Execution Copy

UPPER PENINSULA COPPER HOLDINGS, INC.

and

ORVANA MINERALS CORP.

and

HIGHLAND COPPER COMPANY INC.

SHARE PURCHASE AGREEMENT

(Copperwood Project)

February 10, 2014

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SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT is made as of February 10, 2014

BETWEEN:

UPPER PENINSULA COPPER HOLDINGS, INC., a company organized under the laws of Delaware, United States of America, , with an office at 56730 Calumet Avenue, Suite J, Calumet, Michigan 49913

(the "**Purchaser**")

AND:

ORVANA MINERALS CORP., a company organized under the laws of Ontario, with an office at 181 University Avenue – Suite 1901, Toronto, Ontario M5H 3M7

(the "**Seller**")

AND:

HIGHLAND COPPER COMPANY INC., a company organized under the laws of British Columbia, with an office at 1055 Georgia Street West, Vancouver, British Columbia, V6E

(the "**Purchaser's Guarantor**")

WHEREAS:

(A) The Seller is, as of the date hereof, and will be prior to the Closing Time (as defined herein), the legal and beneficial owner of all of the issued and outstanding shares of Orvana US (as defined herein);

(B) Orvana US is the legal and beneficial owner or holder, as applicable, of a 100% legal and beneficial interest in and to the Copperwood Project (as defined herein); and

(C) The Seller wishes to sell and the Purchaser wishes to purchase the Orvana US Shares (as defined herein), upon the terms and subject to the conditions hereinafter contained; and

(D) The Purchaser's Guarantor, as the sole shareholder of the Purchaser, has agreed to be jointly and severally liable with the Purchaser for all of the obligations of the Purchaser under this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the covenants and mutual agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the Parties (as defined herein), the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

(a) "**Additional Consideration**" has the meaning set forth in Section 2.3(b);

(b) "**Affiliate**" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person, where "**control**" means the possession, directly or indirectly, of the power to direct the management and policies of a Person through the legal or beneficial ownership of voting securities, the right to appoint directors or management, by contract, voting trust, or otherwise, and the terms "**controlling**" and "**controlled**" have corresponding meanings. Orvana US is an Affiliate of the Seller and references to the Seller's Affiliates includes, without limitation, Orvana US;

(c) "**Agreement**" means this share purchase agreement, including all schedules, and all written amendments or restatements as agreed by the Parties and includes the recitals hereto;

(d) "**Applicable Laws**" means at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the law by any Person having jurisdiction or charged with its administration or interpretation, including any order, rule or policy of any stock exchange or securities commission;

(e) "**Base Consideration**" means $20,000,000;

(f) "**Books and Records**" means all books and records owned by or in the possession or control of the Seller (or its subsidiaries, including, for greater certainty, Orvana US) pertaining to Orvana US and the Copperwood Project, including all scientific or technical information related thereto;

(g) "**Business Day**" means any day of the year, other than Saturday, Sunday or any statutory holiday in Vancouver, British Columbia or Toronto, Ontario;

(h) "**Closing**" means the completion of all transactions of purchase and sale contemplated by this Agreement;

(i) "**Closing Date**" means a date to be agreed to by the Parties that is not more than three (3) Business Days after the date that all the conditions of closing under this Agreement have been satisfied or waived by the applicable Party or such other date as the Parties may mutually agree upon in writing;

(j) "**Closing Deliveries**" means any document delivered at the Closing Time by any of the Parties as provided in or pursuant to this Agreement, including all documents set forth in Sections 6.2 and 6.3;

(k) "**Closing Time**" means the time on the Closing Date at which all of the Closing Deliveries have been made in accordance with this Agreement;

(l) **"Comfort Letters"** means, collectively, one or more comfort letters from financing sponsors in favour of the Purchaser's Guarantor pursuant to which such financing sponsors have expressed an interest in providing debt and/or equity financing to the Purchaser's Guarantor in an aggregate amount sufficient to enable the Purchaser's Guarantor (and, by extension, the Purchaser) to pay the Base Consideration at Closing; which comfort letters shall be customary in both form and substance and satisfactory to the Seller acting reasonably;

(m) "**Confidentiality Agreement"** has the meaning set forth in Subsection 9.4(a);

(n) "**Copperwood Assets**" means the undertakings, property and assets described in Schedule "A";

(o) "**Copperwood Project**" means, collectively, the Copperwood Assets and the Mineral Agreements;

(p) "**Date of Commencement of Commercial Production**" means the first day of the month commencing after the first period of thirty (30) consecutive days in which copper ore from the Copperwood Project has been milled or transported from the Copperwood Project at a rate, averaged over such 30-day period, of not less than 70% of the average daily rate projected in the Feasibility Study under which the Copperwood Project or any part thereof is developed, or the first day of the first month following ninety (90) days after the date on which copper ore from the Copperwood Project is first milled or transported from the Copperwood Project for commercial purposes, whichever first occurs;

(q) "**Deductible Amount**" has the meaning set forth in Section 7.6(1)(d);

(r) "**Direct Claim**" has the meaning set forth in Section 7.2;

(s) "**Disclosure Letter**" means the disclosure letter dated the date hereof regarding this Agreement that has been concurrently provided herewith by the Seller to the Purchaser;

(t) "**Encumbrance**" means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, pre-emptive right, community property interest or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset) and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

(u) "**Environment**" means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

(v) "**Environmental Laws**" means all Applicable Laws pertaining to reclamation or restoration; abatement of pollution; protection of the environment; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural or historic resources; management, storage or control of Hazardous Substances; releases or threatened releases of Hazardous Substances into the environment, including soils, ambient air, surface water and groundwater; and all other Applicable Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of Hazardous Substances and liability of parties as to the same;

(w) "**Environmental Liabilities**" means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements, or expenses of any kind or of any nature whatsoever that are asserted against any Party, alleging liability (including liability for all studies, testing, investigatory, cleanup, response, removal, remediation, containment, restoration, corrective action, closure and reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from: (i) the release, threatened release, discharge or emission into the environment of any Hazardous Substances existing or arising or transported to another site from on, beneath or above the Copperwood Project, or any part thereof, and/or emanating or migrating and/or threatening to emanate or migrate from the Copperwood Project to off-site properties; (ii) physical disturbance of the environment; or (iii) the violation or alleged violation of any Environmental Laws;

(x) "**ERISA**" has the meaning set forth in Subsection 3.2(v);

(y) "**Exploration Activities**" means such mining and mineral exploration activities carried out on the areas covered by the Copperwood Project;

(z) "**Fabulosa**" means Fabulosa Mines Limited;

(aa) "**Fabulosa Indebtedness**" means the Indebtedness owed by the Seller to Fabulosa under the Loan Facility;

(bb) "**Fabulosa Payout Letter**" means a letter from Fabulosa addressed to the Purchaser, the Seller and Orvana US in form and substance satisfactory to the Purchaser and the Seller, each acting reasonably, (i) confirming the amount which needs to be paid on the Closing Date to satisfy, repay and discharge all Fabulosa

Indebtedness; (ii) specifying the wire transfer details for the payment of such amount, and (iii) confirming that, upon receipt of such amount, all Encumbrances in favour of Fabulosa under the Loan Facility shall be released and discharged and all obligations of the Seller and Orvana US in connection therewith shall be satisfied and fully released therefrom;

(cc) "**Feasibility Study**" means a feasibility study (as such term is defined by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended) prepared by the Purchaser's Guarantor after the Closing Date in respect of or including the Copperwood Project;

(dd) "**First Anniversary Payment Date**" means the date that is the first anniversary of the Initial Payment Date;

(ee) "**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

(ff) "**Governmental Charges**" has the meaning set forth in Subsection 3.2(w);

(gg) "**Guarantees**" means (i) the guaranty in favour of A.M. Chesbrough LLC provided by the Seller dated September 30, 2010, and the (ii) the guaranty in favour of Keweenaw Land Association, Limited provided by the Seller dated September 10, 2008.

(hh) "**Hazardous Substance**" means any chemical, material or substance in any form, whether solid, liquid, gaseous, semisolid or any combination thereof, whether waste material, raw material, finished product, intermediate product, by-product or any other material or article, that is listed or regulated under any Environmental Laws as a hazardous substance, toxic substance, waste or contaminant or is otherwise listed or regulated under any Environmental Laws because it poses a hazard to human health or the environment;

(ii) "**Indebtedness**" means any and all of Orvana US's trade accounts, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities, and undertakings, assumed, created, incurred, or made, whether voluntary or involuntary, however incurred or made or arising, whether due or not due, absolute, inchoate, or contingent, liquidated or unliquidated, determined or undetermined, direct or indirect, express or implied, and whether Orvana US may be liable individually or jointly with others;

(jj) "**Indemnified Party**" has the meaning set forth in Section 7.1;

(kk) "**Indemnifying Party**" has the meaning set forth in Subsection 7.1(a);

(ll) "**Indemnity Claim**" means any act, omission or state of facts and any demand, action, suit, proceeding, claim, assessment, judgment or settlement or compromise relating thereto which may give rise to a right to indemnification under Article 7;

(mm) "**Initial Payment Date**" means the date that is the earlier of (A) the Date of Commencement of Commercial Production, and (B) the date that is 36 months following the Closing Date;

(nn) "**Leases**" means the leases set forth in Part I of Schedule "B", and "**Lease**" means any one of them;

(oo) "**Loan Facility**" means the amended and restated loan agreement between Fabulosa and the Seller dated as of August 9, 2013, as such agreement may be amended from time to time;

(pp) "**Losses**" means any and all actual loss, liability, damage, cost, expense, charge, fine, penalty or assessment, including the costs and expenses of any action, suit, proceeding, demand, assessment, judgment, settlement or compromise relating thereto and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith;

(qq) "**Material Adverse Effect**" when used in connection with a Party, means any change, event, violation, inaccuracy, circumstance or effect that is, or would reasonably be expected to be, materially adverse to the business, assets, liabilities, capitalization, financial condition or results of operations of such Party taken as a whole, other than any change, event, violation, inaccuracy, circumstance or effect: (i) relating to the announcement of the execution of this Agreement or the transactions contemplated hereby; (ii) relating to political conditions in Canada or the United States; (iii) relating to the global economy or securities markets in general; (iv) any action taken (or omitted to be taken) upon the request of the other Party; (v) resulting from any generally applicable change in Applicable Laws in Canada or the United States (other than any order, judgment or decree specifically against such party); (vi) resulting from any natural disaster, hostilities, act of war or terrorism or any material escalation of any such hostilities, act of war or terrorism existing as of the date hereof; (vii) resulting from changes in the market price of copper; (viii) resulting from the rate at which Canadian dollars or United States dollars can be exchanged into each other or for any foreign currency; or (ix) relating to the mining industry in general including the copper mining industry in general and not having a materially disproportionate effect on such Party;

(rr) "**Material Contracts**" means: (i) every agreement, contract or obligation requiring payment by or to Orvana US, as the case may be, of an amount in any one year in the aggregate of more than $25,000; (ii) every agreement or contract which has, or might have, any material direct or indirect effect (by license, assignment or otherwise) on the Copperwood Project; and (iii) every agreement or contract with or with respect to any directors, officers, shareholders, consultants or employees of Orvana US;

(ss) “**Mineral Agreements**” means, collectively, the Leases, Options to Lease and Surface Rights Agreements;

(tt) “**Mining Permits**” means all authorizations, consents, licenses, permits, registrations, variances or other approvals, waivers or clearances granted or issued by any Governmental Authority, which are necessary for the holding, exploration, development and operation of the Copperwood Project;

(uu) “**Orvana US**” means Orvana Resources US Corp. and its successors and assigns;

(vv) “**Orvana US Shares**” means 1,000 shares in the capital of Orvana US, representing 100% of the issued and outstanding shares of Orvana US;

(ww) “**Outside Closing Date**” means May 31, 2014;

(xx) “**Options to Lease**” means those options to lease set forth in Part II of Schedule “B”, and “**Option to Lease**” means any one of them;

(yy) “**Parties**” means all parties to this Agreement, and “**Party**” means any one of the Parties;

(zz) “**Permitted Encumbrances**” means:

(i) any encumbrance to title shown in Schedule B of the title insurance policies issued with respect to the Surface Rights Agreements;

(ii) Encumbrances listed and described in Section 1.1(zz) of the Disclosure Letter but only to the extent such Encumbrances conform to their description in Section 1.1(zz) of the Disclosure Letter; and

