Court File No. M/M/114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL ATLANTIC LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL CONTRACT MINING LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. (A MEXICAN CORPORATION), LANDDRILL INTERNATIONAL LLC (A MONGOLIAN CORPORATION) and LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION)

FOURTH REPORT OF THE MONITOR

November 6, 2012

INTRODUCTION

1. On August 31, 2012, Landdrill International Inc. (“**Landdrill Inc.**”), a British Columbia corporation, Landdrill International Ltd. (“**Landdrill Ltd**”), a New Brunswick corporation, Landdrill Atlantic Ltd., a New Brunswick corporation, Landdrill Contract Mining Ltd., a New Brunswick corporation (collectively “**Landdrill Canada**”), Landdrill Mexico S.A. de C.V., a Mexican corporation (“**Landdrill Mexico**”), Landdrill International LLC, a Mongolian corporation (“**Landdrill Mongolia**”), and Landdrill International Inc., a Barbados corporation, (collectively, the “**Applicants**” or the “**Companies**”), filed an application with the Court of Queen's Bench of New Brunswick (Trial Division) in the judicial district of Moncton (the “**Court**”) to initiate proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the “***CCAA***”).

2. On August 31, 2012, this Court made an order (the "**Initial Order**") granting various relief including the appointment of Ernst & Young Inc. as *CCAA* Monitor of the Applicants (the "**Monitor**") and imposing a stay of proceedings against creditors of the Companies until September 28, 2012. By Order (Re: Comeback/Extension Motion) dated September 27, 2012 (the "**Comeback Order**"), the Initial Order was amended to, *inter alia*, extend the Stay Period (as defined in the Initial Order) until November 2, 2012.

PURPOSE

3. This Fourth Report of the Monitor (the "**Fourth Report**") is being filed in support of the Monitor's motion for an order:

   (a) Approving an agreement of purchase and sale (together with the schedules thereto, hereinafter defined as the "**Asset Purchase Agreement**") involving substantially all of the tangible operating Assets of Landdrill Canada, Landdrill Mexico and Landdrill Mongolia and the Transactions contemplated thereby;

   (b) Vesting all of the Assets in the Purchasers free and clear of all Encumbrances; and

   (c) Approving the Third Report of the Monitor dated October 31, 2012 (the "**Third Report**") and the Fourth Report and the conduct and activities as described therein.

4. The Fourth Report is organized as follows:

   (a) Introduction
   (b) Purpose
   (c) Terms of Reference
   (d) Sales Process
      (i) Overview
      (ii) Monitor's Duties and Steps Taken to Discharge Them
      (iii) Communications between Clarus and the Bidders and between the Senior Lenders and the Bidders
      (iv) Expressions of Interest

TERMS OF REFERENCE

5. In preparing the Fourth Report, the Monitor has been provided with, and has relied upon unaudited historical financial statements, other unaudited financial information and projections prepared by the Companies, the books and records of the Companies, discussions with the management and employees of the Companies and other information from various sources. The Monitor has assumed that the information it has been provided is accurate and complete. The Monitor did not audit, review or otherwise attempt to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance with respect to the information presented in the Fourth Report or relied upon by the Monitor in preparing the Fourth Report.

Further, the nature of the Monitor's work completed in these *CCAA* proceedings will not necessarily disclose errors, misstatements, irregularities or illegal acts, if such exist, on the part of the Companies, or its officers or employees or in the information.

6. The Fourth Report is based solely on the information, financial or otherwise, made available to the Monitor by the Companies.

7. All references to monetary amounts in the Fourth Report are in Canadian dollars unless otherwise noted.

8. Capitalized terms not defined in the Fourth Report are as defined in the Initial Order and the Monitor's previous reports.

9. Copies of the Fourth Report and other court materials in these *CCAA* proceedings may be obtained from the Monitor's website established in connection with the Companies (www.ey.com/ca/landdrill) (the "**Monitor's Website**").

SALES PROCESS

<u>Overview</u>

10. As discussed in greater detail in the First Report of the Monitor, dated September 26, 2012 (the "**First Report**"), the Applicants engaged Clarus Securities Inc. ("**Clarus**") to solicit interest for the purchase of the Companies or certain of their assets (the "**Sale Process**"). The appointment of Clarus is described in greater detail in the Affidavit of Ronald J. Goguen sworn on August 26, 2012 (the "**Initial Affidavit**"). At paragraph 80 of the Initial Affidavit, Mr. Goguen swears that:

> *[o]n or about August 2, 2012, the Landdrill Group engaged an external advisor to facilitate the possible sale of the Canadian, Mexican and/or Mongolian assets. . . . Mr. Jentz was engaged as of August 2, 2012 and started working immediately thereafter.*

This engagement of Clarus is reflected in the engagement letter (the "**Clarus Engagement Letter**") dated August 2, 2012, addressed to and counter-signed by Mr. Goguen as President & CEO of Landdrill International Inc., a copy of which is attached as Appendix "A" to the Second Report. Among other things, the Clarus Engagement Letter states that Landdrill engaged Clarus:

> *to act as its exclusive financial advisor in connection with the possible sale of the Company in <u>one or more series of transactions,</u> by merger, consolidation, reorganization, recapitalization, restructuring, leveraged buyout, <u>sale of all or a portion of your business,</u> securities <u>or assets</u> or any other business combination. [emphasis added]*

Mr. Goguen's sworn Initial Affidavit goes on to describe, at paragraphs 81 and 84, lender meetings held on August 9 and 14 whose purpose was, among other things, to "introduce John Jentz [Managing Director, Investment Banking, Clarus Securities] as an advisor to the Landdrill Group with the primary purpose of <u>selling all or some</u> of the company to reduce debt" [emphasis added].

11. Schedule "B" of the Initial Order ("**Schedule B**") establishes a timeline for the conduct of the Sale Process, which timeline was also incorporated into the DIP Agreement. The Monitor understands that the terms of the Timeline were a key factor underpinning the Senior Lenders' decision to support the Companies' CCAA application and provide DIP Financing to the Companies. Schedule B, as amended by further Orders of the Court, states:

> *1. The template Confidentiality Agreement (the "**CA**") shall be finalized (and delivered to the Monitor and the Senior Lenders) on or before August 31, 2012.*
>
> *2. The population of the electronic on-line data room shall be finalized (and written confirmation of completion of this task shall be provided to the Monitor and the Senior Lenders) on or before August 31, 2012.*

*3. The list of approved purchasers (the "**Approved Purchasers**") shall be finalized (and delivered to the Monitor and the Senior Lenders) on or before September 5, 2012.*

4. The CA shall be finalized and distributed to the Approved Purchasers (and written confirmation of completion of this task shall be provided to the Monitor and the Senior Lenders) on or before September 5, 2012.

5. One or more non-binding written expressions of interest regarding a proposed purchase of the Business and/or the Property shall have been obtained by the Borrower and shall have been provided to the Monitor and the Senior Lenders on or before September 21, 2012.

6. The template precedent definitive agreements required for the sale of the Business and/or the Property shall have been prepared (and delivered to the Monitor and the Senior Lenders) on or before October 1, 2012.

*7. A binding Agreement of Purchase and Sale of the Business and/or the Property (the "**APA**") shall have been prepared and executed by the Monitor (in the name of and on behalf of the Borrower) (as Vendor) and the Proposed Purchaser (and an executed copy thereof shall have been provided to the Monitor and the Senior Lenders) on or before October 15, 2012.*

8. The APA shall have become unconditionally effective (save and except for a condition requiring approval of the APA by the Court) (and written confirmation of the APA having become unconditionally effective shall have been provided to the Monitor and the Senior Lenders) on or before October 15, 2012.

> *9. Approval of the APA by the Court and the closing of the sale contemplated by the APA shall have occurred (and written confirmation of the closing of such sale shall have been provided to the Monitor and the Senior Lenders) on or before November 13, 2012.*

Monitor's Duties and Steps Taken to Discharge Them

12. In addition to the Monitor's statutory duties with respect to any sale of assets, the Initial Order included a number of specific duties of the Monitor with respect to the Sale Process. Paragraph 28 of the Initial Order directs and empowers the Monitor to, among other things:

(a) have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to instruct Clarus Securities Inc. with respect to the development and implementation of an orderly process for the sale of the Business and/or the Property to be completed within 90 days (the "**Sale Process**") in accordance with the timelines set out in Schedule "B" hereto, and to take such steps and execute such documentation in the name of and on behalf of the Applicants as may be necessary or incidental to the Sale Process;

(b) have and exercise the authority (in the name of and on behalf of the Applicants), with the consent of the Senior Lenders, to replace Clarus Securities Inc. and disclaim the engagement letter with Clarus Securities Inc.;

(c) have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to negotiate with potential purchasers of the Business and/or the Property pursuant to the Sale Process;

(d) have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants), with the consent of the Senior Lenders, to dispose of redundant or non-material assets not exceeding $100,000.00 in any one transaction or $1,000,000 in the aggregate; and

(e) have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to accept one or more offers to purchase the Business and/or the Property pursuant to the Sale Process (subject to approval of the Court).

13. The steps taken by the Monitor since its appointment to satisfy its obligations under the Initial Order are set out below, in the First Report and in the Second Report.

14. The Monitor conducted an assessment of Clarus' capacity to execute the Sale Process. The Monitor determined that the Clarus team had relevant experience and is active in this industry.

15. The Monitor was satisfied with Clarus' responses to the Monitor's enquiries concerning the Sale Process and the Monitor determined that it would not be in the best interests of the Applicants and their stakeholders to discontinue Clarus' role as lead advisor in the Sale Process. In the Monitor's opinion, removing Clarus at that point and restarting the process would be highly disruptive and would likely confuse and discourage the pool of qualified buyers then active in the Sale Process.

16. The Monitor communicated directly with Clarus regarding the Sale Process and the sales activities it had conducted to date in order to gain a clear understanding of the status of the specific requirements set out in Schedule B. Among other things, the Monitor reviewed the template Confidentiality Agreement prepared on August 10, 2012, by the Applicants in consultation with Clarus. Schedule B required that the template Confidentiality Agreement be finalized and delivered to the Monitor and the Senior Lenders on or before August 31, 2012. This requirement was completed in advance of the August 31, 2012 deadline.

17. The Monitor reviewed the contents of the electronic data room. Schedule B required that the population of the electronic on-line data room be finalized and written confirmation of completion of that task be provided to the Monitor and the Senior Lenders on or before August 31, 2012. The data room was established on August 10, 2012, in advance of the August 31, 2012 deadline established in Schedule B. The Monitor considered the data room content adequate to facilitate the Sale Process.

18. The Monitor reviewed the potential purchaser list provided by Clarus. Schedule B required that a list of approved purchasers be finalized and delivered to the Monitor and the Senior Lenders on or before September 5, 2012. Clarus provided the Monitor with a list of potential purchasers which were contacted in advance of the September 5, 2012 deadline. The Monitor agreed that all companies on the list were potential qualified buyers.

19. Clarus informed the Monitor that, since its appointment, it was in regular contact with the management of the Companies ("**Management**") in respect of the identities of potential bidders.

20. On August 28, 2012, in response to a request for an update in advance of a meeting of the board of directors of Landdrill International Inc., Clarus provided Mike Tripp and Roger Rogers with all the names of potential buyers that had been contacted to date. This email list included two companies specifically recommended to Clarus by Mr. Goguen. The Monitor recommended that five additional companies be added to the Approved Purchasers List in order to ensure a broader canvas of potential purchasers. Clarus accepted the Monitor's recommendation and increased the Approved Purchasers List on September 6, 2012. On October 18, at the request of counsel to the Companies, counsel to the Monitor provided counsel to the Companies with a copy of the Approved Purchasers List by e-mail.

