
| AMC376045 | NSH4<br>4 | 2006-<br>168989 | NA | NA | PINAL | 9/14/200<br>6 | 14 | 6S | 11E | 15,<br>22 |

*Red Hills*

The following State of Arizona Mineral Exploration Permits and US federal unpatented mining claims, located southeast of Florence in Pinal County, Arizona and consisting of 1,200 acres:

State of Arizona Mineral Exploration Permits

| Exploration Permit No. | T  | R       | S  | Legal Description | Acres  |
|------------------------|----|---------|----|-------------------|--------|
| 08-111066              | 4S | 11<br>E | 32 | ALL<br>N2, SW,    | 640.00 |
| 08-111067              | 4S | 10<br>E | 36 | E2SE<br>N2;SE;    | 560.00 |
| 08-112982              | 4S | 11<br>E | 36 | N2SW              | 560.00 |
| 08-112983              | 4S | 12<br>E | 32 | ALL               | 640.00 |

US federal unpatented mining claims

| Claim Name/Number | Serial No | County ID Fee# | County | Mc Loc Dt  |
|-------------------|-----------|----------------|--------|------------|
| RH 1              | AMC381322 | 2007-037251    | PINAL  | 12/31/2006 |
| RH 2              | AMC381323 | 2007-037252    | PINAL  | 12/31/2006 |
| RH 3              | AMC381324 | 2007-037253    | PINAL  | 12/31/2006 |
| RH 4              | AMC381325 | 2007-037254    | PINAL  | 12/31/2006 |
| RH 5              | AMC381326 | 2007-037255    | PINAL  | 12/31/2006 |
| RH 6              | AMC381327 | 2007-037256    | PINAL  | 12/31/2006 |
| RH 7              | AMC381328 | 2007-037257    | PINAL  | 12/31/2006 |
| RH 8              | AMC381329 | 2007-037258    | PINAL  | 12/31/2006 |
| RH 9              | AMC381330 | 2007-037259    | PINAL  | 12/31/2006 |
| RH 10             | AMC381331 | 2007-037260    | PINAL  | 12/31/2006 |
| RH 11             | AMC381332 | 2007-037261    | PINAL  | 12/31/2006 |
| RH 12             | AMC381333 | 2007-037262    | PINAL  | 12/31/2006 |
| RH 13             | AMC381334 | 2007-037263    | PINAL  | 12/31/2006 |
| RH 14             | AMC381335 | 2007-037264    | PINAL  | 12/31/2006 |

|       |           |             |       |            |
|-------|-----------|-------------|-------|------------|
| RH 15 | AMC381336 | 2007-037265 | PINAL | 12/31/2006 |
| RH 16 | AMC381337 | 2007-037266 | PINAL | 12/31/2006 |
| RH 17 | AMC381338 | 2007-037267 | PINAL | 12/31/2006 |
| RH 18 | AMC381339 | 2007-037268 | PINAL | 12/31/2006 |
| RH 19 | AMC381340 | 2007-037269 | PINAL | 12/31/2006 |
| RH 20 | AMC381341 | 2007-037270 | PINAL | 12/31/2006 |
| RH 21 | AMC381342 | 2007-037271 | PINAL | 12/31/2006 |
| RH 22 | AMC381343 | 2007-037272 | PINAL | 12/31/2006 |
| RH 23 | AMC381344 | 2007-037273 | PINAL | 12/31/2006 |
| RH 24 | AMC381345 | 2007-037274 | PINAL | 12/31/2006 |
| RH 25 | AMC381346 | 2007-037275 | PINAL | 12/31/2006 |
| RH 26 | AMC381347 | 2007-037276 | PINAL | 12/31/2006 |
| RH 27 | AMC381348 | 2007-037277 | PINAL | 12/31/2006 |
| RH 28 | AMC381349 | 2007-037278 | PINAL | 12/31/2006 |
| RH 29 | AMC381350 | 2007-037279 | PINAL | 12/31/2006 |
| RH 30 | AMC381351 | 2007-037280 | PINAL | 12/31/2006 |
| RH 31 | AMC381352 | 2007-037281 | PINAL | 12/31/2006 |
| RH 32 | AMC381353 | 2007-037282 | PINAL | 12/31/2006 |
| RH 33 | AMC381354 | 2007-037283 | PINAL | 12/31/2006 |
| RH 34 | AMC381355 | 2007-037284 | PINAL | 12/31/2006 |
| RH 35 | AMC381356 | 2007-037285 | PINAL | 12/31/2006 |
| RH 36 | AMC381357 | 2007-037286 | PINAL | 12/31/2006 |
| RH 37 | AMC381358 | 2007-037287 | PINAL | 12/31/2006 |
| RH 38 | AMC381359 | 2007-037288 | PINAL | 12/31/2006 |
| RH 39 | AMC381360 | 2007-037289 | PINAL | 12/31/2006 |
| RH 40 | AMC381361 | 2007-037290 | PINAL | 12/31/2006 |
| RH 41 | AMC381362 | 2007-037291 | PINAL | 12/31/2006 |
| RH 42 | AMC381363 | 2007-037292 | PINAL | 12/31/2006 |
| RH 43 | AMC381364 | 2007-037293 | PINAL | 12/31/2006 |
| RH 44 | AMC381365 | 2007-037294 | PINAL | 12/31/2006 |
| RH 45 | AMC381366 | 2007-037295 | PINAL | 12/31/2006 |
| RH 46 | AMC381367 | 2007-037296 | PINAL | 12/31/2006 |