(iii) the Royalty;

(aaa) “**Person**” includes any individual, natural person, firm, corporation, body corporate (including a business trust), partnership (whether general or limited), joint stock company, trust, unincorporated organization, society, joint venture or any other entity recognized by law in any jurisdiction and includes any Governmental Authority;

(bbb) “**Purchase Price**” has the meaning set forth in Section 2.2;

(ccc) “**Release**” means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional;

(ddd) “**Representative**” means with respect to any Party: (i) a director, officer, employee, agent or representative of such Party; (ii) a financial, legal or other advisor of such Party; or (iii) a consultant, subconsultant, contractor or subcontractor of such Party;

(eee) "**Reverse Termination Fee**" has the meaning set forth in Section 9.2(c);

(fff) "**Royalty**" means the net smelter return royalties payable under the Royalty Agreements;

(ggg) "**Royalty Agreements**" means the net smelter return royalty agreements between Orvana US and A.M. Chesbrough LLC; Keweenaw Land Association, Limited; and Sage Minerals, Inc. dated, respectively, September 30, 2010; September 10, 2008; and October 16, 2008; and also means net smelter return royalty agreements that may be entered into between Orvana US and Keweenaw Land Association, Limited and between Orvana US and Sage Minerals Inc. upon any exercise of the Options to Lease;

(hhh) "**Second Anniversary Payment Date**" means the date that is the second anniversary of the Date of Commencement of Commercial Production;

(iii) "**Subsidiary**" has the meaning specified in National Instrument 45-106 – *Prospectus and Registration Exemptions* as in effect on the date of this Agreement;

(jjj) "**Surface Rights Agreements**" means the surface rights agreements set forth in Part III of Schedule "B";

(kkk) "**Third Anniversary Payment Date**" means the date that is the third anniversary of the Date of Commencement of Commercial Production;

(lll) "**Third Party Claim**" has the meaning set forth in section 7.2; and

(mmm) "**Threat of Release**" means a substantial likelihood of a Release that may require action in order to prevent or mitigate damage to the Environment that may result from such Release.

1.2 Certain Rules of Interpretation

In this Agreement:

(a) Including. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation";

(b) No Strict Construction. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party;

(c) Number and Gender. Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders;

(d) Section References and Headings. References to "**Article**" or "**Section**" or "**Subsection**" herein mean the specified Article, Section or Subsection of this Agreement. The captions and headings of this Agreement are for convenience only and do not affect, limit or amplify the provisions hereof;

(e) Statutory References. A reference to a statute includes all regulations made pursuant to such statute in each case as of the date hereof and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation;

(f) Time. Time is of the essence in the performance of the Parties' respective obligations; and

(g) Time Periods. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of the period is not a Business Day.

1.3 Currency

Unless specifically noted otherwise, all amounts in this Agreement referred to by "**$**" means the lawful currency of the United States.

1.4 Knowledge

Where any representation or warranty in this Agreement is expressly qualified by reference to the "**knowledge**" of the Seller or Orvana US it will be deemed to refer to the actual knowledge (after making due inquiry) of Michael Winship, Daniella Dimitrov, James Jacques, and David Anderson.

1.5 Schedules

The following schedules are attached to and form an integral part of this Agreement:

Schedule "A" - Copperwood Assets

Schedule "B" - Mineral Agreements

Schedule "C" - Legal Opinions

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale of Orvana US Shares

Pursuant and subject to the provisions and conditions of this Agreement, the Seller hereby irrevocably agrees to sell, transfer and assign to the Purchaser, and the Purchaser hereby irrevocably agrees to purchase and acquire from the Seller the Orvana US Shares, free and clear of any Encumbrances.

2.2 Purchase Price

The purchase price payable by the Purchaser to the Seller for the acquisition of the Orvana US Shares shall be the sum of the Base Consideration and the Additional Consideration (such sum being the "**Purchase Price**"), which shall, subject to Section 2.4 and Section 2.5, be payable to the Seller as provided in Section 2.3.

2.3 Payment of Purchase Price.

(a) **Base Consideration.** At Closing, the Purchaser shall pay to the Seller (or to such other Person as the Seller may direct in writing) an amount equal to the Base Consideration less the amounts specified in the Fabulosa Payout Letter and less the withholding tax required to be withheld by the Purchaser pursuant to Applicable Law on account of the Seller (estimated to be 10%), if applicable, by way of wire transfer of immediately available funds. At Closing, as directed by the Seller in the manner contemplated in the Fabulosa Payout Letter, the Purchaser shall pay and discharge (or cause to be paid and discharged) all amounts specified in the Fabulosa Payout Letter in accordance with the terms thereof, for and on behalf of the Seller, which payment is a credit against the Base Consideration as aforesaid.

(b) **Additional Consideration.** Subject to the terms and conditions hereinafter set forth in this Section 2.3(b), and to Section 2.4, the Purchaser shall, as further consideration for the Purchased Shares, and in addition to paying the Base Consideration to the Seller at Closing as provided in Section 2.3(a), pay to the Seller within the time period and in the manner hereinafter specified, the sum of the following amounts (collectively, the **"Additional Consideration"**), in each case less the withholding tax required to be withheld by the Purchaser pursuant to Applicable Law on account of the Seller (estimated to be 10%):

(i) $1,250,000 in cash on the Initial Payment Date;

(ii) $1,250,000 in cash on the First Anniversary Payment Date;

(iii) $1,250,000 in cash if the average copper price (based on the average of quotations of the LME Official Settlement Price from the London Metal Exchange) for the trading days in any 60 calendar day period during the period between the first anniversary of the Date of Commencement of

Commercial Production and the second anniversary of the Date of Commencement of Commercial Production is greater than $4.25/lb, with such payment being due within 30 calendar days of the determination of the average copper price as aforesaid; and

(iv) $1,250,000 in cash if the average copper price (based on the average of quotations of the LME Official Settlement Price from the London Metal Exchange) for the trading days in any 60 calendar day period during the period between the second anniversary the Date of Commencement of Commercial Production and the third anniversary of the Date of Commencement of Commercial Production is greater than $4.50/lb, with such payment being due within 30 calendar days of the determination of the average copper price as aforesaid;

with all such payments being made by way of wire transfer of immediately available funds to the Seller or as may be directed by the Seller. The Seller shall have the option to receive some or all of each installment of the Additional Consideration satisfied by the issuance to it of common shares of the Purchaser's Guarantor, with the share price for such purposes being equal to the volume weighted average trading price of the common shares of the Purchaser's Guarantor on the TSX Venture Exchange, or any other Canadian Stock Exchange as determined by the Purchaser's Guarantor, for the last twenty (20) trading days prior to the day that such installment of the Additional Consideration becomes payable (or such other determination of the share price as shall be required by the TSX Venture Exchange or such other Canadian Stock Exchange, as the case may be), rounded down to the nearest whole share. For certainty, no fractional common shares of the Purchaser's Guarantor shall be issued pursuant to the foregoing, and any portion of a payment not satisfied by the issuance of common shares of the Purchaser's Guarantor shall be paid in cash. For certainty, the Seller acknowledges that such shares will, following issuance, be subject to any applicable hold period pursuant to Applicable Law.

2.4 **Continuing Covenant of the Purchaser.**

For so long as any balance of the Additional Consideration remains unpaid, the Purchaser shall cause Orvana US to use commercially reasonable efforts to carry on its business in the ordinary course and in accordance with generally recognized commercial practices and standards. In this regard, the Purchaser agrees to act in good faith and not take, or fail to take, any action with respect to the business of Orvana US, and the Purchaser shall cause Orvana US to do the same, with the intention of circumventing the spirit and intent of Section 2.3(b). The foregoing covenant shall survive the execution and delivery of this Agreement and shall continue for so long as any balance of the Additional Consideration remains unpaid.

2.5 **Taxes**

Whether on account of the Base Consideration or the Additional Consideration, the Seller shall pay directly to the appropriate taxing authorities, within the timeframe required by Applicable Laws, all taxes (including, for greater certainty, property transfer, sales, commodity, documentary, stamp, goods and services, value added or similar taxes, including state and county real estate transfer taxes pursuant to Public Act 330 of 1993, MCL 207.521 et seq and Public Act 134 of 1966, MCL 207.501 et seq) payable directly or indirectly in connection with the transactions contemplated by this Agreement, including the sale and transfer of the Orvana US Shares to the Purchaser and will provide evidence of such payment to the Purchaser. For certainty, to the extent such amounts are due by the Seller concurrently with the payment of the Base Consideration or any installment of the Additional Consideration, as the case may be, in any case as required by Applicable Laws, the Seller shall direct the Purchaser to pay such amounts to the appropriate Governmental Authority from the Base Consideration or the Additional Consideration, as the case may be, at the time such payments by the Purchaser are otherwise due to the Seller pursuant to this Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties of the Purchaser**

The Purchaser hereby represents and warrants to the Seller as follows, and confirms that the Seller is relying upon the accuracy of these representations and warranties in connection with the entering into of this Agreement, including the sale of the Orvana US Shares and the completion of the transactions contemplated hereby.

(a) Organization. The Purchaser has been duly incorporated under the laws of the State of Delaware, is validly existing and in good standing under such laws and has all necessary corporate or legal power, authority and capacity to own its property and assets and to carry on its business as currently owned and conducted.

(b) Authority and Binding Obligation. The Purchaser has all necessary corporate power and authority to enter into this Agreement and to purchase the Orvana US Shares in the manner contemplated herein and to perform all of its obligations under this Agreement. The Purchaser has taken all necessary actions to approve or authorize, validly and effectively, the entering into of, and the execution, delivery and performance of its obligations under this Agreement, the purchase of the Orvana US Shares and the payment of the Purchase Price as contemplated by Article 2 of this Agreement. This Agreement, upon execution and delivery, has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity.

(c) No Violation. The authorization, execution and delivery by the Purchaser of this Agreement and the Closing Deliveries and the performance by the Purchaser of its obligations hereunder and thereunder, does not and will not result in a violation, conflict or breach of, or constitute a default under: (i) any term or provision of the charter documents of the Purchaser; (ii) the terms of any indenture, agreement (whether written or oral), instrument or understanding or any other obligation or restriction to which the Purchaser is a party or by which it is bound; or (iii) any Applicable Laws.

(d) Approvals. Other than the approval of the TSX Venture Exchange on behalf of the Purchaser's Guarantor, no consent, approval, order, authorization, registration or declaration of, or filing with, any Governmental Authority or other Person is required by the Purchaser in connection with: (i) the execution and delivery by the Purchaser of this Agreement; (ii) the observance and performance by the Purchaser of its obligations under this Agreement; or (iii) the Closing by the Purchaser.

(e) No Insolvency. The Purchaser is not insolvent and has not committed an act of bankruptcy, proposed a compromise or arrangement to its creditors generally, had any petition for a receiving order in bankruptcy filed against it, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt, taken any proceeding to have a receiver appointed for any part of its assets, had an encumbrancer take possession of any of its property, or had any execution or distress become enforceable or become levied upon any of its property.

(f) Securities Laws. The Purchaser is acquiring the Orvana US Shares as principal and not as agent and is acquiring the Orvana US Shares for investment purposes only and not with a view to resale or distribution. The Purchaser's principal office is in Calumet, Michigan, United States of America.

3.2 Representations and Warranties of the Seller

The Seller hereby represents and warrants to the Purchaser as follows, and confirms that the Purchaser is relying upon the accuracy of these representations and warranties in connection with the entering into of this Agreement, including the sale of the Orvana US Shares and the completion of the transactions contemplated hereby:

(a) Organization. The Seller has been duly incorporated under the *Business Corporations Act* (Ontario) and Orvana US has been duly incorporated under the *Michigan Business Corporation Act*. Both the Seller and Orvana US are validly existing and in good standing under such laws and have all necessary corporate or legal power, authority and capacity to own their respective property and assets and to carry on their respective businesses as currently owned and conducted.

(b) Authority and Binding Obligation. The Seller has all necessary corporate power and authority to enter into this Agreement and to sell the Orvana US Shares in the manner contemplated herein and to perform all of its obligations under this Agreement and, when delivered, each of the Closing Deliveries to which it is a party. The Seller and its board of directors have taken all necessary actions to approve or authorize, validly and effectively, the entering into of, and the execution, delivery and performance of its obligations under this Agreement and the sale and transfer of the Orvana US Shares by the Seller to the Purchaser. This Agreement, upon execution and delivery, has been, and each of the Closing Deliveries to which the Seller is a party will be, when delivered, duly executed and delivered by the Seller and constitute legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity.