21. The Approved Purchasers List includes all of the mineral drilling companies that reported acquisitions in the drilling services industry since 2008, as reported by Canaccord Genuity in its January 23, 2012 Equity Research Report. Mr. Jentz informed the Monitor that, in his professional experience, a potential purchaser must be several times larger, in terms of the number of drills, than the acquisition target for the transaction to be feasible, such that the pool of potential purchasers is restricted. The Cormark Securities Inc. February 2012 Report on Mineral Drillers states the following:

> *The global mineral drilling market is currently highly fragmented, and ripe for consolidation in our view. Of the total $16.3 BB estimated to be spent on exploration and development projects globally in 2011, approximately $7 BB was believed to go directly*

> *to drilling. There are currently 11 publically traded mineral drillers which are expected to generate approximately $4.2 BB in 2011 drilling revenue, implying that these firms account for ~60% of the global market. Further, just two of these companies, Boart Longyear and Major Drilling, claim ~40% of the global market.*

The list of purchasers contacted with respect to the Landdrill opportunity included all of the aforementioned 11 publicly traded companies with the exception of one smaller driller in Australia with 58 rigs.

22. To the best of the Monitor's knowledge, at no time between the commencement of the CCAA proceedings on August 31, 2012 and the receipt of expressions of interest on September 21, 2012, did any member of Management indicate that it had any concerns with the Approved Purchasers List, suggest any additional changes to the Approved Purchasers List, other than the two additional companies that were added by Mr. Goguen or indicate that Management might participate in any potential bid.

23. The Monitor reviewed the initial offering summary (the "**Teaser Letter**") and the letter describing the Sale Process prepared by Clarus. These letters were being used by Clarus to inform interested parties of the Sale Process. The Monitor recommended certain additional information be sent to the potential purchasers in order to make full and frank disclosure of the CCAA proceedings and the effect these proceedings would have on the Sale Process. This information was sent to the potential purchasers by Clarus on or before September 6, 2012.

24. In support of the preliminary due diligence of potential purchasers, the Monitor and Clarus worked with Management to facilitate the inspection of assets by potential purchasers. Further, in an effort to mitigate post-closing trade accounts receivable collection risk, Clarus worked with Management to arrange calls between potential purchasers and the Companies' clients to assess the potential for the continuation of the Companies' existing drilling contracts post-closing.

Communications between Clarus and the Bidders and between the Senior Lenders and the Bidders

25. The Monitor is advised by Mr. Jentz that he at no time prior to the final decision with respect to the EOIs, defined below, told Major Drilling Group International Inc. ("**Major**") that it had tendered the winning bid or that it should link its Canadian bid to its bid for Mexico.

26. The Monitor instructed the Senior Lenders not to contact the bidders and underscored that only Clarus and the Monitor are permitted to have contact with the bidders. Similarly, the Monitor instructed the bidders, through the Clarus Process letters, to have no contact with the Companies, any of the Companies' employees, or Management.

Expressions of Interest

27. Schedule B requires that one or more non-binding written expressions of interest (each an "**EOI**") regarding a proposed purchase of the Business and/or the Property shall have been obtained by the Applicants and shall have been provided to the Monitor and the Senior Lenders on or before September 21, 2012. Each bidder intending to submit an EOI entered into a Confidentiality Agreement, which was counter-signed by a representative of the Companies, prior to being granted access to the electronic data room.

28. As discussed in the First Report and the Second Report, on or before 4:00 p.m. Eastern Time on September 21, 2012, a number of non-binding EOIs were received by Clarus, who provided the Monitor with a copy of each as well as a written summary overview of all of the EOIs (the "**Clarus Summary**"). The Clarus Summary and copies of the EOIs were then provided to Management and, as required by the Initial Order, to the Senior Lenders by the Monitor. Shortly thereafter, Clarus advised the Monitor that the Clarus Summary omitted an additional unexpected EOI submitted at 4:00 p.m. Eastern Time (i.e., prior to the Clarus Summary being provided to Management and the Senior Lenders). This additional EOI along with a revised Clarus Summary that included an overview of the additional EOI received was then distributed to Management and the Senior Lenders.

29. The Applicants and their counsel, with the assistance of the Monitor and its counsel, prepared a draft Asset Purchase Agreement (the "**Template APA**"). The Template APA was forwarded to the Senior Lenders' counsel on Monday October 1, 2012, as required by the Initial Order. On October 4, 2012, the Template APA was circulated to certain of the bidders who had submitted EOIs.

30. Certain of the bidders noted in paragraph 29 above were reminded by Clarus that the Initial Order required a binding agreement of purchase and sale (an "**APA**") to be executed on or before October 15, 2012. In order to comply with the timeline set forth in the Initial Order, these bidders were directed by Clarus to submit an APA in an executable form by no later than October 10, 2012, in order to enable final negotiations and execution of a binding APA by October 12, 2012. Major responded to Clarus' request for an APA by indicating that it would not proceed any further in the process or negotiate an APA for the assets of the various countries covered by its EOIs without first being granted exclusivity.

31. On October 10, 2012, the Monitor directed Clarus to:

(a) Inform Major that a further increase in its purchase price would be required in order for the Monitor to consider moving forward with Major on an exclusive basis in connection with their EOIs; and

(b) Inform Major that the Applicants' Mexican counsel had recently indicated that the legal process in Mexico could potentially delay closing of a sale of the Mexican Assets and to determine if Major would be prepared to proceed with APAs for each of Landdrill Canada and Landdrill Mongolia separately while resolving any Mexican legal issues related to concluding a sale of the Mexico Assets.

32. On October 12, 2012, Clarus, as directed by the Monitor, requested that any bidders interested in the Mongolian Assets, including Major, submit their best and final EOIs for the Mongolian Assets and, if applicable, the Russian Assets, by no later than October 13, 2012. Those revised EOIs were submitted on October 13, 2012.

33. The Monitor prepared a liquidation analysis (the "**Liquidation Analysis**") of the Canadian Assets, the Mexican Assets (including the assets included in the Torex Transaction) and the Mongolian Assets, as those terms are defined below, in order to compare the total net realizations that might be realized in a forced liquidation scenario to the purchase price (net of the Clarus commission) being offered by each of the Purchasers pursuant to the Asset Purchase Agreement. The Monitor prepared the analysis utilizing third-party appraisals, where available, that had been previously prepared for Management and by applying high-level assumptions and realization percentages that may be expected to be achieved in a forced liquidation. In order to protect the integrity of the Sale Process, the Liquidation Analysis and a summary of it are attached to the Fourth Report as Confidential Appendix "**A**" and are being disclosed to the Court only.

34. After considering the Sale Process activities, the EOIs received, the views and recommendations of the Senior Lenders and Management, and the Liquidation Analysis, the Monitor considered Major's EOIs for the Canadian Assets, the Mexican Assets and the Mongolian Assets to be financially superior and have a far greater chance of being consummated than the competing EOIs. Therefore, the Monitor instructed its counsel to negotiate an exclusivity agreement with Major to facilitate efforts to negotiate acceptable APAs for the purchase and sale of the relevant Canadian Assets, Mexican Assets and Mongolian Assets.

35. The exclusivity agreement was negotiated and then executed by the Monitor on October 13, 2012 and by Major and Clarus on October 15, 2012. A copy of the exclusivity agreement is attached as Confidential Appendix "**C**" to the Second Report. The exclusivity period was extended to November 2, 2012.

36. On October 15, the Monitor communicated to one of the bidders that its EOI had been rejected by the Monitor on the ground that it contained certain terms that required the consent of the Senior Lenders, which consent the Senior Lenders refused to provide.

37. The Monitor intends to pay, for and on behalf of the Companies, the amounts contemplated in subsections 6(5)(a) and 6(6)(a) of the *CCAA*, out of the proceeds of the Sale Process.

Monitor's Conclusion on the Sale Process

38. The Monitor understands that the Senior Lenders and Management knew at the time of the granting of the Initial Order that the timeline was, by necessity and design, and as noted above, an aggressive timeline in which to complete one or more sales of the Applicants' assets in the various countries in which the Applicants operate. The Monitor is aware of Management's concerns with the Sale Process. Nevertheless, the Monitor believes that the Sale Process and the timeline are reasonable, and the Monitor and Clarus have executed the Sale Process in accordance with the terms of the Initial Order in an effort to ensure that the integrity of the process was maintained despite this tight timeline.

39. The number and identity of all invited bidders, i.e., the Approved Purchasers List, other than the five names subsequently added by the Monitor, was known to Management since at least August 28, 2012. Management was advised of the parties added on the recommendation of the Monitor. Neither Management nor the Applicants expressed any concerns to the Monitor regarding the contents of the Approved Purchasers List until it became clear that the Major EOIs were the best EOIs.

40. All EOIs that were submitted were given fair consideration. All requests for revised EOIs and/or clarifications were documented and conducted in an orderly and professional manner aimed at creating a competitive bid environment that would achieve the best possible outcome for all of the Applicants' stakeholders.

41. Between the time the initial EOIs were received by Clarus and the time that the Major EOIs were selected, Clarus, at the direction of the Monitor, which direction considered the input received from both Management and the Senior Lenders, negotiated directly with the bidders. During the negotiations, all bidders modified the terms of their original EOIs and all bidders who received the Template APA requested amendments to it. Modifications and changes to original EOIs are often made as a sale process progresses and the bidders gather more due diligence information, formulate their positions and assess the risks associated with the transaction. The final form of the ultimate transaction often differs significantly from that contemplated by the original non-binding EOI.

42. As discussed above, the Monitor is aware of Management's concerns with the Sale Process. Notwithstanding these concerns, the Monitor is of the view that the integrity of the Sale Process has been maintained and the Sale Process has been executed in an orderly and professional manner consistent with the provisions of the Initial Order for the benefit of all of the Applicants' stakeholders. During the process, the Monitor frequently consulted with both the Senior Lenders and Management.

43. The Monitor believes that the final revised EOIs submitted by Major are financially superior and, notwithstanding that additional work remains to be done in order to satisfy the conditions precedent to closing the Mexican Transaction and the Mongolian Transaction, present manageable closing risks. It is the Monitor's view, based on its experience with sale processes involving solvent and insolvent companies, and based on its discussions with Clarus and the Senior Lenders, that a re-canvassing of the market brings significant risk of reduced net realizations to stakeholders. Particularly, the Monitor believes that prolonging the Sale Process could result in exposure to greater operating losses and in reduced sale proceeds as the Monitor believes that market participants already view the Companies as distressed targets. Consequently, the Monitor recommends approval of the Asset Purchase Agreement and proceeding to close the various Transactions as soon as possible.

PAYMENT OF PROFESSIONAL FEES

44. Paragraph 35 of the Initial Order authorizes and directs the Applicants to pay the accounts of the Monitor, the Monitor's counsel and the Applicants' counsel (the **"Professional Firms"**) on a weekly basis. As stated in the Second Report, Landdrill Canada had been making regular weekly payments to the Professional Firms for their fees and expenses incurred up until September 28, 2012 but ceased making regular payments until October 18, 2012, the day before a scheduled conference call with the Court. On that date, certain payments were made to the Professional Firms for most but not all outstanding invoices.

45. Since October 18, 2012, the Applicants have paid certain invoices of the Professional Firms but have not made regular payments of the weekly invoices of the Professional

Firms. As at the date of the Fourth report, the Monitor understands that the following invoices of the Professional Firms totalling $331,889.70 are outstanding:

(a) Monitor's invoice dated October 29, 2012 for the week ended October 26, 2012 in the amount of $45,007.87

(b) Monitor's invoice dated November 5, 2012 for the week ended November 2, 2012 in the amount of $59,446.81

(c) Monitor's counsel's invoice dated October 26, 2012 for the week then ended in the amount of $31,227.50

(d) Monitor's counsel's invoice dated November 2, 2012 for the week then ended in the amount of $85,053.07

(e) Applicants' counsel's invoice dated October 26, 2012 for the week then ended in the amount of $46,867.90

(f) Applicants' counsel's invoice dated November 2, 2012 for the week then ended in the amount of $64,286.55

THE ASSET PURCHASE AGREEMENT

The Transactions

46. The Major EOI, as revised and updated, formed the basis of the Asset Purchase Agreement entered into between Landdrill Canada, Landdrill Mexico and Landdrill Mongolia, as Vendors, and Major, Major Drilling de Mexico SA de CV and Major Drilling Mongolia XXK, as Purchasers, on November 6, 2012. A copy of the Asset Purchase Agreement, redacted to hide the financial information, is attached hereto as Appendix "**A**". An unredacted copy of the Asset Purchase Agreement is contained in Confidential Appendix "**B**" to the Fourth Report. The Monitor requests that the Confidential Appendices be sealed by order of this Court.