|       |           |             |       |            |
|-------|-----------|-------------|-------|------------|
| RH 47 | AMC381368 | 2007-037297 | PINAL | 12/31/2006 |
| RH 48 | AMC381369 | 2007-037298 | PINAL | 12/31/2006 |
| RH 49 | AMC381370 | 2007-037299 | PINAL | 12/31/2006 |
| RH 50 | AMC381371 | 2007-037300 | PINAL | 12/31/2006 |
| RH 51 | AMC381372 | 2007-037301 | PINAL | 12/31/2006 |
| RH 52 | AMC381373 | 2007-037302 | PINAL | 12/31/2006 |
| RH 53 | AMC381374 | 2007-037303 | PINAL | 12/31/2006 |
| RH 54 | AMC381375 | 2007-037304 | PINAL | 12/31/2006 |
| RH 55 | AMC381376 | 2007-037305 | PINAL | 12/31/2006 |
| RH 56 | AMC381377 | 2007-037306 | PINAL | 12/31/2006 |
| RH 57 | AMC381378 | 2007-037307 | PINAL | 12/31/2006 |
| RH 58 | AMC381379 | 2007-037308 | PINAL | 12/31/2006 |
| RH 59 | AMC381380 | 2007-037309 | PINAL | 12/31/2006 |
| RH 60 | AMC381381 | 2007-037310 | PINAL | 12/31/2006 |
| RH 61 | AMC381382 | 2007-037311 | PINAL | 12/31/2006 |
| RH 62 | AMC381383 | 2007-037312 | PINAL | 12/31/2006 |
| RH 63 | AMC381384 | 2007-037313 | PINAL | 12/31/2006 |
| RH 64 | AMC381385 | 2007-037314 | PINAL | 12/31/2006 |
| RH 65 | AMC381386 | 2007-037315 | PINAL | 12/31/2006 |
| RH 66 | AMC381387 | 2007-037316 | PINAL | 12/31/2006 |
| RH 67 | AMC381388 | 2007-037317 | PINAL | 12/31/2006 |
| RH 68 | AMC381389 | 2007-037318 | PINAL | 12/31/2006 |
| RH 69 | AMC381390 | 2007-037319 | PINAL | 12/31/2006 |
| RH 70 | AMC381391 | 2007-037320 | PINAL | 12/31/2006 |
| RH 71 | AMC381392 | 2007-037321 | PINAL | 12/31/2006 |
| RH 72 | AMC381393 | 2007-037322 | PINAL | 12/31/2006 |
| RH 73 | AMC381394 | 2007-037323 | PINAL | 12/31/2006 |
| RH 74 | AMC381395 | 2007-037324 | PINAL | 12/31/2006 |
| RH 75 | AMC381396 | 2007-037325 | PINAL | 12/31/2006 |
| RH 76 | AMC381397 | 2007-037326 | PINAL | 12/31/2006 |
| RH 77 | AMC381398 | 2007-037327 | PINAL | 12/31/2006 |
| RH 78 | AMC381399 | 2007-037328 | PINAL | 12/31/2006 |