(c) Share Capital. Orvana US is authorized to issue 60,000 shares of common stock of a single class, of which 1,000 shares are validly issued and currently outstanding as fully paid and non-assessable, and free and clear of all Encumbrances other than (i) the Encumbrance on the Orvana US Shares in favour of Fabulosa pursuant to the Loan Facility, and (ii) those restrictions on transfer, if any, contained in the articles of Orvana US. Upon completion of the transaction contemplated by this Agreement, the Purchaser will have good and valid title to the Orvana US Shares, free and clear of all Encumbrances other than (i) those restrictions on transfer, if any, contained in the articles of Orvana US, and (ii) Encumbrances granted by the Purchaser. Subject to the pledge of the Orvana US Shares to Fabulosa in connection with the Loan Facility, the Seller has the exclusive right to dispose of the Orvana US Shares it holds. The Orvana US Shares are the only securities of Orvana US that are outstanding. Subject to the terms of the Loan Facility, there are no shares, options, warrants, conversion privileges, equity-based awards or other rights, agreements or commitments of any character whatsoever requiring or which may require the issuance, sale or transfer of any shares or other securities of Orvana US.

(d) No Violation. Except pursuant to the Guarantees and the Loan Facility (including the pledge of the Orvana US Shares to Fabulosa in connection therewith), the authorization, execution and delivery by the Seller of this Agreement and the Closing Deliveries and the performance by the Seller of its obligations hereunder and thereunder does not and will not result in a violation, conflict or breach of, or constitute a default under: (i) any term or provision of any charter documents of the Seller or of Orvana US; (ii) the terms of any indenture, agreement (whether written or oral), instrument or understanding or any other obligation or restriction to which the Seller and/or Orvana US is a party or by which either of them is bound; (iii) the terms of any indenture, agreement (whether written or oral), instrument or understanding or any other obligation or restriction binding, encumbering, or otherwise affecting the Orvana US Shares; or (iv) any Applicable Laws.

(e) No Other Agreements. No Person, other than the Purchaser, has any agreement, option, understanding or commitment, or any right or privilege (whether pre-emptive, contractual or by law) capable of becoming an agreement, option or commitment, to engage in, or restricting, or otherwise materially affecting any: (i) purchase or other acquisition of any Orvana US Shares, or, to the knowledge of the Seller, of any interest in or to the Copperwood Project (excepting the Royalty); or (ii) purchase, subscription or issuance of any unissued securities of Orvana US, including any convertible securities, warrants or convertible obligations of any nature.

(f) No Powers of Attorney. There are no outstanding powers of attorney or other appointments of agents on behalf of Orvana US.

(g) Compliance with Laws. Each of the Seller and Orvana US is, in all material respects, in compliance with all Applicable Laws, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against either of them alleging any failure so to comply or, to the Seller's knowledge, has been threatened or is pending, which in any such case would restrict or prohibit the transactions contemplated hereby.

(h) Mineral Agreements.

(i) Orvana US is the registered or recorded holder of a 100% interest in, and has a 100% beneficial interest in, the Mineral Agreements, and each of the Minerals Agreements is a valid and legally enforceable written agreement.

(ii) The Mineral Agreements confer on Orvana US the right to explore, develop and operate the area covered by the Mineral Agreements (excepting the lands therein to which Orvana US holds only surface rights and no mineral rights), subject to Applicable Laws. To the knowledge of the Seller, there is no contract, option or any other right of another Person binding upon, or which at any time in the future may become binding upon, Orvana US to transfer or grant or create an Encumbrance upon, or which may create an Encumbrance upon, all or any of the Mineral Agreements (excepting the Royalty).

(iii) All Exploration Activities carried out on the Copperwood Project by Orvana US including, without limitation, the areas covered by the Mineral Agreements, have been carried out in all material respects in compliance with all Applicable Laws as in effect at the time such activities were carried out. No third party or Governmental Authority has initiated or threatened in writing to the Seller or Orvana US any proceedings for actions taken or not taken on, or in connection with, past or present activities of the Seller or Orvana US on the Copperwood Project.

(iv) All permits and licenses set forth in Subsection 3.2(n) held by Orvana US in respect of the Copperwood Project are in good standing in all material respects by the proper doing and filing of assessment work and the payment of all fees, taxes and rentals in accordance with the requirements of Applicable Laws and performance of all other actions necessary in that regard.

(v) All material reports and other documentation required to be filed by the Seller or Orvana US with a Governmental Authority in connection with the Copperwood Project have been duly and timely filed and contained all required material information at such time.

(vi) There (A) are no adverse interests or options to acquire or purchase the Copperwood Assets or Mineral Agreements or any portion thereof or any right, title or interest therein, (B) no Person has any proprietary or possessory interest in the Copperwood Assets or Mineral Agreements other than Orvana US and subject only to the rights of any Governmental Authority having jurisdiction, and (C) no Person is entitled to any royalty or other payment in the nature of rent or royalty on any minerals, metals or concentrates or any other such products removed or produced from the Copperwood Project, including, without limitation, the areas covered by the Mineral Agreements, other than the Royalty, rent payable under the Mineral Leases or any other royalty or other payment in the nature of a royalty payable to a Governmental Authority under Applicable Laws, all of which have been disclosed in writing to the Purchaser.

(vii) To the knowledge of the Seller, there is no adverse claim or challenge, and neither the Seller nor Orvana US has received any written notice of an adverse claim or challenge, against or to the ownership of or title to the Copperwood Project or any portion thereof or which may impede the exploration, development and operation of the areas covered by the Copperwood Project, including, without limitation, the Mineral Agreements.

(viii) Schedules "A" and "B" to this Agreement, collectively, set out all of the direct and indirect interests of Orvana US in the Copperwood Project, and neither the Seller nor Orvana US hold, directly or indirectly, any other interests in the Copperwood Project other than as set forth therein. The Seller has provided the Purchaser with accurate and complete copies of all of the Mineral Agreements, and accurate and complete descriptions of the Copperwood Assets, both as set forth in Schedules "A" and "B", respectively, to this Agreement.

(ix) The Mineral Agreements are valid, are currently in effect and binding on Orvana US and, to the knowledge of the Seller, the other parties thereto. The Mineral Agreements remain in good standing and will be kept in good standing by Orvana US to the Closing Date, and Orvana US is not in breach of any material term or condition of any of the Mineral Agreements. Neither the Seller nor Orvana US has been notified in writing by any party to the Mineral Agreements of a breach or state of facts which would constitute a breach of such Mineral Agreements. Neither the Seller nor Orvana US is aware of events occurring that would, with notice or the expiration of a grace, notice, or similar period, constitute a default. All royalty and other payments due or accrued under the Mineral Agreements have been paid by Orvana US at its own expense. Orvana US and, to the knowledge of the Seller, all other parties to the Mineral Agreements have satisfied their obligations under each of the Mineral Agreements. The performance of this Agreement will not be in violation of any of the Mineral Agreements.

(x) Neither the Mineral Agreements, nor any of the benefits and advantages accruing under the Mineral Agreements, have been modified, supplemented, assigned, transferred, subcontracted, or otherwise encumbered by Orvana US other than as may be expressly set forth in the Mineral Agreements or in the Disclosure Letter and, to the knowledge of the Seller, there are no other leases, agreements to lease or rental agreements affecting the Copperwood Project, other than those that may have been expressly disclosed by the Seller to the Purchaser in writing.

(xi) The condition of the properties to which the Mineral Agreements pertain is in material compliance with all Applicable Laws, including Environmental Laws, and all orders of all Governmental Authorities having jurisdiction and neither the Seller nor Orvana US has received any written notice for the revocation or the cancellation of any authorization under any Applicable Laws, including Environmental Laws, relating specifically to the Mineral Agreements.

(xii) Orvana US has, as of the date of this Agreement, satisfied all of its material obligations under Applicable Laws, including Environmental Laws, respecting the Copperwood Project.

(xiii) There are no agreements or understandings of any kind whatsoever between the Seller or its affiliates (including, for greater certainty, Orvana US) and any third parties allowing for the exploration or mining within the area of the Copperwood Project.

(i) <u>Title to Copperwood Project</u>. Orvana US has good and marketable title to all of the Copperwood Assets and real property that is the subject of the Surface Rights Agreements, as identified in Schedule "B", in each case free and clear of all Encumbrances or other defects in title, other than the Permitted Encumbrances.

(j) <u>Contractual or Regulatory Approval</u>. Other than as set forth in Section 3.2(j) of the Disclosure Letter, there is no obligation, contractual or otherwise, to request or obtain the consent of any Person, and no permits, licences, certifications, authorizations or approvals of, or notifications to, any Governmental Authority are required to be obtained or provided by the Seller or Orvana US in connection with the execution, delivery or performance by the Seller of this Agreement or the completion of the transactions contemplated herein.

(k) <u>Material Contracts</u>. Other than as set forth in Section 3.2(k) of the Disclosure Letter, Orvana US is not a party to any Material Contracts.

(l) Indebtedness. Other than as set forth in Section 3.2(l) of the Disclosure Letter, there is no Indebtedness of Orvana US.

(m) No Dividends. Orvana US has not made, declared or authorized any dividends or other distribution on any of its securities;

(n) Mining Permits. Section 3.2(n) of the Disclosure Letter sets forth a complete list of the Mining Permits held by Orvana US, with: (i) the name of the grantor; (ii) the name of the grantee; (iii) the expiration and renewal date of each Mining Permit; and (iv) the amount of any bonding obligations with respect to each Mining Permit. The Seller has made available to the Purchaser for review complete copies of all of the Mining Permits held by Orvana US. Section 3.2(n) of the Disclosure Letter also sets forth a complete list of the applications for Mining Permits which Orvana US has submitted to Governmental Authorities and a description of the status of such applications as of the date hereof. Orvana US has complied in all material respects with the terms and conditions of the Mining Permits held by it. Orvana US has not received any written notice from any Governmental Authorities threatening a suspension, revocation, modification or cancellation of any Mining Permit held by Orvana US and, to the knowledge of the Seller, no such action has been threatened or is pending. Orvana US has not received any written notice of any actual or threatened claims that could have a Material Adverse Effect on any of the Mining Permits or the use of such Mining Permits held by Orvana US for the purposes of its business and, to the knowledge of the Seller, no such action has been threatened or is pending.

(o) Corporate Records. All governing documents (including, without limitation, all Articles of Incorporation, Bylaws, Shareholder Agreements, Meeting Minutes, Director Resolutions, and Shareholder Resolutions, and amendments thereto) of Orvana US have been provided to the Purchaser and such governing documents are in full force and effect and no amendments are proposed to be made to the same. Without limitation, a complete and accurate copy of the corporate records and minute book for Orvana US have been provided to the Purchaser. Such records and minute book include complete and accurate minutes of all meetings of the directors (including any committee of the directors) and shareholders of Orvana US held to date or resolutions passed on consent by the directors and by the shareholders of Orvana US, since the date of incorporation.

(p) Books and Records. The Books and Records of Orvana US as they relate to the Copperwood Project, fairly and correctly reflect in all material respects all material financial transactions of Orvana US.

(q) Financial Statements. The financial statements delivered by the Seller to the Purchaser for Orvana US are true and correct in all material respects and present fairly the assets, liabilities, commitments and financial position of Orvana US as at the date thereof, in accordance with IFRS.

(r) Business. Orvana US has not in the past engaged, nor does it currently engage, in any other business, other than engaging in the exploration and development of the Copperwood Project.

(s) Environmental Matters. Except as set out in Section 3.2(s) of the Disclosure Letter:

(i) With respect to the Copperwood Project:

(A) Orvana US is and has been in material compliance with all applicable Environmental Laws relating to the Copperwood Project or the exploration and development of the areas covered by the Copperwood Project. Orvana US has not received any written notice from any Governmental Authority alleging that it is or any of its predecessors in interest has violated or are violating in any material respect any Environmental Law;

(B) neither Orvana US nor any Person acting on its behalf, has caused or permitted the Release or Threatened Release of any Hazardous Substances at, in, on, under or from the area covered by the Copperwood Project, except in compliance in all material respects with all applicable Environmental Laws;

(C) all Hazardous Substances handled, recycled, disposed of, treated or stored on or off site of the areas covered by the Copperwood Project by Orvana US have been handled, recycled, disposed of, treated and stored by Orvana US in compliance in all material respects with all applicable Environmental Laws; and

(D) Orvana US has not contractually assumed any material Environmental Liabilities or obligations of another Person under or relating to Environmental Laws that in any case would reasonably be expected to have a Material Adverse Effect;

(ii) There are no outstanding orders or directions issued by any Governmental Authority against Orvana US pursuant to Environmental Laws requiring any work, repairs, construction or capital expenditures with respect to the Copperwood Project and the conduct of the operations by Orvana US, nor has the Seller or Orvana US received any such order or direction; and

(iii) Orvana US has not received written notice of a pending investigation from any Governmental Authority or of any administrative or judicial proceeding concerning the violation of any Environmental Laws.