47. The Asset Purchase Agreement contemplates the following transactions:

(a) Landdrill Ltd. (in this section of the Fourth Report, the "**Canadian Vendor**") will sell and Major (the "**Canadian Purchaser**") will purchase free and clear of all Encumbrances and of all rights of others all of the Canadian Vendor's right, title and interest in and to all the tangible operating assets of the Canadian Vendor, but excluding all real property, receivables and unbilled work in progress (the "**Canadian Assets**", and the transaction, the "**Canadian Transaction**");

(b) Landdrill Mexico (in this section of the Fourth Report, the "**Mexican Vendor**") will sell and Major Drilling de Mexico SA de CV (the "**Mexican Purchaser**") will purchase free and clear of all Encumbrances and of all rights of others all of the Mexican Vendor's right, title and interest in and to all the Mexican Vendor's tangible operating assets, but excluding all real property, receivables and unbilled work in progress and further excluding the Torex Assets, as defined below (the "**Mexican Assets**", and the transaction, the "**Mexican Transaction**");

(c) Landdrill Mongolia (in this section of the Fourth Report, the "**Mongolian Vendor**") will sell and Major Drilling Mongolia XXK (the "**Mongolian Purchaser**") will purchase free and clear of all Encumbrances and of all rights of others all of the Mongolian Vendor's right, title and interest in and to all the Mongolian Vendor's tangible operating assets located in Mongolia, but excluding all real property, receivables and unbilled work in progress (the "**Mongolian Assets**", and the transaction, the "**Mongolian Transaction**"); and

(d) The Mexican Vendor will sell and the Mexican Purchaser will purchase free and clear of all Encumbrances and of all rights of others all of the Mexican Vendor's right, title and interest in and to the Mexican Vendor's tangible operating assets located at the Torex Site (as that term is defined in the Asset Purchase Agreement), but excluding all real property, receivables and unbilled work in progress (the "**Torex Assets**", and the transaction, the "**Torex Transaction**").

48. As discussed in greater detail below and in Sections 6.1, 8.1, 10.1 and 12 of the Asset Purchase Agreement, the Mexican Vendor's obligation to complete the Mexican Transaction and the Torex Transaction, and the Mongolian Vendor's obligation to

complete the Mongolian Transaction are each conditional upon the prior completion of the Canadian Transaction. This condition is for the sole benefit of the Mexican Purchaser and the Mongolian Purchaser. Moreover, the Mexican Purchaser's obligation to complete the Torex Transaction is conditional upon the Mexican Transaction closing contemporaneously with or prior to the Torex Transaction. Furthermore, and as discussed in greater detail below, it is a condition precedent to the Canadian Transaction that the Mexican Purchaser and the Mongolian Purchaser shall have confirmed to the Vendors that each has completed its due diligence with respect to its respective Transaction.

49. In the event that the Canadian Transaction is terminated, the Mexican Purchaser and the Mongolian Purchaser have the right to continue with or terminate any of the Mexican Transaction, the Mongolian Transaction or the Torex Transaction, as applicable, and upon such termination the Mexican Deposit, the Mongolian Deposit and Torex Deposit, together with all interest thereon, will be returned and paid to the Mexican Purchaser and the Mongolian Purchaser by the Escrow Agent within (3) Business Days after the termination of the Canadian Transaction as provided above. As described in Section 12 of the Asset Purchase Agreement, the Mexican Purchaser and the Mongolian Purchaser must give written notice of their election to terminate the Mexican Transaction, the Mongolian Transaction, the Torex Transaction or any of them within five Business Days of the Canadian Purchaser's termination notice in respect of the Canadian Transaction. Except as described above, the closing of any one of the Transactions is independent of the closing of any of the others.

Defined Terms in this Section of the Fourth Report

50. The Canadian Vendor, the Mexican Vendor and the Mongolian Vendor will collectively be referred to as the "**Vendors**". The Canadian Purchaser, the Mexican Purchaser and the Mongolian Purchaser will collectively be referred to as the "**Purchasers**". Capitalized terms used in this section of the Fourth Report are as defined in the Asset Purchase Agreement unless otherwise defined in the Fourth Report. Section references are to the Asset Purchase Agreement. Reference should be made directly to the Asset Purchase Agreement for a complete understanding of its terms.

Assets

51. Pursuant to Section 2.3, the Canadian Assets, the Mexican Assets and the Mongolian Assets are being sold to the Purchasers on an "as is, where is" basis, subject to the terms of the Asset Purchase Agreement. The Torex Assets are being sold to the Mexican Purchaser on an "as is" basis, but the Mexican Purchaser will take possession of the Torex Assets at its place of business in Hermosilo, Mexico. As discussed below, the Asset Purchase Agreement provides for (i) downward adjustment of the applicable Purchase Price if any of the relevant Assets are lost, stolen, vandalized, transferred or otherwise disposed of, or if Inventory is used in the ordinary course, between execution of the Asset Purchase Agreement and the closing of the applicable Transactions; and (ii) for termination of the corresponding Transaction, at the applicable Purchaser's option, if any of the relevant Assets are substantially (as that term is defined in the Asset Purchase Agreement) damaged by fire or other casualty and such damage causes losses above certain monetary thresholds in respect of each Transaction.

52. As set out with greater specificity in the Asset Purchase Agreement, particularly in Section 2.4, the Purchasers are not hiring the Vendors' employees and will not assume and will not be liable for any other liabilities or obligations of the Vendors. The Purchasers will not assume any obligation or liability of the Vendors related to their current or former employees. Section 2.2 specifies that any trade receivables or any debts owed to the Vendors do not form part of the Assets and shall not be assigned to any of the Purchasers.

Purchase Price

53. Subject to the terms and conditions of the Asset Purchase Agreement and to the adjustments described below, and as set out in Section 2.5, the consideration payable by the Purchasers to the Vendors in respect of each of the Transactions is as follows:

(a) The "**Canadian Purchase Price**" is payable by the Canadian Purchaser in consideration for the Canadian Assets;

(b) The "**Mexican Purchase Price**" is payable by the Mexican Purchaser in consideration for the Mexican Assets;

(c) The "**Mongolian Purchase Price**" is payable by the Mongolian Purchaser in consideration for the Mongolian Assets; and

(d) The "**Torex Purchase Price**" is payable by the Mexican Purchaser in consideration for the Torex Assets.

Details of the various Purchase Prices are set out in Confidential Appendix "B".

Adjustments to Purchase Price

54. If the Torex Transaction is not closed concurrently with the Mexican Transaction for a reason other than solely as a result of the Mexican Purchaser's failure to perform any of its obligations hereunder with respect to the Torex Transaction, then the Torex Purchase Price will be adjusted downwards for each day after the Mexican Closing Date that the Torex Transaction does not close, pursuant to Section 2.6, which specifies the amount of the daily adjustment.

55. Section 2.9 of the Asset Purchase Agreement provides for the downward adjustment of the Canadian Purchase Price, the Mexican Purchase Price, the Mongolian Purchase Price or the Torex Purchase Price, as the case may be, if the applicable Vendor and Purchaser determine that some or all of the Canadian Assets, the Mexican Assets, the Mongolian Assets or the Torex Assets have been lost, stolen, vandalized, transferred or otherwise disposed of, or if Inventory has been used in the ordinary course. Section 2.9 similarly provides for an upward adjustment of the Canadian Purchase Price, the Mexican Purchase Price, the Mongolian Purchase Price or the Torex Purchase Price, as the case may be, if the applicable Vendor and Purchaser determine that there is additional Inventory *in situ* that is not reflected in the Initial Inventory List sent by the Vendors to the Purchasers prior to execution of the Asset Purchase Agreement.

Deposits

56. Section 2.7 requires each of the Canadian Purchaser, the Mexican Purchaser and the Mongolian Purchaser to pay to the Monitor, as escrow agent, a deposit (collectively, the "**Deposits**").

57. The Canadian Deposit, the Mexican Deposit, the Mongolian Deposit and the Torex Deposit, together with any interest accrued thereon, will be credited against the Canadian Purchase Price, the Mexican Purchase Price, the Mongolian Purchase Price and the Torex Purchase Price, respectively, upon closing of the Canadian Transaction, the Mexican Transaction, the Mongolian Transaction or the Torex Transaction, as the case may be.

58. If any one or more of the Transactions fails to close because the Canadian Purchaser, the Mexican Purchaser or the Mongolian Purchaser, as the case may be, failed to perform any of its obligations under the Asset Purchase Agreement with regard to its respective Transaction, the Canadian Deposit, the Mexican Deposit, the Mongolian Deposit or the Torex Deposit, as applicable, together with any interest accrued thereon, will be forfeited to the applicable Vendor. If any of the Transactions is terminated for any other reason whatsoever, the corresponding Deposits and all interest accrued thereon shall be returned to the applicable Purchasers within three (3) Business Days after such termination.

Closing Date

59. As set out in Sections 5.1, 7.1, 9.1 and 11.1, the Asset Purchase Agreement contemplates that each of the Transactions will close one Business Day following satisfaction or waiver of all conditions in respect of such Transaction (the "**Closing Dates**").

Conditions to Closing

60. The Asset Purchase Agreement contains conditions to closing in respect of each of the Transactions for the mutual benefit of the relevant Vendor and Purchaser, and for the sole benefit of each of the relevant Vendor and the relevant Purchaser. These conditions must be fulfilled or performed at or prior to the Time of Closing on the applicable Closing Date. Certain of these conditions may be waived by one or both of the parties.

Conditions for the benefit of the Purchasers

61. As set out in Sections 4.1, 6.1, 8.1 and 10.1, the obligations of the Canadian Purchaser, the Mexican Purchaser and the Mongolian Purchaser to complete each of the Canadian Transaction, the Mexican Transaction, the Mongolian Transaction or the Torex Transaction, as the case may be, are subject to conditions for their respective individual benefits. These conditions, which may be waived in whole or in part by the relevant Purchaser, include:

(a) in respect of each of the Mexican Transaction, the Mongolian Transaction and the Torex Transaction, the Mexican Purchaser and the Mongolian Purchaser, as the case may be, shall have completed its due diligence related to the relevant Transaction or Transactions and shall have communicated such to the Vendors;

(b) in respect of the Mexican Transaction and the Mongolian Transaction, the Canadian Transaction shall have been closed; and

(c) in respect of the Torex Transaction, (i) the Mexican Transaction shall have been scheduled to close contemporaneously with the Torex Transaction or shall have already closed; and (ii) the Torex Assets shall have been delivered to the location of the Mexican Purchaser's business in Hermosilo, Mexico.

Conditions for the benefit of the Vendors

62. As set out in Sections 4.2, 6.2, 8.2 and 10.2, the obligations of the Canadian Vendor, the Mexican Vendor and the Mongolian Vendor to complete each of the Canadian Transaction, the Mexican Transaction, the Mongolian Transaction or the Torex Transaction, as the case may be, are subject to a number of conditions for their respective individual benefits. These conditions include conditions in respect of the Canadian Transaction that:

(a) the Mexican Purchaser shall have confirmed to the Vendors that it has completed its due diligence related to the Mexican Transaction and the Torex Transaction; and

(b) the Mongolian Purchaser shall have confirmed to the Vendors that it has completed its due diligence related to the Mongolian Transaction.