|        |           |             |       |            |
|--------|-----------|-------------|-------|------------|
| RH 79  | AMC381400 | 2007-037329 | PINAL | 12/31/2006 |
| RH 80  | AMC381401 | 2007-037330 | PINAL | 12/31/2006 |
| RH 81  | AMC381402 | 2007-037331 | PINAL | 12/31/2006 |
| RH 82  | AMC381403 | 2007-037332 | PINAL | 12/31/2006 |
| RH 83  | AMC381404 | 2007-037333 | PINAL | 12/31/2006 |
| RH 84  | AMC381405 | 2007-037334 | PINAL | 12/31/2006 |
| RH 85  | AMC381406 | 2007-037335 | PINAL | 12/31/2006 |
| RH 86  | AMC381407 | 2007-037336 | PINAL | 12/31/2006 |
| RH 87  | AMC381408 | 2007-037337 | PINAL | 12/31/2006 |
| RH 88  | AMC381409 | 2007-037338 | PINAL | 12/31/2006 |
| RH 89  | AMC381410 | 2007-037339 | PINAL | 12/31/2006 |
| RH 90  | AMC381411 | 2007-037340 | PINAL | 12/31/2006 |
| RH 91  | AMC381412 | 2007-037341 | PINAL | 12/31/2006 |
| RH 92  | AMC381413 | 2007-037342 | PINAL | 12/31/2006 |
| RH 93  | AMC381414 | 2007-037343 | PINAL | 12/31/2006 |
| RH 94  | AMC381415 | 2007-037344 | PINAL | 12/31/2006 |
| RH 95  | AMC381416 | 2007-037345 | PINAL | 12/31/2006 |
| RH 96  | AMC381417 | 2007-037346 | PINAL | 12/31/2006 |
| RH 97  | AMC381418 | 2007-037347 | PINAL | 12/31/2006 |
| RH 98  | AMC381419 | 2007-037348 | PINAL | 12/31/2006 |
| RH 99  | AMC381420 | 2007-037349 | PINAL | 12/31/2006 |
| RH 100 | AMC381421 | 2007-037350 | PINAL | 12/31/2006 |
| RH 101 | AMC381422 | 2007-037351 | PINAL | 12/31/2006 |
| RH 102 | AMC381423 | 2007-037352 | PINAL | 12/31/2006 |
| RH 103 | AMC381424 | 2007-037353 | PINAL | 12/31/2006 |
| RH 104 | AMC381425 | 2007-037354 | PINAL | 12/31/2006 |
| RH 105 | AMC381426 | 2007-037355 | PINAL | 12/31/2006 |
| RH 106 | AMC381427 | 2007-037356 | PINAL | 12/31/2006 |
| RH 107 | AMC381428 | 2007-037357 | PINAL | 12/31/2006 |
| RH 108 | AMC381429 | 2007-037358 | PINAL | 12/31/2006 |
| RH 109 | AMC381430 | 2007-037359 | PINAL | 12/31/2006 |
| RH 110 | AMC381431 | 2007-037360 | PINAL | 12/31/2006 |