(iv) To the knowledge of Seller, there are no Hazardous Substances present on or in the Environment at the Copperwood Project, including any Hazardous Substances contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent, and deposited or located in land, water, sumps, or any other part of the Copperwood Project, or incorporated into any structure therein or thereon. To the Knowledge of the Seller, there has been no Release or Threat of Release, of any Hazardous Substances at or from the Copperwood Project or at any other locations where any Hazardous Substances were generated, manufactured, refined, transferred, produced, imported, used, or processed from or by the Copperwood Project.

(t) Reclamation Liability. Orvana US is not subject to any reclamation liabilities and has not deposited any reclamation bonds.

(u) Litigation. There are no actions, suits, claims, investigations, inquiries, complaints, grievances or proceedings, including appeals and applications for review, that are outstanding, in progress or, to the Seller's knowledge, pending or threatened against or relating to the Copperwood Project or Orvana US or any Copperwood Assets or the Orvana US Shares at law or in equity or before any Governmental Authority.

(v) Employee Matters.

(i) Section 3.2(v) of the Disclosure Letter sets out a full and accurate list of the employees of Orvana US, and, other than as set forth in Section 3.2(v) of the Disclosure Letter, Orvana US is not party to any employment agreements with any such employees.

(ii) No employee of Orvana US is a party to a change of control, severance, termination, golden parachute or similar agreement or provision and would receive payments under such agreement or provision as a result of the transactions contemplated under this Agreement.

(iii) Orvana US has materially complied and is in material compliance with all Applicable Laws respecting employment and employment practices, worker's compensation, unemployment insurance obligations, workplace safety, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice. Orvana US has properly classified all agents as employees or independent contractors and has materially complied and is in material compliance with all Applicable Laws respecting such relationships.

(iv) There is no labour strike pending or threatened against Orvana US and no collective bargaining agreement is in place or currently being negotiated by Orvana US or, to the knowledge of the Seller, has any strike or collective bargaining agreement been threatened or is pending.

(v) Other than as disclosed in Section 2.3(v) of the Disclosure Letter, Orvana US does not maintain any health, welfare, supplemental, unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share purchase, share compensation, disability, pension or retirement plans and other material employee or director compensation or benefit plans, policies, trusts, funds, agreements or arrangements for the benefit of directors or former directors, employees or former employees, which are maintained by or binding upon Orvana US or in respect of which Orvana US has any actual or potential liability.

(vi) Orvana US does not maintain, has not contributed to, and has no obligation to contribute to, any "employee pension benefit plan" (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("**ERISA**"), which is subject to Title IV of ERISA or Section 412 of the Code.

(vii) There are no material outstanding orders relating to any employment or human rights issues enforceable in any jurisdiction in which Orvana US carries on business or has employees.

(w) Tax Matters.

(i) For purposes of this Agreement, the term "**Governmental Charges**" includes, without limitation, taxes, fees, levies, duties, tariffs, imposts, premiums and governmental impositions or charges of any kind in the nature of (or similar to) taxes payable to any federal, provincial, state, local or foreign taxing authority, including, but not limited to: (i) income, capital, business, franchise, profits, gross receipts, *ad valorem*, goods and services, customs, net worth, value added, sales, use, service, real or personal property, special assessments, capital stock, licence, payroll, withholding, employment, social security, workers' compensation, employment or unemployment insurance or compensation, utility, production, excise, stamp, occupation, premiums, transfer and gains taxes; and (ii) interest, penalties, fees, costs, additional taxes, and additions to tax imposed with respect thereto.

(ii) At the Closing Time, other than as disclosed in Section 2.3(w) of the Disclosure Letter, the Seller and Orvana US will have paid or properly accrued all Governmental Charges which are due and payable by them on or before the date thereof, including, without limitation, any Governmental Charges in respect of the Copperwood Project and have properly and in a timely manner filed all required tax returns and social security declarations to the relevant authorities in accordance with Applicable Laws.

(iii) The Seller and Orvana US have properly prepared, maintained and preserved in all material respects, according to Applicable Laws, all records necessary to correctly determine and assess all taxes and contributions payable in respect of all of the Orvana US business and assets, including, without limitation, the Copperwood Project.

(iv) Other than as disclosed in Section 2.3(w) of the Disclosure Letter, to the knowledge of the Seller, there are no proceedings, investigations, audits or claims now pending or threatened against the Seller or Orvana US in respect of any Governmental Charges, and there are no matters under discussion, audit or appeal with any Governmental Authority relating to Governmental Charges.

(v) Orvana US has withheld and paid all Governmental Charges required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

(vi) Other than as disclosed in Section 2.3(w) of the Disclosure Letter, neither Orvana US nor any director or officer (or employee responsible for tax matters) of Orvana US has knowledge of any facts indicating that any Governmental Authority intends to assess any additional Governmental Charges for any period for which tax returns have been filed. Other than as disclosed in Section 2.3(w) of the Disclosure Letter, there is no dispute or claim concerning any Governmental Charges liability of Orvana US either (A) claimed or raised by any Governmental Authority in writing or (B) as to which Orvana US or employees of Orvana US responsible for Governmental Charges matters has knowledge based upon personal contact with any agent of such Governmental Authority. Section 3.2(w) of the Disclosure Letter lists all federal, state, local, and foreign income tax returns filed by Orvana US for taxable periods ended on or after September 30, 2008.

(vii) Orvana has not waived any statute of limitations in respect of Governmental Charges or agreed to any extension of time with respect to a Governmental Charge assessment or deficiency.

(viii) Orvana US has no liability for any Governmental Charges under §1374 of the *Internal Revenue Code of 1986*, as amended, nor will it have any such Liability as a result of transactions contemplated under this Agreement. Orvana US has not acquired (i) assets from another corporation in a transaction in which Orvana US's tax basis for the acquired assets was determined, in whole or in part, by reference to the tax basis of the acquired assets (or any other property) in the hands of the transferor, or (ii) the stock of any corporation that is a qualified subchapter S subsidiary.

(x) No Insolvency. Neither the Seller nor Orvana US is insolvent nor have any of them committed an act of bankruptcy, proposed a compromise or arrangement to its creditors generally, had any petition for a receiving order in bankruptcy filed against them, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt, taken any proceeding to have a receiver appointed for any part of its assets, had an encumbrancer take possession of any of its property, or had any execution or distress become enforceable or become levied upon any of its property.

(y) Non-Arm's Length Transactions. Other than in respect of Fabulosa and its affiliates, no director or officer, former director or officer, shareholder, employee or any other Person not dealing at arm's length with Orvana US has any contracts, business dealings, supplier relationships, indebtedness, liability or obligation to, with or from Orvana US, and Orvana US is not indebted or otherwise obligated to any such Persons, including under any cause of action or other claim.

(z) Restrictive Covenants. Orvana US is not a party to or bound or affected by any contract or document containing any covenant expressly limiting the freedom of Orvana US to compete in any line of business, acquire goods or services from any supplier, sell goods or services to any Person or transfer or move any of its assets or operations or acquire any additional assets or operations, or which materially or adversely affects its business practices, operations or financial condition or the continued operation of its business after the Closing Date as presently carried on.

(aa) Unlawful Payments. No payments or inducements have been made or given, directly or indirectly, to any government official (foreign or domestic) or Governmental Authority by the Seller or Orvana US, or by any of their respective officers, directors, employees or agents, in connection with any opportunity, agreement, licence, permit, certificate, consent, order, approval, waiver or other authorization related to the business of Orvana US or the Copperwood Project, except for such payments or inducements that were lawful under Applicable Laws.

(bb) Material Disclosure. The Seller has provided or made available to the Purchaser all material information and data in the possession of the Seller and its subsidiaries (including, for greater certainty, Orvana US) relating to the Copperwood Project and Orvana US, including all such material information and data relating to the exploration and development work carried out by Orvana US or any person on its behalf on the area covered by the Copperwood Project, including all historical information with respect to title and geological geophysical and assay results, maps, environmental studies, tests and assessments, all notifications from regulatory authorities and notifications from the Seller to the regulatory authorities and any related historical and ongoing environmental damages within the area of the Copperwood Project. Further, Seller has not omitted or otherwise failed to disclose any information that is necessary not to make the disclosures misleading.

(cc) Material Changes. Since September 30, 2013:

(i) Orvana US has conducted its business only in the ordinary course of business consistent with past practice;

(ii) Orvana US has not incurred or suffered a Material Adverse Effect;

(iii) Orvana US has not made any distribution to shareholders, paid any bonus or other compensation of any kind to any Person except as disclosed to Purchaser;

(iv) there has not been any acquisition or sale by Orvana US of any material property or assets; and

(v) other than in the ordinary course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Orvana US of any debt for borrowed money, any creation or assumption by Orvana US of any Encumbrance (other than Permitted Encumbrances), any making by Orvana US of any loan, advance or capital contribution to or investment in any other Person or any entering into, amendment of, relinquishment, termination or non-renewal by Orvana US of any contract, agreement, licence, lease transaction, commitment or other right or obligation which would, individually or in the aggregate, have a Material Adverse Effect on Orvana US.

(dd) No Guarantee. Except for the indemnification provided to directors, officers and key personnel of Orvana US and pursuant to the Guarantees, Orvana US has not given or agreed to give, nor is it a party to or bound by or subject to, any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement or any like commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any Person.

(ee) Material Obligations. Orvana US is not in violation of its governing documents or in default of the performance or observance of any Material Contract.

3.3 Survival

All representations, warranties, covenants and indemnities made or given by any Party in this Agreement (including the Purchaser's Guarantor in Section 8.2) or in the certificates delivered pursuant to Subsections 5.1(a)(iii) and 5.2(a)(iii) shall survive the Closing and shall continue in full force and effect for the benefit of the other Parties, as the case may be, unless this Agreement provides that they shall expire at a specific time.

3.4 Survival of Representations and Warranties of the Seller

All representations and warranties made by the Seller in this Agreement or in the certificate delivered pursuant to Subsection 5.1(a)(iii) shall survive for a period of twelve (12) months from the Closing Date. After such period, the Seller shall have no further liability with respect to such representations and warranties except with respect to claims properly made under them within such period.

3.5 Survival of Representations and Warranties of the Purchaser

All representations and warranties made by the Purchaser and the Purchaser's Guarantor, as the case may be, in this Agreement or in the certificate delivered pursuant to Subsection 5.2(a)(iii) shall survive for a period of twelve (12) months from the Closing Date. After such period, the Purchaser and the Purchaser's Guarantor, as the case may be, shall have no further liability with respect to such representations and warranties except with respect to claims properly made under them within such period.

ARTICLE 4
COVENANTS

4.1 Covenants of the Parties

(a) Each of the Seller and the Purchaser shall take all such reasonable action as is within its reasonable power to control, and shall use commercial best efforts to cause other actions to be taken which are not within its reasonable power to control, with a view to achieving compliance with all conditions set forth in Article 5 which are for the benefit of the other Party, including but not limited to completion of any technical reports and applications for approvals from Governmental Authorities. The Parties will co-operate in exchanging such information and providing such assistance as may be reasonably required in connection with the foregoing. Without limiting the generality of the foregoing, the Purchaser hereby agrees to co-operate as reasonably requested by the Seller in order to assist the Seller in obtaining any required consents and approvals hereunder, including (a) providing such information concerning the Purchaser as is reasonably requested by a third-party as a prerequisite to providing its consent or approval, and (b) entering into substitute guarantees with A.M. Chessbrough LLC and Keweenaw Land Association, Limited as required by section 8 of each Guaranty, but only to the extent required by either of those entities and only on terms substantially the same as, or less burdensome on the Purchaser than, the terms of each current Guaranty is on the respective guarantor.