Conditions for the mutual benefit of the Vendors and the Purchasers

63. Section 4.3 provides that the Asset Purchase Agreement, the Canadian Transaction and the obligations of the Canadian Vendor and the Canadian Purchaser thereunder as they relate to the Canadian Transaction and the Canadian Assets are subject to conditions for the mutual benefit of the Canadian Vendor and the Canadian Purchaser. These conditions may be waived by either the Canadian Purchaser or the Canadian Vendor, except as noted below, and include that:

(a) an Order substantially in the prescribed form shall have been issued by the Court on or before the Canadian Closing Date approving the Asset Purchase Agreement and the Transactions and vesting in the Purchasers all of the right, title and interest of the Vendors in the Assets, free and clear of all Encumbrances and all rights of others (the "**Approval and Vesting Order**"), which condition shall not be waived by any of the parties; and

(b) the Approval and Vesting Order shall not have been stayed, appealed, varied or vacated, and no order of the Court shall have been issued which restrains or prohibits the completion of the applicable Transaction.

64. As detailed in Sections 6.3, 8.3 and 10.3, the Mexican Transaction, the Mongolian Transaction and the Torex Transaction, and the obligations of the applicable Vendors and Purchasers in relation to each of those Transactions and to the Mexican Assets, the Mongolian Assets and the Torex Assets, as the case may be, are subject to conditions for the mutual benefit of the applicable Vendors and Purchasers. These conditions may be waived by the applicable Vendor and the applicable Purchaser, except as noted below, and include that:

(a) the Approval and Vesting Order shall have been issued by the Court, which condition shall not be waived by any of the parties;

(b) the Approval and Vesting Order shall not have been stayed, appealed, varied or vacated, and no order of the Court shall have been issued which restrains or prohibits the completion of the Mexican Transaction, the Mongolian Transaction or the Torex Transaction, as applicable;

(c) in respect of the Mexican Transaction and the Torex Transaction only, either an order shall have been issued by a court of competent jurisdiction in Mexico recognizing and giving effect to the Approval and Vesting Order in Mexico, including (a) the approval of the Asset Purchase Agreement, the Mexican Transaction and the Torex Transaction, and (b) the vesting in the Mexican Purchaser, upon closing as provided in the Asset Purchase Agreement, of all of the right, title and interest of the Mexican Vendor in the Mexican Assets and the Torex Assets free and clear of all Encumbrances and of all rights of others, including, for greater certainty, any claim or liability related, directly or indirectly, to the Mexican employees of the Mexican Vendor and to any Mexican Tax (other than any Tax payable under Section 2.8) (the "**Mexican Order**") or the Mexican Purchaser and the Mexican Vendor shall have agreed as to a mutually acceptable process or mechanism in compliance with Mexican law to convey the Mexican Assets to the Mexican Purchaser, free and clear of all Encumbrances and of all rights of others, and any agreed conditions precedent to that process or mechanism shall have been satisfied

(d) if applicable, and in respect of the Mexican Transaction and the Torex Transaction, the Mexican Order shall not have been stayed, appealed, varied or vacated, and no order of any Mexican court shall have been issued which restrains or prohibits the completion of the Mexican Transaction or the Torex Transaction, as the case may be, which condition shall not be waived by any of the parties; and

(e) in respect of the Mongolian Transaction, the Mongolian Purchaser and the Mongolian Vendor shall have agreed as to a mutually acceptable process or mechanism in compliance with Mongolian law to convey the Mongolian Assets to the Mongolian Purchaser, free and clear of all Encumbrances and of all rights of others, and any agreed conditions precedent to that process or mechanism shall have been satisfied.

Termination

65. Any of the Canadian Transaction, the Mexican Transaction, the Mongolian Transaction and the Torex Transaction, as the case may be, may be terminated, among other things:

(a) in the manner set out in the Asset Purchase Agreement for termination in cases where the Canadian Assets, Mexican Assets, the Mongolian Assets or the Torex Assets, as applicable, are substantially damaged or destroyed by fire or other casualty and such damage results in losses above certain monetary thresholds;

(b) in respect of the Canadian Transaction, if the closing of the Canadian Transaction has not occurred on or prior to November 20, 2012 in accordance with the Asset Purchase Agreement;

(c) in respect of the Mexican Transaction, the Mongolian Transaction or the Torex Transaction, if the applicable closing has not occurred on or prior to February 15, 2013 or such other date as may be determined by mutual agreement of the Parties in writing; or

(d) in respect of the Torex Transaction, by the Mexican Vendor for any reason upon 3 Business Days' written notice, provided that the Torex Deposit, and all interest, income and earnings thereon, will be immediately returned and paid to the Mexican Purchaser by the Escrow Agent upon receipt of such termination notice.

MONITOR'S CONCLUSION AND RECOMMENDATIONS

66. The Monitor, in conjunction with Clarus and counsel, has implemented the Sale Process as authorized by the Initial Order. The Monitor has kept the Senior Lenders fully apprised throughout the Sale Process and has kept Management and the Applicants' counsel as informed as possible in the circumstances. The Monitor will continue to work diligently with the Purchasers to close the Transactions.

67. The canvassing of the market for interested purchasers was professionally conducted with sufficient time for potentially interested persons to obtain the information they required to consider the opportunity. Clarus and the Monitor have treated all potentially interested persons fairly and afforded them substantially equal information and opportunity.

68. The Monitor is of the view that the Sales Process was conducted in a manner that: (i) is reasonable in the circumstances, (ii) is fair to all who participated in it; (iii) has maintained appropriate confidentiality and a level playing field for all potential and actual bidders; (iv) is consistent with the provisions of the Initial Order; and (v) has resulted in consideration to be received for the assets that is fair and reasonable in the circumstances.

69. Therefore, for the reasons enumerated in the Fourth Report, the Monitor recommends that the Court approve the Monitor's request for an order:

(a) Approving the Asset Purchase Agreement and the Transactions;

(b) Vesting all of the Assets in the Purchasers free and clear of all Encumbrances and all of the rights of others; and

(c) Approving the Third Report and the Fourth Report and the conduct and activities as described therein.

ALL OF WHICH is respectfully submitted this 6th day of November, 2012.

ERNST & YOUNG INC.
In its capacity as the Court-appointed Monitor of Landdrill International Inc., a British Columbia corporation, Landdrill International Ltd., a New Brunswick corporation, Landdrill Atlantic Ltd., Landdrill Contract Mining Ltd., a New Brunswick corporation, Landdrill Mexico S.A. de C.V., Landdrill International LLC, a Mongolian corporation, and Landdrill International Inc., a Barbados corporation,

Per:

Paul D. Hickey, CA•CIRP
Senior Vice President

APPENDIX A

<u>AGREEMENT OF PURCHASE AND SALE</u>

Made as of the 6th day of November, 2012

Between

LANDDRILL INTERNATIONAL LTD.

and

LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V.

and

LANDDRILL INTERNATIONAL LLC

(collectively, the "**Vendors**")

and

MAJOR DRILLING GROUP INTERNATIONAL INC.

and

MAJOR DRILLING DE MEXICO SA DE CV

and

MAJOR DRILLING MONGOLIA XXK

(collectively, the "**Purchasers**")

AGREEMENT OF PURCHASE AND SALE

This Agreement is made as of the 6th day of November, 2012 between:

LANDDRILL INTERNATIONAL LTD.

and

LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V.

and

LANDDRILL INTERNATIONAL LLC

(collectively, the "**Vendors**")

and

MAJOR DRILLING GROUP INTERNATIONAL INC.

and

MAJOR DRILLING DE MEXICO SA DE CV

and

MAJOR DRILLING MONGOLIA XXK

(collectively, the "**Purchasers**")

RECITALS

A. Whereas the Vendors, among others, sought and were granted protection from their creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Initial Order of the Court of Queen's Bench of New Brunswick dated August 31, 2012 (the "**Initial Order**").

B. Whereas the Initial Order set out the parameters of a Sale Process for the sale of the Business and/or the Property (each as defined therein) of the Vendors.

C. Whereas the Vendors desire to sell the Assets (defined below) and the Purchasers desire to purchase the Assets, as more particularly set out herein and subject to the terms and conditions hereof.

FOR VALUE RECEIVED, the Parties agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

(a) **Agreement** means this Agreement of Purchase and Sale and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time;

(b) **Applicable Closing Date** means, as applicable in the context, the Canadian Closing Date, the Mexican Closing Date, the Mongolian Closing Date or the Torex Closing Date;

(c) **Approval and Vesting Order** has the meaning set out in Section 4.3(a);

(d) **Assets** means, collectively, the Canadian Assets, the Mexican Assets, the Mongolian Assets and the Torex Assets;

(e) **Asset Statement** has the meaning set out in Section 2.9(a);

(f) **Business Day** means a day on which banks are open for business in the City of Moncton but does not include a Saturday, Sunday or statutory holiday in the Province of New Brunswick;

(g) **Canadian Assets** means all tangible operating assets of the Canadian Vendor, including those assets set out in Schedule A-1, but excluding all real property, accounts receivable, notes receivable and other debts owed to the Canadian Vendor, and unbilled work in progress of the Canadian Vendor;

(h) **Canadian Closing Date** means the first Business Day after all Canadian Conditions have been satisfied or waived, or such other date as is mutually agreed in writing between the Parties;

(i) **Canadian Conditions** means the conditions set forth in Sections 4.1, 4.2 and 4.3;

(j) **Canadian Deposit** has the meaning set out in Section 2.7(a);

(k) **Canadian Ownership and Maintenance Documents** means the documents (whether stored or maintained in hard copy, digital or electronic format or otherwise), used or intended for use by, and in the possession of the Canadian Vendor in connection with the ownership of the Canadian Assets, the repair records in connection thereof and the warranty documents,

(l) **Canadian Purchase Price** has the meaning set out in Section 2.5(a);

(m) **Canadian Purchaser** means Major Drilling Group International Inc.;

(n) **Canadian Transaction** means the transaction of purchase and sale of the Canadian Assets between the Canadian Purchaser and the Canadian Vendor contemplated by this Agreement;

(o) **Canadian Vendor** means Landdrill International Ltd.;

(p) **CCAA** has the meaning given to that term in the recitals to this Agreement;

(q) **CCAA Proceedings** means the proceedings commenced by the Vendors, among others, under the CCAA on August 31, 2012, in the Court of Queen's Bench of New Brunswick;

(r) **Court** means the Court of Queen's Bench in New Brunswick;

(s) **Court Approval** means the issuance of the Approval and Vesting Order by the Court;

(t) **Court Charges** means the super-priority charges created by the Court in the CCAA Proceedings;

(u) **Encumbrances** means any security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, leases, title retention agreements, reservations of ownership, demands, legal hypothecs, executions, levies, charges, options or other rights to acquire any interest in any assets, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including the Court Charges, and all contracts to create any of the foregoing;

(v) **Escrow Agent** has the meaning given to that term in Section 2.7;

(w) **Escrow Fund** has the meaning given to that term in Section 2.7;

(x) **ETA** means the *Excise Tax Act* (Canada);

(y) **Governmental Authority** means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation-making entity:

(i) having jurisdiction over the Vendors, the Purchaser or the Assets on behalf of any country, province, state, locality or other geographical or political subdivision thereof; or

(ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power;

(z) **GST** means all goods and service taxes imposed under Part IX of the ETA;

(aa) **HST** means the harmonized sales tax imposed under Part IX of the ETA;

(bb) **Initial Inventory List** means that list of Inventory of the Vendors, in Excel format, sent to the Purchasers and their counsel on November 6, 2012, with an Inventory value for the Mexican Vendor of $[redacted] an Inventory value for the Canadian Vendor of $[redacted] and an Inventory value for the Mongolian Vendor of $[redacted] as such list shall be amended pursuant to Section 14.1(c);