|        |           |             |       |            |
|--------|-----------|-------------|-------|------------|
| RH 111 | AMC381432 | 2007-037361 | PINAL | 12/31/2006 |
| RH 112 | AMC381433 | 2007-037362 | PINAL | 12/31/2006 |
| RH 113 | AMC381434 | 2007-037363 | PINAL | 12/31/2006 |
| RH 114 | AMC381435 | 2007-037364 | PINAL | 12/31/2006 |
| RH 115 | AMC381436 | 2007-037365 | PINAL | 12/31/2006 |
| RH 116 | AMC381437 | 2007-037366 | PINAL | 12/31/2006 |
| RH 117 | AMC381438 | 2007-037367 | PINAL | 12/31/2006 |
| RH 118 | AMC381439 | 2007-037368 | PINAL | 12/31/2006 |
| RH 119 | AMC381440 | 2007-037369 | PINAL | 12/31/2006 |
| RH 120 | AMC381441 | 2007-037370 | PINAL | 12/31/2006 |
| RH 121 | AMC381442 | 2007-037371 | PINAL | 12/31/2006 |
| RH 122 | AMC381443 | 2007-037372 | PINAL | 12/31/2006 |
| RH 123 | AMC381444 | 2007-037373 | PINAL | 12/31/2006 |
| RH 124 | AMC381445 | 2007-037374 | PINAL | 12/31/2006 |
| RH 125 | AMC381446 | 2007-037375 | PINAL | 12/31/2006 |
| RH 126 | AMC394007 | 2008-072188 | PINAL | 5/6/2008   |
| RH 127 | AMC394008 | 2008-072189 | PINAL | 5/6/2008   |
| RH 128 | AMC394009 | 2008-072190 | PINAL | 5/6/2008   |
| RH 129 | AMC394010 | 2008-072191 | PINAL | 5/6/2008   |
| RH 130 | AMC394011 | 2008-072192 | PINAL | 5/6/2008   |
| RH 131 | AMC394012 | 2008-072193 | PINAL | 5/6/2008   |
| RH 132 | AMC394013 | 2008-072194 | PINAL | 5/6/2008   |
| RH 133 | AMC394014 | 2008-072195 | PINAL | 5/6/2008   |
| RH 134 | AMC394015 | 2008-072196 | PINAL | 5/6/2008   |
| RH 135 | AMC394016 | 2008-072197 | PINAL | 5/6/2008   |
| RH 136 | AMC394017 | 2008-072198 | PINAL | 5/6/2008   |
| RH 137 | AMC394018 | 2008-072199 | PINAL | 5/6/2008   |
| RH 138 | AMC394019 | 2008-072200 | PINAL | 5/6/2008   |
| RH 139 | AMC394020 | 2008-072201 | PINAL | 5/6/2008   |
| RH 140 | AMC394021 | 2008-072202 | PINAL | 5/6/2008   |
| RH 141 | AMC394022 | 2008-072203 | PINAL | 5/6/2008   |
| RH 142 | AMC394023 | 2008-072204 | PINAL | 5/6/2008   |

|        |           |             |       |           |
|--------|-----------|-------------|-------|-----------|
| RH 143 | AMC394024 | 2008-072205 | PINAL | 5/6/2008  |
| RH 144 | AMC394025 | 2008-072206 | PINAL | 5/6/2008  |
| RH 145 | AMC394026 | 2008-072207 | PINAL | 5/6/2008  |
| RH 146 | AMC394027 | 2008-072208 | PINAL | 5/6/2008  |
| RH 147 | AMC394028 | 2008-072209 | PINAL | 5/6/2008  |
| RH 148 | AMC394029 | 2008-072210 | PINAL | 5/6/2008  |
| RH 149 | AMC394030 | 2008-072211 | PINAL | 5/6/2008  |
| RH 150 | AMC394031 | 2008-072212 | PINAL | 5/6/2008  |
| RH 151 | AMC394032 | 2008-072213 | PINAL | 5/6/2008  |
| RH 152 | AMC394033 | 2008-072214 | PINAL | 5/6/2008  |
| RH 153 | AMC394034 | 2008-072215 | PINAL | 5/6/2008  |
| RH 154 | AMC394035 | 2008-072216 | PINAL | 5/6/2008  |
| RH 155 | AMC394036 | 2008-072217 | PINAL | 5/6/2008  |
| RH 156 | AMC394037 | 2008-072218 | PINAL | 5/6/2008  |
| RH 157 | AMC394038 | 2008-072219 | PINAL | 5/6/2008  |
| RHN1   | AMC383527 | 2007-068311 | PINAL | 3/20/2007 |
| RHN2   | AMC383528 | 2007-068312 | PINAL | 3/20/2007 |
| RHN3   | AMC383529 | 2007-068313 | PINAL | 3/20/2007 |
| RHN4   | AMC383530 | 2007-068314 | PINAL | 3/20/2007 |
| RHN5   | AMC383531 | 2007-068315 | PINAL | 3/20/2007 |
| RHN6   | AMC383532 | 2007-068316 | PINAL | 3/20/2007 |
| RHN7   | AMC383533 | 2007-068317 | PINAL | 3/20/2007 |
| RHN8   | AMC383534 | 2007-068318 | PINAL | 3/20/2007 |
| RHN9   | AMC383535 | 2007-068319 | PINAL | 3/20/2007 |
| RHN 10 | AMC383536 | 2007-068320 | PINAL | 3/20/2007 |
| RHN 11 | AMC383537 | 2007-068321 | PINAL | 3/20/2007 |
| RHN 12 | AMC383538 | 2007-068322 | PINAL | 3/20/2007 |
| RHN 13 | AMC383539 | 2007-068323 | PINAL | 3/20/2007 |
| RHN 14 | AMC383540 | 2007-068324 | PINAL | 3/20/2007 |
| RHN 15 | AMC383541 | 2007-068325 | PINAL | 3/20/2007 |
| RHN 16 | AMC383542 | 2007-068326 | PINAL | 3/20/2007 |
| RHN 17 | AMC383543 | 2007-068327 | PINAL | 3/20/2007 |