(b) If any court or other Governmental Authority having jurisdiction over any of the Parties issues any order before the Closing Time which would prohibit or materially restrict or hinder the Closing, the Parties shall use their respective commercial best efforts to have such order dissolved, revoked, vacated or otherwise eliminated as promptly as commercially possibly, and in any event, prior to the Closing Time.

(c) In furtherance of the foregoing, the Purchaser's Guarantor and the Purchaser shall, prior to making any disclosure or filing with any Governmental Authority with respect to the transactions contemplated hereby (including, without limitation, the proposed financing to be undertaken by the Purchaser's Guarantor), provide the Seller with no less than 24 hours to review or comment on the disclosure or filing, and reasonable consideration shall be given to any comments made by the Seller and its counsel within such period of time provided by the

Purchaser or Purchaser's Guarantor, as the case may be. For certainty, the foregoing shall include, without limitation, any materials submitted by the Purchaser’s Guarantor and/or the Purchaser to the TSX Venture Exchange and any technical reports required to be filed by the Purchaser’s Guarantor and/or the Purchaser with a Governmental Authority in connection with the transactions contemplated hereby.

4.2 **Additional Covenants of the Seller**

The Seller covenants and agrees that, except as contemplated by this Agreement, until the Closing or the day upon which this Agreement is terminated, whichever is earlier:

(a) it (including its subsidiaries) shall maintain and preserve any and all of their rights and obligations relating to Orvana US;

(b) it shall not directly or indirectly, including, without limitation, through its directors, officers, employees, associates, subsidiaries, representatives or agents:

(i) initiate or propose, or attempt, in any way, to initiate or propose, any activities or solicitations in opposition to or in competition with the transactions contemplated by this Agreement; or

(ii) provide any information with respect to Seller, Orvana US or the Copperwood Project to any other person for or in furtherance of anything mentioned in Subsection 4.2(b)(i),

provided, however, that the foregoing shall not impede the ability of the board of directors of Seller to discharge its fiduciary obligations. If Seller’s board of directors concludes that it must act in violation of any of these covenants to discharge its fiduciary obligations, it must reasonably provide advance written notice (including all material details) to the Purchaser as soon as reasonably possible.

(c) it, and Orvana US, shall maintain and preserve any and all of their rights and obligations relating to the Copperwood Project, including, without limitation, the Mineral Agreements;

(d) it shall cause Orvana US to conduct its business only in, and not take any action except in, the usual, ordinary and regular course of business and consistent with past practices;

(e) it shall cause Orvana US not to, directly or indirectly, do or permit to occur any of the following:

(i) issue, sell, pledge, lease, dispose of, encumber or agree to issue, sell, pledge, lease, dispose of or encumber, directly or indirectly:

(A) any shares, options, warrants, calls, conversion privileges or rights of any kind to acquire any of its shares or other securities; or

(B) any of its interest in the Copperwood Project;

(ii) amend or propose to amend its charter documents or any other documents or agreements governing Orvana US;

(iii) split, combine or reclassify any of its outstanding securities, or declare, set aside or pay any dividend or other distribution with respect to its securities;

(iv) redeem, purchase or offer to purchase any shares or other of its securities;

(v) reorganize or amalgamate with any other Person;

(vi) reduce its the stated capital;

(vii) acquire, agree to acquire, dispose of or agree to dispose of any Person or, other than in the ordinary and regular course of business and consistent with past practices, acquire, agree to acquire, dispose of or agree to dispose of any assets;

(viii) make, or make any commitments for, capital expenditures exceeding $10,000 for any individual commitment or $30,000 for all such commitments taken in the aggregate;

(ix) fail in any material respect to comply with any Applicable Laws;

(x) satisfy or settle any claims or liabilities;

(xi) relinquish any contractual rights, except in the ordinary and regular course of business and consistent with past practices and then only to the extent that they would not have a Material Adverse Effect;

(xii) make any distribution to shareholders or pay any bonuses or other compensation of any kind to any Person other than in the ordinary course of business;

(xiii) other than in the ordinary course of business consistent with past practice, incur, assume or guarantee any debt for borrowed money, or create or assume any Encumbrance (other than Permitted Encumbrances), make any loan, advance or capital contribution to or investment in any other Person or enter into, amend, relinquish, terminate, or fail to renew any contract, agreement, licence, lease transaction, commitment or other right or obligation which would, individually or in the aggregate, have a Material Adverse Effect on Orvana US;

(xiv) except in the ordinary and regular course of business and consistent with past practices, enter into or modify any Material Contract, agreement, commitment or arrangement, including, without limitation, the Mineral Agreements; or

(xv) incur or commit to provide guarantees, incur any indebtedness for borrowed money or issue any amount of debt securities;

(f) it shall cause Orvana US not to take any action that would interfere with or be inconsistent with the completion of the transactions contemplated hereunder or would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect (other than those subject to a materiality qualifier, for which it shall cause Orvana US not to take any action that would render, or that reasonably may be expected to render, any such representation or warrant made by it under this Agreement untrue in any respect);

(g) subject to compliance with Applicable Laws and the terms of any contracts, it will permit, and will cause Orvana US to permit, Representatives of the Purchaser to have full access, at all reasonable times and with reasonable advance written notice, and at the Purchaser's sole risk and expense, to all premises, properties, personnel, Books and Records, technical records, contracts and documents of or pertaining to the Orvana US and the Copperwood Project, including in respect of the Purchaser's due diligence activities in relation to this Agreement;

(h) it shall keep the Purchaser apprised of any material correspondence, notices, claims, actions or steps to be taken by it or its subsidiaries in respect of Orvana US or the Copperwood Project and any material information it or its affiliates becomes aware of relating to the same; and

(i) it agrees to promptly notify the Purchaser in writing of any action or circumstance that results in, or could reasonably be expected to result in, a Material Adverse Effect or the occurrence of any breach by Seller of any representation or warranty, or any covenant or agreement, in each case in any material respect, contained in this Agreement.

4.3 Additional Covenants of the Purchaser

The Purchaser covenants and agrees that, except as contemplated by this Agreement, until the Closing or the day upon which this Agreement is terminated, whichever is earlier:

(a) it shall not take any action that interferes with or is inconsistent with the completion of the transactions contemplated hereunder or would render, any representation or warranty made by the Purchaser in this Agreement untrue in any material respect; and

(b) it agrees to promptly notify the Seller in writing of any action or circumstance that results in, or could reasonably be expected to result in, a Material Adverse Effect or the occurrence of any breach by the Purchaser of any representation or warranty, or any covenant or agreement, in each case in any material respect, contained in this Agreement.

4.4 **Filings with Governmental Authorities**

As soon as practicable after the date of this Agreement, each of the Purchaser and the Seller shall make or cause to be made all filings, notices or requests for consent or approval required to be given or made by it to any Governmental Authority in connection with the sale and transfer of the Orvana US Shares.

ARTICLE 5
CONDITIONS

5.1 **Conditions to the Obligations of the Purchaser**

Notwithstanding anything contained herein, the obligation of the Purchaser to complete the transactions provided for herein will be subject to the fulfillment or waiver by the Purchaser in writing of the following conditions at or prior to the Closing:

(a) At the Closing Time:

(i) all of the representations and warranties of the Seller made in, or pursuant to, this Agreement shall be true and correct in all material respects as if made at the Closing Time (other than those subject to a materiality or Material Adverse Effect qualifier, which shall be true and correct in all respects after giving effect to such qualification), except to the extent that such representations and warranties may be affected by events or transactions expressly permitted in this Agreement;

(ii) the Seller shall have observed or performed in all material respects all of the obligations, covenants and agreements contained in this Agreement which it must perform at or before the Closing Time (other than those subject to a materiality or Material Adverse Effect qualifier, which shall have been observed or performed in all respects after giving effect to such qualification); and

(iii) the Seller shall have delivered to the Purchaser a certificate dated as of the Closing Date and signed on behalf of the Seller by a senior officer of the Seller to the effect that the conditions specified in this Subsection 5.1(a) have been fulfilled.

(b) No order, decision or ruling of any Governmental Authority shall have been made, and no action or proceeding shall be pending or threatened by any Governmental Authority which, in the opinion of the Purchaser after consultation with its legal counsel, is likely to result in an order, decision or ruling, to disallow, enjoin, prohibit or impose any limitations or conditions on the purchase and sale of the Orvana US Shares contemplated hereby.

(c) Between the date of this Agreement and the Closing Time, no Material Adverse Effect shall have occurred with respect to Orvana US or the Copperwood Assets.

(d) The Purchaser shall have received the Closing Deliveries required to be delivered by the Seller to the Purchaser pursuant to Section 6.2 in form (as to certification and otherwise) and substance satisfactory to the Purchaser and its counsel, acting reasonably.

(e) The Purchaser shall have received the Fabulosa Payout Letter and, as part of the Closing, appropriate arrangements shall have been implemented (to the satisfaction of the Purchaser, acting reasonably) so as to repay and satisfy in full the Fabulosa Indebtedness and to effect the release and discharge of the Encumbrances related thereto, including the pledge of the Orvana US Shares in favour of Fabulosa in connection with the Loan Facility.

(f) The Seller or Orvana US shall have received all of the required consents and approvals to the transfer of the Orvana US shares resulting in a change in control of Orvana US and the Copperwood Project (including all required replacement guarantees), which consents, approvals and guarantees are set forth in Section 3.2(j) of the Disclosure Letter.

(g) The Purchaser shall have received commitments for financing sufficient to pay the Base Consideration at Closing;

(h) The Purchaser's Guarantor shall have received the approval of the TSX Venture Exchange to the transactions contemplated under this Agreement.

(i) The loan and demand note approved on or about October 1, 2012, by Orvana US, as modified, will have been capitalized in advance of the Closing.

(j) Orvana US shall have satisfied all claims by the United States Internal Revenue Service to obligations relating to late filing fees related to Form 5472.

(k) Orvana US shall have delivered evidence that outstanding commitments and accounts payable in effect at the Closing Date have been paid in full.

The conditions contained in this Section 5.1 are inserted for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser in writing at any time. The Seller acknowledges that the waiver by the Purchaser of any condition or any part of any condition shall constitute a waiver only of such condition or such part of such condition, as the case may be, and shall not constitute a waiver of any covenant, agreement, representation or warranty made by the Seller herein that corresponds or is related to such condition or such part of such condition, as the case may be. No waiver shall be effected or otherwise enforceable against the Purchaser unless in writing, signed by an executive officer of the Purchaser.

5.2 **Conditions to the Obligations of the Seller**

Notwithstanding anything contained herein, the obligations of the Seller to complete the transactions provided for herein will be subject to the fulfillment or waiver of the following conditions at or prior to the Closing:

(a) At the Closing Time:

(i) all of the representations and warranties of the Purchaser and the Purchaser's Guarantor, as the case may be, made in, or pursuant to, this Agreement shall be true and correct in all material respects as if made at the Closing Time (other than those subject to a materiality qualifier, which shall be true and correct in all respects), except to the extent that such representations and warranties may be affected by events or transactions expressly permitted in this Agreement;

(ii) the Purchaser and the Purchaser's Guarantor, as the case may be, shall have observed or performed in all material respects all of its obligations, covenants and agreements contained in this Agreement which it must perform at or before the Closing Time (other than those subject to a materiality qualifier, which shall have been observed or performed in all respects); and

(iii) the Purchaser and the Purchaser's Guarantor, as the case may be, shall have delivered to the Seller a certificate dated as of the Closing Date and signed on behalf of an officer of the Purchaser and the Purchaser's Guarantor, as the case may be, to the effect that the conditions specified in this Subsection 5.2(a) have been fulfilled.

(b) No order, decision or ruling of any Governmental Authority shall have been made and no action or proceeding shall be pending or threatened by any Governmental Authority which, in the opinion of the Seller after consultation with its legal counsel, is likely to result in an order, decision or ruling, to disallow, enjoin, prohibit or impose any limitations or conditions on the purchase and sale of the Orvana US Shares contemplated hereby.

(c) The Seller shall have received the Closing Deliveries required to be delivered by the Purchaser and the Purchaser's Guarantor, as the case may be, to the Seller pursuant to Section 6.3 in form (as to certification and otherwise) and substance satisfactory to the Seller and its counsel, acting reasonably.

(d) The Seller shall have received the Fabulosa Payout Letter and, as part of the Closing, appropriate arrangements shall have been implemented (to the satisfaction of the Seller, acting reasonably) so as to repay and satisfy in full the Fabulosa Indebtedness and to effect the release and discharge of the Encumbrances related thereto, including the pledge of the Orvana US Shares in favour of Fabulosa in connection with the Loan Facility.