(cc) **Initial Order** has the meaning given to that term in the recitals to this Agreement;

(dd) **Inspection** has the meaning set out in Section 2.9(a);

(ee) **Inventory** means all inventories of the Vendors, including finished goods, work in process and raw materials;

(ff) **Mexican Assets** means all tangible operating assets of the Mexican Vendor, including those assets set out in Schedule A-2, but excluding all real property, accounts receivable, notes receivable and other debts owed to the Mexican Vendor, unbilled work in progress of the Mexican Vendor and the Torex Assets;

(gg) **Mexican Closing Date** means the first Business Day after all Mexican Conditions have been satisfied or waived, or such other date as is mutually agreed in writing between the Parties;

(hh) **Mexican Conditions** means the conditions set forth in Sections 6.1, 6.2 and 6.3;

(ii) **Mexican Deposit** has the meaning set out in Section 2.7(b);

(jj) **Mexican Order** has the meaning set out in Section 6.3(c);

(kk) **Mexican Ownership and Maintenance Documents** means the documents (whether stored or maintained in hard copy, digital or electronic format or otherwise), used or intended for use by, and in the possession of the Mexican Vendor in connection with the ownership of the Mexican Assets, the repair records in connection thereof and the warranty documents;

(ll) **Mexican Purchase Price** has the meaning set out in Section 2.5(b);

(mm) **Mexican Purchaser** means Major Drilling de Mexico SA de CV;

(nn) **Mexican Transaction** means the transaction of purchase and sale of the Mexican Assets between the Mexican Purchaser and the Mexican Vendor contemplated by this Agreement;

(oo) **Mexican Vendor** means Landdrill International Mexico S.A. de C.V;

(pp) **Mongolian Assets** means all tangible operating assets of the Mongolian Vendor, including those assets set out in Schedule A-3, but excluding all real property, accounts receivable, notes receivable and other debts owed to the Mongolian Vendor, and unbilled work in progress of the Mongolian Vendor;

(qq) **Mongolian Closing Date** means the first Business Day after all Mongolian Conditions have been satisfied or waived, or such other date as is mutually agreed in writing between the Parties;

(rr) **Mongolian Conditions** means the conditions set forth in Sections 8.1, 8.2 and 8.3;

(ss) **Mongolian Deposit** has the meaning set out in Section 2.7(c);

(tt) **Mongolian Ownership and Maintenance Documents** means the documents (whether stored or maintained in hard copy, digital or electronic format or otherwise), used or intended for use by, and in the possession of the Mongolian Vendor in connection with the ownership of the Mongolian Assets, the repair records in connection thereof and the warranty documents;

(uu) **Mongolian Payables** means all outstanding and accrued liabilities and accounts payable of the Mongolian Vendor as at the Mongolian Closing Date and all liabilities that could arise as a result of the Mongolian Transaction (other than Taxes payable by the Mongolian Purchaser in accordance with Section 2.8) and the termination of all employees of the Mongolian Vendor (including all severance obligations that may be payable to such terminated employees);

(vv) **Mongolian Purchase Price** has the meaning set out in Section 2.5(c);

(ww) **Mongolian Purchaser** means Major Drilling Mongolia XXK;

(xx) **Mongolian Transaction** means the transaction of purchase and sale of the Mongolian Assets between the Mongolian Purchaser and the Mongolian Vendor contemplated by this Agreement;

(yy) **Mongolian Vendor** means Landdrill International LLC;

(zz) **Monitor** means Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Vendors as appointed by the Initial Order and not in its personal capacity;

(aaa) **Ownership and Maintenance Documents** means, collectively, the Canadian Ownership and Maintenance Documents, the Mexican Ownership and Maintenance Documents, the Mongolian Ownership and Maintenance Documents and the Torex Ownership and Maintenance Documents;

(bbb) **Parties** means the Vendors and the Purchasers;

(ccc) **Purchase Price** has the meaning set out in Section 2.5;

(ddd) **QST** means the Quebec sales tax imposed under An Act Respecting the Quebec Sales Tax;

(eee) **Tax and Taxes** includes taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross, receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and of any government pension plan premiums or contributions;

(fff) **Time of Closing** means 9:00am (Montreal Time) on each Applicable Closing Date, or such other time as the Parties may mutually agree;

(ggg) **Torex Assets** means the tangible operating assets of the Mexican Vendor located at the Torex Site, including those assets set out in Schedule A-4, but excluding all real property, accounts receivable, notes receivable and other debts owed to the Mexican Vendor, and unbilled work in progress of the Mexican Vendor;

(hhh) **Torex Closing Date** means the first Business Day after all Torex Conditions have been satisfied or waived, or such other date as is mutually agreed in writing between the Parties;

(iii) **Torex Conditions** means the conditions set forth in Sections 10.1, 10.2 and 10.3 and the Mexican Conditions;

(jjj) **Torex Deposit** has the meaning set out in Section 2.7(d);

(kkk) **Torex Ownership and Maintenance Documents** means the documents (whether stored or maintained in hard copy, digital or electronic format or otherwise), used or intended for use by, and in the possession of the Mexican Vendor in connection with the ownership of the Torex Assets, the repair records in connection thereof and the warranty documents;

(lll) **Torex Purchase Price** has the meaning set out in Section 2.5(d);

(mmm) **Torex Site** means the site in Mexico where the drills or other equipment of the Mexican Vendor are located for the purpose of executing the contract with Torex Gold Resources Inc.;

(nnn) **Torex Transaction** means the transaction of purchase and sale of the Torex Assets between the Mexican Purchaser and the Mexican Vendor contemplated by this Agreement; and

(ooo) **Transactions** means, collectively, the Canadian Transaction, the Mexican Transaction, the Mongolian Transaction and the Torex Transaction, and "**Transaction**" means any one of such transactions.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

1.3 Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4 Schedules

The following Schedules are incorporated in and form part of this Agreement:

Schedule A-1	Canadian Assets
Schedule A-2	Mexican Assets
Schedule A-3	Mongolian Assets
Schedule A-4	Torex Assets
Schedule B	Escrow Agreement
Schedule C	Approval and Vesting Order
Schedule D	Mongolian Payables

2. SALE AND PURCHASE

2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, each of the Vendors, exercising the powers granted pursuant to the Approval and Vesting Order, shall sell, free and clear of all Encumbrances and of all rights of others, all of their respective right, title and interest in and to the Assets as follows:

(a) the Canadian Vendor shall sell the Canadian Assets, on the Canadian Closing Date, to the Canadian Purchaser, which shall purchase same from the Canadian Vendor;

(b) the Mexican Vendor shall sell the Mexican Assets, on the Mexican Closing Date, to the Mexican Purchaser, which shall purchase same from the Mexican Vendor;

(c) the Mongolian Vendor shall sell the Mongolian Assets, on the Mongolian Closing Date, to the Mongolian Purchaser, which shall purchase same from the Mongolian Vendor; and

(d) the Mexican Vendor shall sell the Torex Assets, on the Torex Closing Date, to the Mexican Purchaser, which shall purchase same from the Mexican Vendor.

2.2 Receivables

Any accounts receivable, notes receivable and other debts owed to the Vendors existing as of an Applicable Closing Date shall not form part of the Assets and shall not be assigned to any of the Purchasers. Each of the Purchasers shall hold in trust and promptly remit to the Monitor any amount it may receive as payment of any such receivables or debts.

2.3 "As is, Where is"

The Purchasers acknowledge that the Vendors are selling the Assets on an "as is, where is" basis as they shall exist on the date such Assets are sold to each of the Purchasers pursuant to Sections 5.1, 7.1, 9.1 and 11.1, as the case may be. The Purchasers further acknowledge that they have entered into this Agreement having conducted such inspections of the existence, nature, terms, attributes, features, capabilities and condition of the Assets as they deemed appropriate and have satisfied themselves with regard to these matters. The Purchasers agree to accept the Assets in the condition, state and location (subject, with respect to the Torex Assets, to Section 11.5) they are in on the Applicable Closing Date based upon their own inspection, examination and determination with respect to all matters and without reliance upon any express or implied warranties of any nature made by or on behalf of or imputed to the Vendors, except as expressly set forth in this Agreement. No representation, warranty or condition is expressed or can be implied as to fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Assets or the right of the Vendors to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (New Brunswick) or similar legislation in any other Province of Canada or other jurisdiction do not apply hereto and are hereby waived by the Purchasers. The description of the Assets contained in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has been or will be given by the Vendors concerning the completeness or the accuracy of such descriptions.

2.4 Excluded Obligations

The Purchaser shall not assume and shall not be liable for any other liabilities or obligations of the Vendors, including, without limiting the generality of the foregoing, all debts, liabilities and obligations related to the Assets arising out of or related to the period prior to their acquisition pursuant to the terms of this Agreement nor any obligation or liability of the Vendors related to their current and former employees or any obligation or liability of the Vendors under any contract between the Vendors and any other third party.

2.5 Purchase Price

Subject to the terms and conditions of this Agreement and to the adjustments set forth in Section 2.6 and 2.9, the Purchasers shall pay the Vendors the following, as consideration for the Assets (collectively, the "**Purchase Price**"):

(a) $[redacted] for the Canadian Assets (the "**Canadian Purchase Price**"), payable by the Canadian Purchaser;

(b) $[redacted] for the Mexican Assets (the "**Mexican Purchase Price**"), payable by the Mexican Purchaser;

(c) $[redacted] for the Mongolian Assets (the "**Mongolian Purchase Price**"), payable by the Mongolian Purchaser; and

(d) $[redacted] (subject to adjustment pursuant to Section 2.6 below) for the Torex Assets (the "**Torex Purchase Price**"), payable by the Mexican Purchaser.

All amounts payable by the Purchasers to Vendors shall be paid to the Monitor, on behalf of the Vendors, by certified cheque or bank draft issued by a Canadian chartered bank or wire transfer of immediately available funds to an account specified by the Monitor, or as otherwise agreed between the Parties and in accordance with applicable laws in each applicable jurisdiction.

2.6 Adjustments to Torex Purchase Price

If the Torex Transaction is not closed concurrently with the Mexican Transaction for a reason other than solely as a result of the Mexican Purchaser's failure to perform any of its obligations hereunder with respect to the Torex Transaction, then the Torex Purchase Price shall be adjusted downwards by $[redacted] for each day after the Mexican Closing Date that the Torex Transaction does not close.

2.7 Deposits

On the date hereof, the Monitor acknowledges receipt from the Purchasers of the following amounts (collectively, the "**Deposits**"):

(a) an amount of $[redacted], equal to 15% of the Canadian Purchase Price (the "**Canadian Deposit**"), payable by the Canadian Purchaser;

(b) an amount of $[redacted] equal to 15% of the Mexican Purchase Price (the "**Mexican Deposit**"), payable by the Mexican Purchaser;

(c) an amount of $[redacted], equal to 15% of the Mongolian Purchase Price (the "**Mongolian Deposit**"), payable by the Mongolian Purchaser; and

(d) an amount of $[redacted] equal to 15% of the Torex Purchase Price (the "**Torex Deposit**"), payable by the Mexican Purchaser.

The Canadian Deposit, the Mexican Deposit, the Mongolian Deposit and the Torex Deposit together with any interest accrued thereon shall be credited against the Canadian Purchase Price, the Mexican Purchase Price, the Mongolian Purchase Price and the Torex Purchase Price, respectively, upon closing of the Canadian Transaction, the Mexican Transaction, the Mongolian Transaction or the Torex Transaction, as the case may be.

The Canadian Deposit together with any interest accrued thereon shall be forfeited to the Canadian Vendor in the event that the closing of the Canadian Transaction does not occur solely as a result of the Canadian Purchaser's failure to perform any of its obligations hereunder with respect to the Canadian Transaction. Except as provided above, if the Canadian Transaction is terminated for any other reason whatsoever, the Canadian Deposit and all interest accrued thereon, shall be returned to the Canadian Purchaser within three (3) Business Days after such termination.