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| RHN 18 | AMC383544 | 2007-068328 | PINAL | 3/20/2007 |
| RHN 19 | AMC383545 | 2007-068329 | PINAL | 3/20/2007 |
| RHN 20 | AMC383546 | 2007-068330 | PINAL | 3/20/2007 |
| RHN 21 | AMC383547 | 2007-068331 | PINAL | 3/20/2007 |
| RHN 22 | AMC383548 | 2007-068332 | PINAL | 3/20/2007 |
| RHN 23 | AMC383549 | 2007-068333 | PINAL | 3/20/2007 |
| RHN 24 | AMC383550 | 2007-068334 | PINAL | 3/20/2007 |
| RHN 25 | AMC383551 | 2007-068335 | PINAL | 3/20/2007 |
| RHN 26 | AMC383552 | 2007-068336 | PINAL | 3/20/2007 |
| RHN 27 | AMC383553 | 2007-068337 | PINAL | 3/20/2007 |
| RHN 28 | AMC383554 | 2007-068338 | PINAL | 3/20/2007 |
| RHN 29 | AMC383555 | 2007-068339 | PINAL | 3/20/2007 |
| RHN 30 | AMC383556 | 2007-068340 | PINAL | 3/20/2007 |
| RHN 31 | AMC383557 | 2007-068341 | PINAL | 3/20/2007 |
| RHN 32 | AMC383558 | 2007-068342 | PINAL | 3/20/2007 |
| RHN 33 | AMC383559 | 2007-068343 | PINAL | 3/20/2007 |
| RHN 34 | AMC383560 | 2007-068344 | PINAL | 3/20/2007 |
| RHN 35 | AMC383561 | 2007-068345 | PINAL | 3/20/2007 |
| RHN 36 | AMC383562 | 2007-068346 | PINAL | 3/20/2007 |
| RHW 1  | AMC383563 | 2007-068283 | PINAL | 3/28/2007 |
| RHW 2  | AMC383564 | 2007-068284 | PINAL | 3/28/2007 |
| RHW 3  | AMC383565 | 2007-068285 | PINAL | 3/28/2007 |
| RHW 4  | AMC383566 | 2007-068286 | PINAL | 3/28/2007 |
| RHW 5  | AMC383567 | 2007-068287 | PINAL | 3/28/2007 |
| RHW 6  | AMC383568 | 2007-068288 | PINAL | 3/28/2007 |
| RHW 7  | AMC383569 | 2007-068289 | PINAL | 3/28/2007 |
| RHW 8  | AMC383570 | 2007-068290 | PINAL | 3/28/2007 |
| RHW 9  | AMC383571 | 2007-068291 | PINAL | 3/28/2007 |
| RHW 10 | AMC383572 | 2007-068292 | PINAL | 3/28/2007 |
| RHW 11 | AMC383573 | 2007-068293 | PINAL | 3/28/2007 |
| RHW 12 | AMC383574 | 2007-068294 | PINAL | 3/28/2007 |
| RHW 13 | AMC383575 | 2007-068295 | PINAL | 3/28/2007 |