(e) The Seller or Orvana US shall have received all of the required consents and approvals to the transfer of the Orvana US Shares and the Copperwood Project (including all required replacement guarantees), which consents, approvals and guarantees are set forth in Section 3.2(j) of the Disclosure Letter.

The conditions contained in this Section 5.2 are inserted for the exclusive benefit of the Seller and may be waived in whole or in part by the Seller in writing at any time. The Purchaser acknowledges that the waiver by the Seller of any condition or any part of any condition shall constitute a waiver only of such condition or such part of such condition, as the case may be, and shall not constitute a waiver of any covenant, agreement, representation or warranty made by the Purchaser herein that corresponds or is related to such condition or such part of such condition, as the case may be. No waiver shall be effected or otherwise enforceable against the Seller unless in writing, signed by an executive officer of the Seller.

ARTICLE 6
CLOSING

6.1 Closing Arrangements

Subject to the terms and conditions hereof, the transactions contemplated herein shall be completed at the Closing Time at the offices of Stikeman Elliott LLP, Toronto, Ontario, Canada, or at such other place or places as may be agreed upon by the Parties.

6.2 Closing Deliveries of the Seller

At the Closing Time, the Seller shall deliver or cause to be delivered to the Purchaser (unless delivered previously) the following duly executed documents, in form and substance satisfactory to the Purchaser, acting reasonably:

(a) a certificate of good standing (or equivalent) for Orvana US dated not more than two (2) Business Day prior to the Closing Date;

(b) a certificate dated as of the Closing Date from a senior officer of the Seller in the agreed form to the effect that the resolutions of the board of directors of the Seller attached to the certificate of the Seller approving this Agreement, authorizing all of the transactions set forth herein, including the transfer of the Orvana US Shares from the Seller to the Purchaser, and authorizing signature or execution of the same and of any Closing Deliveries to which the Seller is a party is a correct and complete copy of the relevant resolutions, which are unamended;

(c) a certified copy of a resolution of the board of directors of Orvana US approving the registration of the transfer of the Orvana US Shares to the Purchaser;

(d) the share certificates(s) representing the Orvana US Shares, accompanied by an instrument of transfer duly signed and dated by the Seller for the transfer of the Orvana US Shares to the Purchaser;

(e) legal opinions from counsel for the Seller and Orvana US as to title to the Copperwood Project and corporate matters respecting the Seller and Orvana US in the form(s) attached as Schedule “C”;

(f) executed letters of resignation from each of the directors and officers of Orvana US;

(g) the certificate of the Seller specified in Subsection 5.1(a)(iii);

(h) such documents as are necessary to transfer all signing authority in respect of Orvana US from the Seller to the Purchaser; and

(i) all other documents and assurances as reasonably requested by the Purchaser to more effectively complete the transactions contemplated by this Agreement.

6.3 **Closing Deliveries of the Purchaser**

At the Closing Time, the Purchaser shall deliver or cause to be delivered to the Seller (unless delivered previously) the following duly executed documents, in form and substance satisfactory to the Seller, acting reasonably:

(a) the certificate of the Purchaser and the Purchaser’s Guarantor, as the case may be, specified in Subsection 5.2(a)(iii);

(b) evidence of wire transfer of (i) the Base Consideration (less the amounts specified in the Fabulosa Payout Letter and less the withholding tax required to be withheld by the Purchaser pursuant to Applicable Law on account of the Seller (estimated to be 10%), if applicable), to the Seller or as the Seller may otherwise direct by notice in writing, and (ii) the amounts specified in the Fabulosa Payout Letter in accordance with the terms thereof;

(c) a certificate dated as of the Closing Date from a senior officer of the Purchaser and the Purchaser’s Guarantor, as the case may be, in the agreed form to the effect that the resolutions of the board of directors of the Purchaser and the Purchaser’s Guarantor, as the case may be, attached to the applicable certificate approving this Agreement and authorizing signature or execution of the same and of any Closing Deliveries to which the Purchaser and/or the Purchaser’s Guarantor, as the case may be, is a party is a correct and complete copy of the relevant resolutions, which are unamended; and

(d) all other documents as reasonably requested by the Seller to more effectively complete the transaction contemplated by this Agreement.

6.4 **Delivery of Books and Records**

(1) On the Closing Date, the Seller shall deliver or cause to be delivered to the Purchaser all Books and Records, including any financial and corporate books and records and deeds, certificates, surveys, contracts, title and legal opinions, permits, licenses, technical

records, reports, studies, exploration data, geological, geochemical, geophysical and metallurgical data, drilling data, lab reports, assay results, files, plans, maps, feasibility studies, logs and other documentation relating to the Copperwood Project or necessary in connection with the exploration, development and operation thereof that is in the possession or control of the Seller or its subsidiaries.

(2) For a period of six (6) years from the Closing Date or for such longer period as may be required by Applicable Laws, the Purchaser will retain all original Books and Records relating to Orvana US existing on the Closing Date. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Seller has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of Orvana US.

6.5 Registrations, Filings and Recordings

The Parties shall fully cooperate in making or arranging for, the filing of all registrations, filings and recordings in all relevant jurisdictions, and shall do all such other acts and things, as may be necessary or advisable to effect the transfers contemplated hereunder as soon as reasonably practicable after the Closing Date.

ARTICLE 7
INDEMNITY

7.1 Mutual Indemnification

Subject to the provisions of Article 3 and the limits set forth in this Article 7, following Closing, each of the Purchaser and the Seller shall indemnify, defend and save the other (as applicable) and each of their respective directors, officers, employees and affiliates harmless from and against any and all Losses (regardless of whether arising as a result of a claim by any third party) arising from an Indemnity Claim which may be made or brought against another Party (an "**Indemnified Party**"), or which an Indemnified Party may suffer or incur, directly or indirectly, as a result of or in connection with or relating to:

(a) any non-performance or breach of any covenant or agreement of a Party against whom an Indemnity Claim is made (the "**Indemnifying Party**") contained in this Agreement or in any Closing Delivery furnished by or on behalf of the Indemnifying Party; and

(b) any misrepresentation or any incorrectness in or breach of any representation or warranty of the Indemnifying Party contained in this Agreement or in any Closing Delivery furnished by or on behalf of the Indemnifying Party.

7.2 Notice of Claim

Promptly after becoming aware of any matter that may give rise to an Indemnity Claim, the Indemnified Party shall provide to the Indemnifying Party written notice of the Indemnity Claim. Such notice shall specify whether the Indemnity Claim arises as a result of a claim by a Person against the Indemnified Party (a "**Third Party Claim**") or whether the Indemnity Claim is not a Third Party Claim (a "**Direct Claim**"), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnity Claim and the amount of the Indemnity Claim or, if an amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Indemnity Claim.

7.3 **Agency for Representatives**

Each Party agrees that it accepts each indemnity in favour of its directors, officers and employees as agent and trustee of each such Person. Each Party agrees that an Indemnified Party may enforce an indemnity in favour of any of that Party's directors, officers or employees on behalf of each such Person.

7.4 **Provisions Relating to a Direct Claim**

Following receipt of notice from the Indemnified Party of a Direct Claim, the Indemnifying Party shall have forty-five (45) days to make such investigations of the Indemnity Claim as the Indemnifying Party considers necessary or desirable. For the purposes of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Indemnity Claim, together with such other information as the Indemnifying Party may reasonably request. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such forty-five (45) day period (or any mutually agreed upon extension thereof) to the validity and amount of such Indemnity Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount in settlement of the Indemnity Claim. If the Indemnifying Party disputes the validity or amount of the Direct Claim, the Indemnifying Party shall provide written notice of the dispute within the forty-five (45) days period specified herein. The dispute notice must describe in reasonable detail the nature of the Indemnifying Party's dispute. During the thirty (30) day period immediately following receipt of a dispute notice by the Indemnified Party, the Indemnifying Party and the Indemnified Party shall attempt in good faith to resolve the dispute. If such parties fail to resolve the dispute within that thirty (30) day period, the Indemnified Party is free to pursue all rights and remedies available to it, subject to this Agreement.

7.5 **Provisions Relating to a Third Party Claim**

The following provisions will apply to any Third Party Claims:

(a) In the event of a Third Party Claim, including any Governmental Authority, which is of a nature such that the Indemnified Party is required by Applicable Law to make a payment to a third party before the relevant procedure for challenging the existence or quantum of the alleged liability can be implemented or completed, then the Indemnified Party may, notwithstanding the provisions of paragraphs (c) and (d) of this Section 7.5, make such required payment, but the Indemnifying Party will not be bound to make reimbursement for any such payment made without its prior consent (which consent may not be unreasonably withheld or delayed).

(b) The Indemnified Party shall not negotiate, settle, compromise or pay (except in the case of payment of a judgment) any Third Party Claim as to which it proposes to assert an Indemnity Claim, except with the prior consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed), unless, where the Purchaser is the Indemnified Party, there is a reasonable possibility that such Third Party Claim may have a Material Adverse Effect on the Copperwood Project (other than as a result of monetary damages for which the Indemnified Party is entitled to be indemnified for pursuant to this Agreement), in which case the Purchaser shall have the right, acting in good faith and after notifying the Seller, to negotiate, settle, compromise or pay such Third Party Claim without prejudice to their rights of indemnification hereunder; provided that the Indemnifying Party shall not be bound by any such negotiation, settlement, compromise or payment effected without its consent (which consent shall not be unreasonably withheld or delayed).

(c) With respect to any Third Party Claim in any legal, administrative or other proceedings in connection with the matters forming the basis of the Third Party Claim, the following procedures will apply:

(i) except as contemplated by subparagraph (c)(iii) of this Section 7.5, the Indemnifying Party will have the right (but not the obligation), within fifteen (15) days of the Indemnifying Party's receipt of notice of the Third Party Claim, to provide the Indemnified Party with written notice of its election to assume carriage of the compromise or settlement of the Third Party Claim and the conduct of any related legal, administrative or other proceedings; provided that, at the Indemnified Party's own cost and expense, the Indemnified Party shall have the right and shall be given the opportunity to participate in the defence of the Third Party Claim, to consult with the Indemnifying Party in the settlement of the Third Party Claim and the conduct of related legal, administrative and other proceedings (including consultation with counsel);

(ii) the Indemnifying Party will co-operate with the Indemnified Party in relation to the Third Party Claim, will keep it fully advised with respect thereto, will provide it with copies of all relevant documentation on a timely basis, will provide it with access to all records and files relating to the defence of the Third Party Claim and will meet with Representatives of the Indemnified Party at all reasonable times to discuss the Third Party Claim; and

(iii) notwithstanding subparagraphs (c)(i) and (ii) of this Section 7.5, the Indemnifying Party will not settle the Third Party Claim or conduct any legal, administrative or other proceedings in any manner which could, in the opinion of the Indemnified Party, acting reasonably, have a Material Adverse Effect on the Indemnified Party, except with the prior written consent of the Indemnified Party (which consent may not be unreasonably withheld or delayed). For the avoidance of doubt, the Indemnifying Party will not be required to obtain the Indemnifying Party's prior written consent if (a) the terms of the settlement require only the payment of money for which the Indemnified Party is entitled to indemnification under this Agreement, and (b) the Indemnified Party is not required to admit any wrongdoing, take or refrain from taking any action, acknowledge any rights of the Person making the Third Party Claim or waive any rights that the Indemnified Party may have against the Person making the Third Party Claim.

(d) If, with respect to any Third Party Claim, the Indemnifying Party declines to assume carriage of the settlement or of any legal, administrative or other proceedings relating to the Third Party Claim, then the Indemnified Party, at its discretion, may assume carriage of the settlement or of any legal, administrative or other proceedings relating to the Third Party Claim and may defend or settle the Third Party Claim on such terms as the Indemnified Party, acting in good faith, considers advisable, but the Indemnifying Party shall not be bound by any settlement effected by the Indemnified Party without its consent (which consent may not be unreasonably withheld or delayed).