The Mexican Deposit together with any interest accrued thereon shall be forfeited to the Mexican Vendor in the event that the closing of the Mexican Transaction does not occur solely as a result of the Mexican Purchaser's failure to perform any of its obligations hereunder with respect to the Mexican Transaction. Except as provided above, if the Mexican Transaction is terminated for any other reason whatsoever, the Mexican Deposit and all interest accrued thereon, shall be returned to the Mexican Purchaser within three (3) Business Days after such termination.

The Mongolian Deposit together with any interest accrued thereon shall be forfeited to the Mongolian Vendor in the event that the closing of the Mongolian Transaction does not occur solely as a result of the Mongolian Purchaser's failure to perform any of its obligations hereunder with respect to the Mongolian Transaction. Except as provided above, if the Mongolian Transaction is terminated for any other reason whatsoever, the Mongolian Deposit and all interest accrued thereon, shall be returned to the Mongolian Purchaser within three (3) Business Days after such termination.

The Torex Deposit together with any interest accrued thereon shall be forfeited to the Mexican Vendor in the event that the closing of the Torex Transaction does not occur solely as a result of the Mexican Purchaser's failure to perform any of its obligations hereunder with respect to the Torex Transaction. Except as provided above, if the Torex Transaction is terminated for any other reason whatsoever, the Torex Deposit and all interest accrued thereon, shall be returned to the Mexican Purchaser within three (3) Business Days after such termination.

From the date hereof, the Deposits, shall be held by the Monitor as escrow agent (the "**Escrow Agent**") pursuant to an escrow agreement in the form attached hereto as Schedule B (the "**Escrow Agreement**"). The Deposits, together with any interest earned thereon, are hereinafter called the "**Escrow Fund**". The Escrow Fund will be held by the Escrow Agent in a segregated interest-bearing trust account pursuant to the Escrow Agreement on behalf of the Parties as their respective interests appear pending the release thereof and will be dealt with and released as provided in the Escrow Agreement. The Escrow Fund held pursuant to the Escrow Agreement shall be free and clear of any lien, mortgage, pledge, Court Charge, security interest, deemed trust or other real rights in favour of third parties.

2.8 Taxes

The Purchaser shall be liable and shall pay upon Closing, in addition to the Purchase Price, all applicable foreign, federal and provincial Taxes exigible in connection with the purchase and sale of the Assets including, without limitation, GST, HST and QST, and other sales or use or similar Taxes in other jurisdictions.

2.9 Adjustments to Purchase Price

(a) *Asset Inspection* - Not earlier than seven Business Days prior to the Canadian Closing Date, the Mexican Closing Date, the Mongolian Closing Date and the Torex Closing Date, as the case may be, and no later than on the Canadian Closing Date, the Mexican Closing Date, the Mongolian Closing Date and the Torex Closing Date, as the case may be, the applicable Vendor and Purchaser will conduct a joint inspection and inventory count (each an "**Inspection**") at such locations of the Vendor as may be reasonably agreed between the applicable Purchaser and Vendor, which Inspection will produce a statement reporting on the physical identification of the Assets, highlighting any differences to the applicable Schedules A-1, A-2, A-3 or A-4, and an Inventory count determined based on the values and methodology used in the preparation of the Initial Inventory List (each, an "**Asset Statement**"). In the event that any of the Purchasers elects not to conduct an Inspection at a specific location, such Inspection shall be conducted by the applicable Vendor. The Purchasers shall be permitted access to the books and records and to the personnel familiar with the maintenance and storage of the Assets during normal business hours. The Asset Statements shall be final and binding on the parties, absent manifest error.

(b) *Purchase Price Adjustment* – If, based on an Asset Statement, the applicable Vendor and Purchaser determine that some or all of the Assets set forth in the Schedules to this Agreement have been lost, stolen, vandalized, transferred or otherwise disposed of (or in the case of Inventory, used in the ordinary course), then the Canadian Purchase Price, the Mexican Purchase Price, the Mongolian Purchase Price or the Torex Purchase Price, as the case may be, will be adjusted downward by an aggregate amount equal to [redacted]% of the difference between the book value ascribed to such Assets which are lost, stolen, vandalized, transferred or otherwise disposed of (or in the case of Inventory, used in the ordinary course) in the Schedules to this Agreement and the book value indicated in the Asset Statement.

(c) In the event that there is Inventory in situ listed in an Asset Statement in excess of the Inventory listed in the Initial Inventory List (for greater clarity, as revised pursuant to Section 14.1(c)) then, the Canadian Purchase Price, the Mexican Purchase Price, the Mongolian Purchase Price or the Torex Purchase Price, as the case may be, will be adjusted upward by an aggregate amount equal to [redacted]% of the book value of such additional Inventory as of the Canadian Closing Date, the Mexican Closing Date, the Mongolian Closing Date and the Torex Closing Date.

3. REPRESENTATIONS AND WARRANTIES

3.1 Purchasers' Representations

Each of the Purchasers severally represents and warrants to the Vendor from whom it is purchasing the Canadian Assets, the Mexican Assets, the Mongolian Assets or the Torex Assets, as the case may be (and not for the benefit of the other Vendors) the following; provided however that each Purchaser is making such representations and warranties only as to itself:

(a) Each of the Purchasers is a corporation duly incorporated, organized and subsisting under the laws of Canada for the Canadian Purchaser, the laws of Mexico for the Mexican Purchaser and the laws of Mongolia for the Mongolian Purchaser;

(b) Each of the Purchasers has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder and the execution and delivery of this Agreement and the consummation of the transactions contemplated has been duly authorized by all necessary corporate action on the part of the Purchaser;

(c) None of the Purchasers is a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;

(d) There is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchasers' knowledge, threatened against or relating to the Purchasers or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchasers to enter into this Agreement or to consummate the Transaction contemplated hereunder and the Purchasers are not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success;

(e) This Agreement and all other documents contemplated hereunder to which the Purchasers are or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Purchasers and constitute or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchasers, enforceable in accordance with the terms hereof or thereof;

(f) The Canadian Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*;

(g) The Mexican Purchaser and the Mongolian Purchaser are non-Canadian persons as defined in the *Investment Canada Act*;

(h) The Canadian Purchaser is registered under Part IX of the ETA and its GST/HST number is 89895 4896 RT0001;

(i) The Mexican Purchaser and the Mongolian Purchaser are not registered under Part IX of the ETA;

(j) Other than Court Approval; no authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other person is required in connection with the execution, delivery or performance of this Agreement by the Purchasers and each of the agreements to be executed and delivered by the Purchasers hereunder or the purchase of any of the Assets hereunder;

(k) Each of the Purchasers is an informed and sophisticated purchaser, and has engaged expert advisors or is experienced in the evaluation and purchase of property and assets such as the Assets as contemplated hereunder. The Purchasers have undertaken such investigations and have been provided with and have evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement; and

(l) Each of the Purchasers acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Assets prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets; and (d) the obligations of such Purchaser under this Agreement are not conditional upon any additional due diligence.

3.2 Vendors' Representations

Each of the Vendors severally represents and warrants to the Purchaser to whom it is selling the Canadian Assets, the Mexican Assets, the Mongolian Asset or the Torex Assets, as the case may be (and not for the benefit of the other Purchasers) the following; provided however that each Vendor is making such representations and warranties only as to itself:

(a) Each of the Vendors is a corporation duly incorporated, organized and subsisting under the laws of Canada for the Canadian Vendor, the laws of Mexico for the Mexican Vendor and the laws of Mongolia for the Mongolian Vendor;

(b) Subject to Court Approval each of the Vendors has the power, authority and capacity to enter into this Agreement and all other agreements, documents and certificates contemplated hereby to be executed by the Vendors and to carry out the transactions contemplated hereby and thereby;

(c) Subject to Court Approval, and to the Mexican Order for the Mexican Assets and the Torex Assets, this Agreement and all other documents contemplated hereunder to which the Vendors are or will be a party have been or will be, as at Closing, duly and validly executed and delivered by the Vendors and constitute or will, as at Closing, constitute legal, valid and binding obligations of the Vendors enforceable in accordance with the terms hereof or thereof;

(d) The Mexican Vendor owns with good and marketable title, all of the operating assets of the Mexican Vendor located in Mexico;

(e) The Mongolian Vendor owns with good and marketable title, all of the operating assets of the Mongolian Vendor located in Mongolia;

(f) Attached hereto as Schedule D is a complete list of all Mongolian Payables as of October 22, 2012;

(g) Since October 22, 2012, the Mongolian Vendor has continued to pay the Mongolian Payables as they come due;

(h) Other than in respect of goods and services or other applicable sales taxes in Canada or any of the Provinces thereof which were accrued or collected prior to the date of the Initial Order but not required to be remitted until on or after the date of the Initial Order ("**Pre-Filing Sales Taxes**") and pursuant to paragraph 7 of the Initial Order, each of the Vendors has paid all Taxes which are required to have been paid to any taxation authority pursuant to all Applicable Laws, and no deficiency with respect to the payment of any Taxes has been asserted against it by any taxation authority; and

(i) Other than in respect of Pre-Filing Sales Taxes, none of the Vendors has any outstanding assessments or any liability for Taxes, and none of the Vendors has knowledge of any threatened or potential assessment or liability in respect of Taxes, against any of them.

4. CONDITIONS PRECEDENT TO CANADIAN TRANSACTION

4.1 Conditions – Canadian Purchaser

The obligation of the Canadian Purchaser to complete the Canadian Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing on the Canadian Closing Date:

(a) All representations and warranties of the Canadian Vendor contained in this Agreement shall be true as of the Canadian Closing Date with the same effect as though made on and as of that date;

(b) The Canadian Vendor shall have performed each of its obligations and covenants under this Agreement to the extent required to be performed with respect to the Canadian Transaction on or before the Canadian Closing Date; and

(c) No action or proceeding having a reasonable likelihood of success shall be pending or threatened to restrain or prohibit the completion of the Canadian Transaction contemplated by this Agreement.

The foregoing conditions are for the exclusive benefit of the Canadian Purchaser. Any such condition may be waived by the Canadian Purchaser in whole or in part. Any such waiver shall be binding on the Canadian Purchaser only if made in writing.

4.2 Conditions – Canadian Vendor

The obligation of the Canadian Vendor to complete the Canadian Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing on the Canadian Closing Date:

(a) All representations and warranties of the Canadian Purchaser contained in this Agreement shall be true as of the Canadian Closing Date with the same effect as though made on and as of that date;

(b) The Canadian Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed with respect to the Canadian Transaction on or before the Canadian Closing Date;

(c) The Mexican Purchaser shall have confirmed to the Vendors that it has completed its due diligence related to the Mexican Transaction and the Torex Transaction as contemplated by Sections 6.1(d) and 10.1(d);

(d) The Mongolian Purchaser shall have confirmed to the Vendors that it has completed its due diligence related to the Mongolian Transaction as contemplated by Section 8.1(d); and

(e) No action or proceeding having a reasonable likelihood of success shall be pending or threatened to restrain or prohibit the completion of the Canadian Transaction contemplated by this Agreement.

The foregoing conditions are for the exclusive benefit of the Canadian Vendor. Any such condition may be waived by the Canadian Vendor in whole or in part. Any such waiver shall be binding on the Canadian Vendor only if made in writing.