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| RHW 14  | AMC383576 | 2007-068296 | PINAL | 3/28/2007 |
| RHW 15  | AMC383577 | 2007-068297 | PINAL | 3/28/2007 |
| RHW 16  | AMC383578 | 2007-068298 | PINAL | 3/28/2007 |
| RHW 17  | AMC383579 | 2007-068299 | PINAL | 3/28/2007 |
| RHW 18  | AMC383580 | 2007-068300 | PINAL | 3/28/2007 |
| RHW 19  | AMC383581 | 2007-068301 | PINAL | 3/28/2007 |
| RHW 20  | AMC383582 | 2007-068302 | PINAL | 3/28/2007 |
| RHW 21  | AMC383583 | 2007-068303 | PINAL | 3/28/2007 |
| RHW 22  | AMC383584 | 2007-068304 | PINAL | 3/28/2007 |
| RHW 23  | AMC383585 | 2007-068305 | PINAL | 3/28/2007 |
| RHW 24  | AMC383586 | 2007-068306 | PINAL | 3/28/2007 |
| RHW 25  | AMC383587 | 2007-068307 | PINAL | 3/28/2007 |
| RHW 26  | AMC383588 | 2007-068308 | PINAL | 3/28/2007 |
| RHW 27  | AMC383589 | 2007-068309 | PINAL | 3/28/2007 |
| RHW 28  | AMC383590 | 2007-068310 | PINAL | 3/28/2007 |
| RHNE 1  | AMC393933 | 2008-067808 | PINAL | 4/25/2008 |
| RHNE 2  | AMC393934 | 2008-067809 | PINAL | 4/25/2008 |
| RHNE 3  | AMC393935 | 2008-067810 | PINAL | 4/25/2008 |
| RHNE 4  | AMC393936 | 2008-067811 | PINAL | 4/25/2008 |
| RHNE 5  | AMC393937 | 2008-067812 | PINAL | 4/25/2008 |
| RHNE 6  | AMC393938 | 2008-067813 | PINAL | 4/25/2008 |
| RHNE 7  | AMC393939 | 2008-067814 | PINAL | 4/25/2008 |
| RHNE 8  | AMC393940 | 2008-067815 | PINAL | 4/25/2008 |
| RHNE 9  | AMC393941 | 2008-067816 | PINAL | 4/25/2008 |
| RHNE 10 | AMC393942 | 2008-067817 | PINAL | 4/25/2008 |
| RHNE 11 | AMC393943 | 2008-067818 | PINAL | 4/25/2008 |
| RHNE 12 | AMC393944 | 2008-067819 | PINAL | 4/25/2008 |
| RHNE 13 | AMC393945 | 2008-067820 | PINAL | 4/25/2008 |
| RHNE 14 | AMC393946 | 2008-067821 | PINAL | 4/25/2008 |
| RHNE 15 | AMC393947 | 2008-067822 | PINAL | 4/25/2008 |
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| RHNE 17 | AMC393949 | 2008-067824 | PINAL | 4/25/2008 |

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| RHNE 18 | AMC393950 | 2008-067825 | PINAL | 4/25/2008 |
| RHNE 19 | AMC393951 | 2008-067826 | PINAL | 4/25/2008 |
| RHNE 20 | AMC393952 | 2008-067827 | PINAL | 4/25/2008 |
| RHNE 21 | AMC393953 | 2008-067828 | PINAL | 4/25/2008 |
| RHNE 22 | AMC393954 | 2008-067829 | PINAL | 4/25/2008 |
| RHNE 23 | AMC393955 | 2008-067830 | PINAL | 4/25/2008 |
| RHNE 24 | AMC393956 | 2008-067831 | PINAL | 4/25/2008 |
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