7.6 Liability Limits and Exclusion of Other Remedies

(1) Notwithstanding anything to the contrary set forth in this Agreement, the Indemnifying Party's obligation to indemnify, defend and hold an Indemnified Party harmless shall be limited as follows:

(a) for the purposes of computing the aggregate amount of Losses incurred by the Indemnified Party, the amount of the Losses in respect of an Indemnity Claim shall be deemed to be an amount equal to, and any indemnity payments by the Indemnifying Party pursuant to this Article 7 shall be limited to, the amount of Losses that remain after deducting therefrom (i) any third party insurance and any indemnity, contributions or other similar payment payable by any third party with respect thereto, and (ii) any net tax benefit recognized (by reason of a tax deduction, basis adjustment, shifting of income, credit and/or deductions or otherwise) by the Indemnified Party or any affiliate thereof with respect to the Losses or items giving rise to such claim for indemnification;

(b) the amount of an indemnity payment pursuant to this Article 7 shall be reduced to the extent appropriate to reflect the relative contribution to such Loss, if any, caused by actions taken by the Indemnified Party or any Affiliate thereof after the Closing;

(c) in any case where an Indemnified Party recovers from third Persons any amount in respect of a matter with respect to which the Indemnifying Party has indemnified it pursuant to this Agreement, such Indemnified Party shall promptly pay over to the Indemnifying Party the amount so recovered except to the extent that such amount has already been deducted in calculating the indemnity payment pursuant to Subsection 7.6(a) (after deducting therefrom the full amount of the expenses incurred by the Indemnified Party in procuring such recovery), but not in excess of the sum of (i) any amount previously so paid by the Indemnifying Party to or on behalf of the Indemnified Party in respect of such matter, and (ii) any amount expended by the Indemnifying Party in pursuing or defending any claim arising out of such matter;

(d) no claims for indemnification pursuant to Section 7.1(b) may be made and no Indemnity Payment with respect thereto shall be payable unless and until, after taking into account the limitations imposed by Subsections 7.6(a), (b) and (c), the Indemnified Parties shall have suffered or incurred indemnifiable Losses in excess of $250,000 (the "**Deductible Amount**"), and then only for the amount by which such Losses exceed the Deductible Amount up to a maximum amount of aggregate Losses required to be paid to the Indemnified Parties of $5,000,000; and

(e) if any Applicable Laws would give the Indemnified Parties, or any of them, the right, notwithstanding the express terms of Article 3 or elsewhere in this Article 7 to the contrary, to make an Indemnity Claim in respect of a breach of a representation or warranty made or given by the Indemnifying Party in this Agreement or in any Closing Delivery after the expiry of the survival period set forth in Article 3 with respect to such representation and warranty, the Parties agree that the aggregate Loss suffered or incurred by all the Indemnified Parties as a result of, or arising in connection with, any such Indemnity Claim shall be deemed to be limited to $1.00.

(2) Notwithstanding any provision hereof to the contrary, the Seller shall not have any liability for, or obligation with respect to, any special, indirect, consequential, punitive or aggravated damages, including lost profits.

(3) Notwithstanding any provision hereof to the contrary, following Closing, a Party shall have no obligation or liability for indemnification with respect to any breach or inaccuracy of any representation or warranty in this Agreement or in any certificate delivered hereunder or any failure to perform or fulfill any covenants or obligations if the Party making such claim had actual knowledge of the breach, inaccuracy or failure to perform on or prior to Closing.

(4) Except as provided in this Section 7.6(4), following Closing, the indemnities provided in this Article 7 constitute the only remedy of the Purchaser or the Seller, respectively, against a Party in the event of any breach of a representation, warranty, covenant or agreement of such Party contained in this Agreement. The Parties acknowledge that the failure to comply with a covenant or obligation contained in this Agreement may give rise to irreparable injury to a Party inadequately compensable in damages. Accordingly, a Party may seek to enforce the performance of this Agreement by injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damage (and without requirement of posting a bond or other security). Each of the Purchaser and the Seller expressly waives and renounces any other remedies whatsoever, whether at law or in equity, which it would otherwise be entitled to as against any other Party.

7.7 **Reasonable Steps to Mitigate**

The Indemnified Party will take all reasonable steps to mitigate all Losses, including availing itself of any defences, limitations, rights of contribution, claims against third Persons and other rights at law or equity, and will provide such evidence and documentation of the nature and extent of the Loss as may be reasonably requested by the Indemnifying Party. The Indemnified Party's reasonable steps include the reasonable expenditure of money to mitigate or otherwise reduce or eliminate any Loss for which indemnification would otherwise be due under this Article 7, and the Indemnifying Party will reimburse the Indemnified Party for the Indemnified Party's reasonable expenditures in undertaking the mitigation of such Losses.

7.8 **No Right to Set Off**

The Purchaser does not have the right to set-off any amount owing to it by the Seller at any time by operation of this Agreement against any balance of the Purchase Price (including the Additional Consideration) owing by the Purchaser to the Seller under this Agreement.

7.9 **Other Remedies**

No Party shall be prevented from pursuing legal proceedings against any other Party in order to enforce the indemnity provisions contained in this Article 7.

ARTICLE 8
OBLIGATIONS OF THE PURCHASER'S GUARANTOR

8.1 **Obligations of the Purchaser's Guarantor**

(a) The Purchaser's Guarantor unconditionally guarantees to and covenants with the Seller that the Purchaser will duly perform and observe each and every covenant and agreement in this Agreement on the part of the Purchaser to be performed and observed, at the times and in the manner specified in this Agreement, including without limitation the timely payment of the Purchase Price. If any default is made by the Purchaser in the performance or observance of any of the covenants or agreements which pursuant to this Agreement are to be performed or observed by the Purchaser, including without limitation the failure by the Purchaser to pay the Purchase Price, the Purchaser's Guarantor will itself perform or cause to be performed such covenant or agreement immediately upon notice from the Seller to the Purchaser's Guarantor specifying in summary form the default. If the Purchaser makes default as aforesaid, and if the Purchaser's Guarantor fails forthwith to make good such default, then the Seller may in its discretion proceed in the enforcement of the rights given hereby by any remedy provided by law whether by legal proceedings or otherwise to enforce the performance by the Purchaser's Guarantor of its obligations under this Agreement. Without limiting the generality of the foregoing provisions, the Seller may proceed to enforce such rights, or from time to time any one or more of such rights, prior to, contemporaneously with or after any enforcement against the Purchaser, or without any enforcement against the Purchaser.

(b) The Purchaser's Guarantor acknowledges and agrees that this guarantee shall continue in full force and effect and the liability of the Purchaser's Guarantor hereunder shall not be affected by:

(i) any extension, modification or waiver of the time for or manner of the Purchaser's performance, observance or compliance with any covenants or agreements in this Agreement, in whole or in part; or

(ii) any other event or circumstance which would at law or in equity give rise to a release or discharge, in whole or in part, of the Purchaser's Guarantor's obligations as a guarantor of the Purchaser hereunder;

notwithstanding that there is no notice to or consent of the Purchaser's Guarantor.

(c) The Seller shall be entitled to pursue its rights and remedies under this guarantee and shall be entitled to payment and performance hereunder, notwithstanding any action taken or omitted to be taken by the Seller to enforce any of its rights or remedies hereunder, notwithstanding any defect in the authorization or execution of this Agreement by the Purchaser or other bar to its enforceability, in whole or in part, at law or in equity, and notwithstanding any amalgamation, merger, reorganization, sale of assets, or other corporate change by the Purchaser's Guarantor, the Purchaser or Orvana US or the insolvency, bankruptcy or termination of the corporate existence of the Purchaser or Orvana US at any time while this guarantee is in force.

(d) The Purchaser's Guarantor shall not be or claim to be subrogated, in whole or in part, to the rights of the Seller against the Purchaser hereunder or otherwise until the Seller shall have received in full all amounts due to it hereunder.

8.2 Representations and Warranties By the Purchaser's Guarantor

(a) Organization. The Purchaser's Guarantor has been duly incorporated under the *Business Corporations Act* (British Columbia), is validly existing and in good standing under such laws and has all necessary corporate or legal power, authority and capacity to own its property and assets and to carry on its business as currently owned and conducted.

(b) Authority and Binding Obligation. The Purchaser's Guarantor has all necessary corporate power and authority to enter into this Agreement and to perform all of its obligations under this Agreement. The Purchaser's Guarantor has taken all necessary actions to approve or authorize, validly and effectively, the entering into of, and the execution, delivery and performance of its obligations under this Agreement. This Agreement, upon execution and delivery, has been duly executed and delivered by the Purchaser's Guarantor and constitutes a legal, valid and binding obligation of the Purchaser's Guarantor, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity.

(c) No Violation. The authorization, execution and delivery by the Purchaser's Guarantor of this Agreement and the performance by the Purchaser's Guarantor of its obligations hereunder and thereunder, does not and will not result in a violation, conflict or breach of, or constitute a default under: (i) any term or provision of the charter documents of the Purchaser's Guarantor; (ii) the terms of any indenture, agreement (whether written or oral), instrument or understanding or any other obligation or restriction to which the Purchaser's Guarantor is a party or by which it is bound; or (iii) any Applicable Laws.

(d) Approvals. Other than the approval of the TSX Venture Exchange, no consent, approval, order, authorization, registration or declaration of, or filing with, any Governmental Authority or other Person is required by the Purchaser's Guarantor in connection with: (i) the execution and delivery by the Purchaser's Guarantor of this Agreement; (ii) the observance and performance by the Purchaser's Guarantor of its obligations under this Agreement; or (iii) the Closing by the Purchaser's Guarantor.

(e) No Insolvency. The Purchaser's Guarantor is not insolvent and has not committed an act of bankruptcy, proposed a compromise or arrangement to its creditors generally, had any petition for a receiving order in bankruptcy filed against it, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt, taken any proceeding to have a receiver appointed for any part of its assets, had an encumbrancer take possession of any of its property, or had any execution or distress become enforceable or become levied upon any of its property.

ARTICLE 9
MISCELLANEOUS

9.1 Further Assurances

Each Party to this Agreement covenants and agrees that, from time to time subsequent to the Closing Date, it will at the request and expense of the requesting Party, execute and deliver all such documents, including all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as any other Party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

9.2 Termination of Agreement; Reverse Termination Fee

(a) This Agreement may be terminated at any time prior to the Closing Time:

(i) upon mutual consent of the Parties in writing;

(ii) by either of the Parties, if:

(A) the Closing shall not have occurred on or before the Outside Closing Date, except that the right to terminate this Agreement under this Section 9.2(a)(ii)(A) shall not be available to any Party whose failure to fulfill any of its obligations has been the cause of, or resulted in, the failure of the Closing to occur by such date; or

(B) after the date hereof, there shall be enacted or made any Applicable Law (or any such Applicable Law shall have been amended) that makes the consummation of the Agreement illegal or otherwise prohibited or enjoins the Seller or the Purchaser from consummating the Agreement and such Applicable Law or enjoinment shall have become final and non-appealable;

(iii) by the Seller if any condition set forth in Section 5.2 is not satisfied by the Outside Closing Date and such condition is incapable of being satisfied by the Outside Closing Date, and it is not waived by the Seller, provided that the Seller is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 5.2 not to be satisfied;

(iv) by the Purchaser if any condition set forth in Section 5.1 is not satisfied by the Outside Closing Date and such condition is incapable of being satisfied by the Outside Closing Date, and it is not waived by the Purchaser, provided that the Purchaser is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 5.1 not to be satisfied.

(b) In the event of the termination of this Agreement pursuant to this Section 9.2 (other than pursuant to Section 9.2(a)(i)) written notice thereof shall forthwith be given by the Party so terminating to the other Party, and this Agreement shall terminate without further action by either Party.

(c) Unless and until Comfort Letters are delivered to the Seller prior to such termination, in the event this Agreement is terminated pursuant to Section 9.2(a)(i), Section 9.2(a)(ii) or Section 9.2(a)(iv), in any case solely as a result of the condition in Section 5.1(g) not being satisfied, the Purchaser shall pay to the Seller a termination fee (the "**Reverse Termination Fee**") in the amount of $500,000. The Reverse Termination Fee shall be paid by the Purchaser to the Seller (or as the Seller may direct by notice in writing) no later than three business days following such termination by wire transfer in immediately available funds to an account designated in writing by the Seller to the Purchaser. The parties acknowledge that the agreements contained in this Section 9.2 with respect to the Reverse Termination Fee are an integral part of the transactions contemplated by this Agreement, and that without these agreements the parties would not enter into this Agreement, and that the amounts set out in such Sections of this Agreement represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the affected party will suffer or incur as a result of the event giving rise to such damages and resultant termination of this

Agreement, and are not penalties. Each party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Each party agrees that the payment of the Reverse Termination Fee in the manner provided in this Agreement is the sole monetary remedy of the Seller in respect of the events giving rise to such payment. The Parties shall also have the right to injunctive and other equitable relief in accordance with Section 7.6(4) to prevent breaches or threatened breaches of this Agreement and to enforce compliance with the terms of this Agreement. For greater certainty, if Comfort Letters are delivered to the Seller prior to the termination of this Agreement as aforesaid, the foregoing provisions with respect to the Reverse Termination Fee shall automatically terminate and thereafter be null and void and the Purchaser shall have no obligation in respect thereof.