4.3 Mutual Conditions

This Agreement, the Canadian Transaction and the obligations of the Canadian Vendor and the Canadian Purchaser thereunder as they relate to the Canadian Transaction and the Canadian Assets, are subject to the following conditions:

(a) An order shall have been issued by the Court on or before the Closing Date substantially in the form attached hereto as Schedule C (a) approving this Agreement and the Transactions, and (b) vesting in the Purchasers, all of the right, title and interest of the Vendors in the Assets free and clear of all Encumbrances and of all rights of others as provided in this Agreement (the "**Approval and Vesting Order**"); and

(b) The Approval and Vesting Order shall not have been stayed, appealed, varied or vacated, and no order of the Court shall have been issued which restrains or prohibits the completion of the Transactions.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Canadian Vendor and the Canadian Purchaser. Any such condition may be waived by agreement between the Canadian Vendor and the Canadian Purchaser, in whole or in part. Any such waiver shall be binding only if made in writing.

4.4 Non-Satisfaction of Conditions

If any of the conditions set out in Section 4.1, 4.2 or 4.3 are not satisfied or performed by the time specified therefor, the Party for whose benefit the condition is included may:

(a) In the case of Sections 4.1, 4.2 or 4.3(b), waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Parties and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or

(b) Elect on written notice to the other Party to terminate the Canadian Transaction before the closing of the Canadian Transaction.

4.5 Termination

The Canadian Transaction may be terminated at any time prior to the Canadian Closing Date:

(a) By either the Canadian Purchaser or the Canadian Vendor:

(i) By mutual written agreement of the Canadian Vendor and the Canadian Purchaser;

(ii) Upon notice to the other if any of the Canadian Vendor or the Canadian Purchaser is in material breach of its obligations and covenants under this Agreement and such breach is not remedied after five (5) days' notice of such breach to the breaching Party;

(iii) In accordance with Section 4.4(b);

(iv) If the Canadian Purchaser validly declines to complete the Canadian Transaction pursuant to the provisions of Section 5.7; or

(v) If the closing of the Canadian Transaction has not occurred on or prior to November 20, 2012, in accordance with Section 5.1;

(b) By the Canadian Vendor, if any condition set forth in Section 4.2 is not satisfied, unless the Canadian Vendor is in material breach of its obligations under this Agreement resulting in such condition not being satisfied; and

(c) By the Canadian Purchaser, if any condition set forth in Section 4.1 is not satisfied, unless the Canadian Purchaser is in material breach of its obligations under this Agreement resulting in such condition not being satisfied.

If this Canadian Transaction is terminated in the circumstances set out in this Section, all further obligations of the Parties under this Agreement which relate to the Canadian Transaction will terminate and no Party will have any liability or further obligations hereunder, expect for the provisions of: (a) Section 2.7 (Deposits); (b) this Section 4.5 and Section 15.3 and 15.4.

5. CLOSING – CANADIAN TRANSACTION

5.1 Closing

The completion of the Canadian Transaction shall take place on the Canadian Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the Parties in writing.

5.2 Canadian Purchaser's Deliveries on Closing

At or before the Time of Closing on the Canadian Closing Date, the Canadian Purchaser shall execute and deliver (or where applicable make payment) to the Canadian Vendor the following, each of which shall be in form and substance satisfactory to the Canadian Vendor, acting reasonably:

(a) The Canadian Purchase Price less the Canadian Deposit and all interest accrued thereon;

(b) Payment of all Taxes payable in connection with the Canadian Transaction as required by Section 2.8 or alternatively, appropriate exemption and/or election certificates;

(c) A certificate, dated the Canadian Closing Date, confirming that all of the representations and warranties of the Canadian Purchaser contained in this Agreement are true as of the Canadian Closing Date, with the same effect as though made on and as of the Canadian Closing Date;

(d) An acknowledgement dated the Canadian Closing Date, that each of the conditions precedent in Sections 4.2 and 4.3 of this Agreement, if applicable, has been fulfilled, performed or waived as of the Canadian Closing Date; and

(e) Such further and other documentation as is referred to in this Agreement or as the Canadian Vendor may reasonably require to give effect to this Agreement.

5.3 Canadian Vendor's Deliveries on Closing

At or before the Time of Closing on the Canadian Closing Date, the Canadian Vendor shall execute and deliver to the Canadian Purchaser the following, each of which shall be in form and substance satisfactory to the Canadian Purchaser, acting reasonably:

(a) A certificate, dated the Canadian Closing Date, confirming that all of the representations and warranties of the Canadian Vendor contained in this Agreement are true as of the Canadian Closing Date, with the same effect as though made on and as of the Canadian Closing Date;

(b) An acknowledgement dated the Canadian Closing Date, that each of the conditions precedent in Sections 4.1 and 4.3 of this Agreement has been fulfilled, performed or waived as of the Canadian Closing Date;

(c) All conveyances, deeds of transfer, bills of sale, assignments and transfers (including, among others, all documents necessary or required to transfer all registrations related to the Canadian Assets with any applicable Governmental Authority) that are reasonably required to transfer the Canadian Assets to the Canadian Purchaser each in customary form free and clear of all Encumbrances and of all rights of others (and where applicable in recordable form) consistent with Section 2.3;

(d) The Canadian Ownership and Maintenance Documents; and

(e) Such further and other documentation as is referred to in this Agreement or as the Canadian Purchaser may reasonably require to give effect to this Agreement.

5.4 Possession of the Canadian Assets

The Canadian Vendor shall remain in possession of the Canadian Assets until the Time of Closing on the Canadian Closing Date. At the Time of Closing on the Canadian Closing Date, the Canadian Purchaser shall take possession of the Canadian Assets wherever situate. The Canadian Purchaser acknowledges that the Canadian Vendor has no obligation to deliver physical possession of the Canadian Assets to the Canadian Purchaser. In no event shall the Canadian Assets be sold, assigned, transferred or set over to the Canadian Purchaser until any conditions set out in the Approval and Vesting Order have been satisfied or waived and the Canadian Purchaser has satisfied all delivery requirements outlined in Section 5.2.

5.5 Failure to fulfill the Canada Conditions

If the Canadian Conditions are not fulfilled on or before November 20, 2012, then the Canadian Purchaser will be entitled to terminate this Agreement as it relates to the Canadian Transaction in accordance with Section 4.5(a)(v) and upon such termination notice being given by the Canadian Purchaser to the Escrow Agent, the Canadian Deposit, and all interest, income and earnings thereon, will be returned and paid to the Canadian Purchaser by the Escrow Agent within three (3) Business Days after the receipt of the Canadian Purchaser's notice described above.

5.6 Access to Canadian Assets

The Canadian Purchaser may have reasonable access to the Canadian Assets during normal business hours prior to the Time of Closing on the Canadian Closing Date for the purpose of enabling the Canadian Purchaser to conduct such non-destructive, non-invasive inspections of the Canadian Assets as it deems appropriate. Such inspection shall only be conducted in the presence of a representative of the Canadian Vendor, if so required at the discretion of the Canadian Vendor. The Purchasers agree to indemnify and save the Canadian Vendor harmless from and against all claims, demands, losses, actions and costs incurred or arising from or in any way directly related to the inspection of the Canadian Assets or the attendance of the Canadian Purchaser, its employees or agents.

5.7 Risk – Canadian Assets

The Canadian Assets shall be and remain at the risk of the Canadian Vendor until the Time of Closing on the Canadian Closing Date and at the risk of the Canadian Purchaser from and after the Time of Closing on the Canadian Closing Date. For greater certainty, all insurance policies held by the Canadian Vendor in respect of the Canadian Assets shall be terminated by the Canadian Vendor at the Time of Closing on the Canadian Closing Date and the Canadian Purchaser shall be obligated to obtain its own insurance in respect of the Canadian Assets forthwith from and after the Time of Closing on the Canadian Closing Date. If, prior to the Canadian Closing Date, the Canadian Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Canadian Purchaser may (a) together with the other Purchasers, decline to complete the Transactions, or (b) decline to proceed with the Canadian Transaction without otherwise affecting the rights of the other Purchasers to complete the Mexican Transaction, the Mongolian Transaction and the Torex Transaction upon fulfilment of the Mexican Conditions, the Mongolian Conditions or the Torex Conditions, respectively, pursuant to the terms and conditions set forth herein. Such option shall be exercised within 10 days after notification to the Canadian Purchaser by the Canadian Vendor of the occurrence of damage or destruction (or prior to the Canadian Closing Date if such occurrence takes place within 10 days of the Canadian Closing Date). If the Canadian Purchaser, together with the other Purchasers, elects to decline to complete the Transactions, this Agreement shall be terminated automatically and the Vendors shall have no liability or obligation hereunder. If the Canadian Purchaser elects to decline to complete the Canadian Transaction only, this Agreement, as it relates to the Canadian Transaction shall be terminated automatically and the Vendors shall have no liability or obligation hereunder with respect to the Canadian Assets. If the Canadian Purchaser does not exercise such option, the Canadian Purchaser shall complete the Canadian Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Canadian Purchaser shall complete the Canadian Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this section, substantial damage or destruction shall be deemed to have occurred if the book value of the Canadian Assets which are destroyed or otherwise lost exceeds $[redacted]. If any dispute arises under this Section as to whether damage or destruction is substantial, such dispute will be determined in accordance with Section 13 herein.

6. CONDITIONS PRECEDENT TO MEXICAN TRANSACTION

6.1 Conditions – Mexican Purchaser

The obligation of the Mexican Purchaser to complete the Mexican Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing on the Mexican Closing Date:

(a) All representations and warranties of the Mexican Vendor contained in this Agreement shall be true as of the Mexican Closing Date with the same effect as though made on and as of that date;

(b) The Mexican Vendor shall have performed each of its obligations and covenants under this Agreement to the extent required to be performed with respect to the Mexican Transaction on or before the Mexican Closing Date;

(c) No action or proceeding having a reasonable likelihood of success shall be pending or threatened to restrain or prohibit the completion of the Mexican Transaction contemplated by this Agreement;

(d) The Mexican Purchaser shall have completed its due diligence related to the Mexican Transaction and communicated such to the Vendors pursuant to Section 4.2(c); and

(e) The Canadian Transaction shall have closed.

The foregoing conditions are for the exclusive benefit of the Mexican Purchaser. Any such condition may be waived by the Mexican Purchaser in whole or in part. Any such waiver shall be binding on the Mexican Purchaser only if made in writing.

6.2 Conditions – Mexican Vendor

The obligation of the Mexican Vendor to complete the Mexican Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing on the Mexican Closing Date:

(a) All representations and warranties of the Mexican Purchaser contained in this Agreement shall be true as of the Mexican Closing Date with the same effect as though made on and as of that date;

(b) The Mexican Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed with respect to the Mexican Transaction on or before the Mexican Closing Date; and

(c) No action or proceeding having a reasonable likelihood of success shall be pending or threatened to restrain or prohibit the completion of the Mexican Transaction contemplated by this Agreement.

The foregoing conditions are for the exclusive benefit of the Mexican Vendor. Any such condition may be waived by the Mexican Vendor in whole or in part. Any such waiver shall be binding on the Mexican Vendor only if made in writing.