9.3 **Notices**

(a) Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and will be given by personal delivery, courier, registered mail, fax or email addressed to the recipient as follows:

(i) If to the Purchaser or the Purchaser's Guarantor:

c/o Highland Copper Company Inc.
Suite 101 West Tower
1111 St. Charles Street West
Longueuil, Québec
J4K 5G4

Attention: Carole Plante
Facsimile: 450-677-2601
Email: cplante@highlandcopper.com

(ii) If to the Seller:

Orvana Minerals Corp.
181 University Avenue – Suite 1901
Toronto, Ontario
M5H 3M7

Attention: Daniella Dimitrov, Chief Financial Officer
Fax No.: 416-369-1402
Email: ddimitrov@orvana.com

or to such other address, individual, fax number or email address as may be designated by notice given by the applicable Party to the other.

(b) Any demand, notice or other communication given by personal delivery or courier is conclusively deemed to have been given on the day of actual delivery thereof; if given by registered mail, on the fifth (5th) Business Day following the deposit thereof in the mail; or if given by fax or email, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the Party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of registered mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by fax or email.

(c) Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 9.3.

9.4 Confidentiality

(a) Confidentiality Agreement. The Parties have entered into a confidentiality agreement dated June 19, 2013 (as amended, the "**Confidentiality Agreement**"), the contents of which are incorporated by reference herein. By executing and delivering this Agreement, the Purchaser hereby agrees to be bound by the Confidentiality Agreement, including all of the terms and conditions of that agreement that apply to the Purchaser's Guarantor as the Recipient (as such term is defined in the Confidentiality Agreement), and the Purchaser and the Purchaser's Guarantor hereinafter shall be jointly and severally liable as the Recipient (as such term is defined in the Confidentiality Agreement). For certainty, without limiting the application of Section 4.1(c), the Purchaser's Guarantor and the Purchaser shall be permitted to make appropriate disclosure of Confidential Information to the TSX Venture Exchange in connection with the process of obtaining the approval of the TSX Venture Exchange to the transactions contemplated hereby.

(b) This Agreement Confidential. The existence of this Agreement and its material terms are to be considered Confidential Information under the Confidentiality Agreement. The Parties acknowledge that Confidential Information received by either of them pursuant to this Agreement will be used exclusively for the purpose of performing their obligations under this Agreement and for no purpose otherwise prohibited under the Confidentiality Agreement. The foregoing shall be subject to Section 9.5 below.

(c) Survival. The provisions of this Section 9.4 shall survive the termination and/or completion of this Agreement in accordance with the terms of the Confidentiality Agreement; provided that the obligations of the Purchaser's Guarantor and the Purchaser with respect to Confidential Information (to the extent such Confidential Information relates exclusively to Orvana US and the Copperwood Project) under the Confidentiality Agreement shall terminate upon Closing.

9.5 **Public Announcements**

The Purchaser's Guarantor and the Seller may each publicly announce the transactions contemplated hereby promptly following the execution of this Agreement, the text and timing of each Party's announcement to be approved by the other Party in advance, acting reasonably. The Purchaser's Guarantor and the Seller agree to co-operate in the preparation of presentations, if any, to the shareholders of the Purchaser's Guarantor regarding the transactions contemplated by this Agreement, and no Party shall: (a) issue any press release or otherwise make public announcements with respect to this Agreement without the consent of the other Party (which consent shall not be unreasonably withheld or delayed); or (b) make any filing with any Governmental Authority with respect thereto without prior consultation with the other Party; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under Applicable Laws, and the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party and no less than 24 hours to review or comment on the disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. To the extent possible, each of the Purchaser's Guarantor and the Seller shall provide prior notice to the other Party of any material public disclosure that it proposes to make regarding the transactions contemplated hereby, together with a draft copy of such disclosure and such other Party and its legal counsel shall be given no less than 24 hours to review and comment on such information prior to such information being disseminated publicly or filed with any Governmental Authority, and reasonable consideration shall be given to any comments made by such other Party and its counsel.

9.6 **Expenses**

Except as otherwise provided herein, each Party shall pay all expenses it incurs in authorizing, preparing, negotiating, executing and performing this Agreement and the transactions contemplated hereunder, whether or not the Closing occurs, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other Representatives.

9.7 **Governing Law**

This Agreement is governed by and shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Parties hereby irrevocably submit and consent to the non-exclusive jurisdiction of the courts of British Columbia in connection with any matter arising or in connection with this Agreement.

9.8 **Successors and Assigns**

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns. There are no third party beneficiaries of this Agreement.

9.9 **Amendment**

No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified or provided in this Agreement, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

9.10 **Entire Agreement**

The Confidentiality Agreement and Disclosure Letter are incorporated in this Agreement by reference and this Agreement together with the schedules hereto and any agreements or other documents required to be delivered pursuant to this Agreement, including the Confidentiality Agreement and the Disclosure Letter, constitute and set forth the entire agreement between the Parties in connection with the transactions contemplated herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties including for greater certainty the letter of intent between the Parties dated January 28, 2014. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth herein and any document required to be delivered hereunder.

9.11 **No Waiver**

The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power, or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right hereunder.

9.12 **Assignment**

No Party shall be entitled to assign or otherwise transfer this Agreement or all or any of its rights, interests or obligations under this Agreement except with the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

9.13 **Severability**

If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision formed no part of this Agreement; and the remainder of this Agreement shall remain in full force and effect and shall not be affected by such provision or by its severance from this Agreement. In lieu of such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Agreement from which such provision was severed a provision as similar in terms and economic effect to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

9.14 **Execution and Counterparts**

This Agreement may be executed in any number of counterparts and any Party may deliver any such counterpart by facsimile or other electronic transmission. Each counterpart, when so executed and delivered, shall be deemed to be an original and all such executed counterparts taken together shall constitute one and the same instrument.

[Remainder of page left intentionally blank. Signature page follows.]

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

UPPER PENINSULA COPPER HOLDINGS, INC.

By: (Signed) *"Alain Krushnisky"*
Authorized Signatory

ORVANA MINERALS CORP.

By: (Signed) *"Michael Winship"*
Authorized Signatory

By: (Signed) *"Daniella Dimitrov"*
Authorized Signatory

HIGHLAND COPPER COMPANY INC.

By: (Signed) *"Alain Krushnisky"*
Authorized Signatory

SCHEDULE “A”

COPPERWOOD ASSETS

“**Copperwood Assets**” means the entire undertaking, property and assets of Orvana US as a going concern of every kind and description, wheresoever situated, including, without limitation all of the assets, tangible and intangible, fixed or moveable, and includes, without limitation, all infrastructure and satellite deposits related thereto, all as set out in the Disclosure Letter,–but excludes the rights under the Mineral Agreements.

SCHEDULE "B"

MINERAL AGREEMENTS

Part I – Leases

"**Leases**" means, collectively, the following mineral lease agreements:

(a) Mining Lease between Orvana US and Keweenaw Land Association, Limited dated September 10, 2008, concerning:
- Section 1, Township 49 North, Range 46 West, Ontonagon Township, Gogebic County; and
- Section 35, Township 50 North, Range 46 West, Ontonagon Township, Gogebic County;

(b) Mining Lease between Orvana US and Sage Minerals Inc., Limited dated October 16, 2008, concerning:
- Section 2, Township 49 North, Range 46 West, Ontonagon Township, Gogebic County; and
- Section 36, Township 50 North, Range 46 West, Ontonagon Township, Gogebic County;

(c) Mining Lease between Orvana US and A.M. Chesbrough, LLC dated September 30, 2010, concerning Section 6, Township 49 North, Range 45 West, Wakefield Township, Gogebic County.

Part II – Option to Lease Agreements

"**Options to Lease**" means, collectively, the following lease-option agreements:

(a) Option Agreement between Orvana US and Keweenaw Land Association, Limited dated September 10, 2008, concerning:
- Section 5, Township 49 North, Range 46 West, Ontonagon Township, Gogebic County;
- Section 29 except Western ½ of Northwestern ¼, Township 50 North, Range 45 West, Ontonagon Township, Gogebic County;
- Section 31, Township 50 North, Range 45 West, Ontonagon Township, Gogebic County;
- Section 33 except Eastern ½ of Southeastern ¼, Township 50 North, Range 45 West, Ontonagon Township, Gogebic County; and
- Section 25, Township 50 North, Range 46 West, Wakefield Township, Ontonagon County; and

(b) Option Agreement between Orvana US and Sage Minerals Inc., Limited dated October 16, 2008, concerning:

- Northern ½ of Northwestern ¼ and Southern ½ of Section 28, Township 50 North, Range 45 West, Ontonagon Township, Gogebic County;
- Government Lots 1 and 2, Southwestern ¼ of Northeastern ¼ and Southern ½ Section 30, Township 50 North, Range 45 West, Ontonagon Township, Gogebic County, Please note that the description in this Option Agreement is: "The Entire (except E/2 of NE/4) Fractional Section 30, T50N, R45W", which would include Government Lots 1 and 2. However, registered titles indicate that the interest is in respect of "Government Lots 1 and 2, SW/4 of NE/4, and the S/2 of Fractional Section 30, T50N, R45W". Although the applicable plat book shows a "Lot 3" in SW/4, title searches did not reveal such a Lot; and
- Section 32, Township 50 North, Range 45 West, Ontonagon Township, Gogebic County.

Title insurance is not offered for mineral rights in Michigan.

The Leases have a Net Smelter Royalty ("**NSR**") agreement attached to them whereby the lessors receive an NSR of 2% to 4% on a sliding scale based on benchmark copper prices of $2.00/lb to $4.00/lb, which are adjusted for inflation according to the U.S. PPI- Finished Goods price index on a quarterly basis once payments commence.

In addition, Orvana US has entered into guarantees with Keweenaw Land Association Limited and A.M. Chesbrough LLC with respect to its obligations in connection with the Mineral Agreements.

<u>Part III –Surface Rights Agreements</u>

"**Surface Rights Agreements**" means the following surface rights agreements:

Land Contract between Orvana US and Torbermorry Farms, LLC and Duncan Maclean, Gillian Growdon and Adrian Jay, joint tenants, dated August 23, 2010, concerning:

- The entire Section 6, Township 49 North, Range 45 West, Wakefield Township;
- The entire Section 7, Township 49 North, Range 45 West, Wakefield Township;
- The North Half, the North Half of the South Half and the Southeast Quarter of the Southeast Quarter, Section 8, Township 49 North, Range 45 West, Wakefield Township;

excepting certain roadway rights of way with respect to the foregoing three parcels; and

- The North Half of the North Half, Section 12, Township 49 North, Range 46 West, Ironwood Township,

all subject to any and all rights, reservations, restrictions, conditions and easements appearing in the recorded chain of title (including in respect of the U.S. Government – USDA Forest Service North Country Trail).

Exchange Agreement between Orvana US and Heartwood Forestland Fund IV Limited Partnership dated May 9, 2013, concerning:

- The South Half of Section 1, Township 49 North, Range 46 West, Ironwood Township, Gogebic County, Michigan;
- A 200.00 foot by 300.00 foot parcel in Government Lot 2, Section 2, Township 49 North, Range 46 West, Ironwood Township, Gogebic County, Michigan, as more fully described in such Exchange Agreement; and
- an easement for ingress, egress, utilities and underwater pipe installation over Government Lot 2, Section 2, Township 49 North, Range 46 West, Ironwood Township, Gogebic County, Michigan, as more fully described in such Exchange Agreement,

all subject to any and all rights, reservations, restrictions, conditions and easements appearing in the recorded chain of title.

Title insurance policies cover the aforementioned surface rights.

Schedule "C"

LEGAL OPINIONS

The following legal opinions with respect to the Seller and Orvana US, as applicable:

1. Enforceability of Agreement and Related Documents.
2. Valid Existence/Good standing of entities.
3. Authority/not violating governing documents.
4. No pending litigation.
5. Real Property Title.
6. Orvana US's stock validly issued and outstanding.