6.3 Mutual Conditions

The Mexican Transaction and the obligations of the Mexican Vendor and the Mexican Purchaser thereunder as they relate to the Mexican Transaction and the Mexican Assets, are subject to the following conditions:

(a) The Approval and Vesting Order shall have been issued by the Court;

(b) The Approval and Vesting Order shall not have been stayed, appealed, varied or vacated, and no order of the Court shall have been issued which restrains or prohibits the completion of the Mexican Transaction;

(c) Either an order shall have been issued by a court of competent jurisdiction in Mexico recognizing and giving effect to the Approval and Vesting Order in Mexico, including (a) the approval of this Agreement, the Mexican Transaction and the Torex Transaction, and (b) the vesting in the Mexican Purchaser, upon closing as provided in this Agreement, of all of the right, title and interest of the Mexican Vendor in the Mexican Assets and the Torex Assets free and clear of all Encumbrances and of all rights of others, including, for greater certainty, any claim or liability related, directly or indirectly, to the Mexican employees of the Mexican Vendor and to any Mexican Tax (other than any Tax payable under Section 2.8) (the "**Mexican Order**") or the Mexican Purchaser and the Mexican Vendor shall have agreed as to a mutually acceptable process or mechanism in compliance with Mexican law to convey the Mexican Assets to the Mexican Purchaser, free and clear of all Encumbrances and of all rights of others, and any agreed conditions precedent to that process or mechanism shall have been satisfied, and the Mexican Purchaser and Mexican Vendor agree that, if a mutually acceptable process or mechanism is agreed to which requires them to enter into a stand-alone asset purchase agreement, or similar agreement, in addition to this Agreement, that they agree that such stand-alone asset purchase agreement will not affect the enforceability of this Agreement as it relates to any Transaction except for the Mexican Transaction; and

(d) If applicable, the Mexican Order shall not have been stayed, appealed, varied or vacated, and no order of any Mexican court shall have been issued which restrains or prohibits the completion of the Mexican Transaction.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Mexican Vendor and the Mexican Purchaser. Any such condition may be waived by agreement between the Mexican Vendor and the Mexican Purchaser, in whole or in part. Any such waiver shall be binding only if made in writing.

6.4 Non-Satisfaction of Conditions

If any of the conditions set out in Sections 6.1, 6.2 or 6.3 are not satisfied or performed by the time specified therefor, the Party for whose benefit the condition is included may:

(a) In the case of Sections 6.1, 6.2, 6.3(b) or 6.3(d), waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or

(b) Elect on written notice to the other Party to terminate the Mexican Transaction before the closing of the Mexican Transaction.

6.5 Termination of the Mexican Transaction

The Mexican Transaction may be terminated at any time prior to the Mexican Closing Date:

(a) By either the Mexican Purchaser or the Mexican Vendor:

(i) By mutual written agreement of the Mexican Vendor and the Mexican Purchaser;

(ii) Upon notice to the other if any of the Mexican Purchaser or of the Mexican Vendor is in material breach of its obligations and covenants under this Agreement and such breach is not remedied after five (5) days' notice of such breach to the breaching Party;

(iii) In accordance with Sections 6.4(b);

(iv) If the Mexican Purchaser validly declines to complete the Mexican Transaction pursuant to the provisions of Section 7.7; or

(v) If the closing of the Mexican Transaction has not occurred on or prior to February 15, 2013 in accordance with Section 7.1;

(b) By the Mexican Vendor, if any condition set forth in Section 6.1 is not satisfied, unless the Mexican Vendor is in material breach of its obligations under this Agreement resulting in such condition not being satisfied; and

(c) By the Mexican Purchaser:

(i) if any condition set forth in Section 6.2 is not satisfied, unless the Mexican Purchaser is in material breach of its obligations under this Agreement resulting in such condition not being satisfied; and

(ii) in accordance with Section 7.4.

If the Mexican Transaction is terminated in the circumstances set out in this Section, all further obligations of the Parties under this Agreement which relate to the Mexican Transaction will terminate and no Party will have any liability or further obligations hereunder relating to the Mexican Transaction or the Mexican Assets, expect for the provisions of: (a) Section 2.7(b) (Mexican Deposit); (b) this Section 6.5; (c) and Sections 15.3 and 15.4.

7. CLOSING – MEXICAN TRANSACTION

7.1 Closing

The completion of the Mexican Transaction shall take place on the Mexican Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the Parties in writing.

7.2 Mexican Purchaser's Deliveries on Closing

At or before the Time of Closing on the Mexican Closing Date, the Mexican Purchaser shall execute and deliver (or where applicable make payment) to the Mexican Vendor of the following, each of which shall be in form and substance satisfactory to the Mexican Vendor, acting reasonably:

(a) The Mexican Purchase Price less the Mexican Deposit and all interest accrued thereon;

(b) Payment or evidence of payment of all applicable Taxes payable in connection with the Mexican Transaction as required by Section 2.8;

(c) A certificate, dated the Mexican Closing Date, confirming that all of the representations and warranties of the Mexican Purchaser contained in this Agreement are true as of the Mexican Closing Date, with the same effect as though made on and as of the Mexican Closing Date;

(d) An acknowledgement dated the Mexican Closing Date, that each of the conditions precedent in Sections 6.2 and 6.3 of this Agreement, if applicable, has been fulfilled, performed or waived as of the Mexican Closing Date; and

(e) Such further and other documentation as is referred to in this Agreement or as the Mexican Vendor may reasonably require to give effect to this Agreement.

7.3 Mexican Vendor's Deliveries on Closing

At or before the Time of Closing on the Mexican Closing Date, the Mexican Vendor shall execute and deliver to the Mexican Purchaser the following, each of which shall be in form and substance satisfactory to the Mexican Purchaser, acting reasonably:

(a) A certificate, dated the Mexican Closing Date, confirming that all of the representations and warranties of the Mexican Vendor contained in this Agreement are true as of the Mexican Closing Date, with the same effect as though made on and as of the Mexican Closing Date;

(b) An acknowledgement dated the Mexican Closing Date, that each of the conditions precedent in Sections 6.1 and 6.3 of this Agreement has been fulfilled, performed or waived as of the Mexican Closing Date;

(c) All conveyances, deeds of transfer, bills of sale, assignments and transfers (including, among others, all documents necessary or required to transfer all registrations related to the Mexican Assets with any applicable Governmental Authority) duly executed by the Mexican Vendor and the Canadian Vendor that are reasonably required to transfer the Mexican Assets to the Mexican Purchaser in customary form free and clear of all Encumbrances and of all rights of others (and where applicable in recordable form) consistent with Section 2.3;

(d) The Mexican Ownership and Maintenance Documents; and

(e) Such further and other documentation as is referred to in this Agreement or as the Mexican Purchaser may reasonably require to give effect to this Agreement.

7.4 Failure to fulfill the Mexican Conditions

If the Mexican Conditions are not fulfilled on or before February 15, 2013, then the Mexican Purchaser will be entitled to terminate this Agreement as it relates to the Mexican Transaction in accordance with Section 6.5(a)1.1a)(v) and upon such termination notice being given by the Mexican Purchaser to the Escrow Agent the Mexican Deposit, and all interest, income and earnings thereon, will be returned and paid to the Mexican Purchaser by the Escrow Agent within three (3) Business Days after the receipt of the Mexican Purchaser's notice described above.

7.5 Possession of the Mexican Assets

The Mexican Vendor shall remain in possession of the Mexican Assets until the Time of Closing on the Mexican Closing Date. At the Time of Closing on the Mexican Closing Date, the Mexican Purchaser shall take possession of the Mexican Assets wherever situate. The Mexican Purchaser acknowledges that the Mexican Vendor has no obligation to deliver physical possession of the Mexican Assets to the Mexican Purchaser. In no event shall the Mexican Assets be sold, assigned, transferred or set over to the Mexican Purchaser until any conditions set out in the Approval and Vesting Order and the Mexican Order have been satisfied or waived and the Mexican Purchaser has satisfied all delivery requirements outlined in Section 7.2.

7.6 Access to Mexican Assets

The Mexican Purchaser may have reasonable access to the Mexican Assets during normal business hours prior to the Time of Closing on the Mexican Closing Date for the purpose of enabling the Mexican Purchaser to conduct such non-destructive, non-invasive inspections of the Mexican Assets as it deems appropriate. Such inspection shall only be conducted in the presence of a representative of the Mexican Vendor, if so required at the discretion of the Mexican

Vendor. The Mexican Purchaser agrees to indemnify and save the Mexican Vendor harmless from and against all claims, demands, losses, actions and costs incurred or arising from or in any way directly related to the inspection of the Mexican Assets or the attendance of the Mexican Purchaser, its employees or agents.

7.7 Risk – Mexican Assets

The Mexican Assets shall be and remain at the risk of the Mexican Vendor until the Time of Closing on the Mexican Closing Date and at the risk of the Mexican Purchaser from and after the Time of Closing on the Mexican Closing Date. For greater certainty, all insurance policies held by the Mexican Vendor in respect of the Mexican Assets shall be terminated by the Mexican Vendor at the Time of Closing on the Mexican Closing Date and the Mexican Purchaser shall be obligated to obtain their own insurance in respect of the Mexican Assets forthwith from and after the Time of Closing on the Mexican Closing Date. If, prior to the Mexican Closing Date, the Mexican Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Mexican Purchaser may decline to complete the Mexican Transaction. Such option shall be exercised within 10 days after notification to the Mexican Purchaser by the Mexican Vendor of the occurrence of damage or destruction (or prior to the Mexican Closing Date if such occurrence takes place within 10 days of the Mexican Closing Date). If the Mexican Purchaser elects to decline to complete the Mexican Transaction, this Agreement, as it relates to the Mexican Transaction shall be terminated automatically and the Vendors shall have no liability or obligation hereunder with respect to the Mexican Assets. If the Mexican Purchaser does not exercise such option, they shall complete the Mexican Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Mexican Purchaser shall complete the Mexican Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this section, substantial damage or destruction shall be deemed to have occurred if the book value of the Mexican Assets which are destroyed or otherwise lost exceeds $[redacted] If any dispute arises under this Section as to whether damage or destruction is substantial, such dispute will be determined in accordance with Section 13 herein.

8. CONDITIONS PRECEDENT TO MONGOLIAN TRANSACTION

8.1 Conditions – Mongolian Purchaser

The obligation of the Mongolian Purchaser to complete the Mongolian Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing on the Mongolian Closing Date:

(a) All representations and warranties of the Mongolian Vendor contained in this Agreement shall be true as of the Mongolian Closing Date with the same effect as though made on and as of that date;

(b) The Mongolian Vendor shall have performed each of its obligations and covenants under this Agreement to the extent required to be performed with respect to the Mongolian Transaction on or before the Mongolian Closing Date;

(c) No action or proceeding having a reasonable likelihood of success shall be pending or threatened to restrain or prohibit the completion of the Mongolian Transaction contemplated by this Agreement;

(d) The Mongolian Purchaser shall have completed its due diligence related to the Mongolian Transaction and communicated such to the Vendors pursuant to Section 4.2(d); and

(e) The Canadian Transaction shall have closed.

The foregoing conditions are for the exclusive benefit of the Mongolian Purchaser. Any such condition may be waived by the Mongolian Purchaser in whole or in part. Any such waiver shall be binding on the Mongolian Purchaser only if made in writing.

8.2 Conditions – Mongolian Vendor

The obligation of the Mongolian Vendor to complete the Mongolian Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing on the Mongolian Closing Date:

(a) All representations and warranties of the Mongolian Purchaser contained in this Agreement shall be true as of the Mongolian Closing Date with the same effect as though made on and as of that date;

(b) The Mongolian Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed with respect to the Mongolian Transaction on or before the Mongolian Closing Date; and

(c) No action or proceeding having a reasonable likelihood of success shall be pending or threatened to restrain or prohibit the completion of the Mongolian Transaction contemplated by this Agreement.

The foregoing conditions are for the exclusive benefit of the Mongolian Vendor. Any such condition may be waived by the Mongolian Vendor in whole or in part. Any such waiver shall be binding on the Mongolian Vendor only if made in writing.

8.3 Mutual Conditions

The Mongolian Transaction and the obligations of the Mongolian Vendor and the Mongolian Purchaser hereunder as they relate to the Mongolian Transaction and the Mongolian Assets, are subject to the following conditions:

(a) The Approval and Vesting Order shall have been issued by the Court;

(b) The Approval and Vesting Order shall not have been stayed, appealed, varied or vacated, and no order of the Court shall have been issued which restrains or prohibits the completion of the Mongolian Transaction; and

(c) The Mongolian Purchaser and the Mongolian Vendor shall have agreed as to a mutually acceptable process or mechanism in compliance with Mongolian law to convey the Mongolian Assets to the Mongolian Purchaser, free and clear of all Encumbrances and of all rights of others, and any agreed conditions precedent to that process or mechanism shall have been satisfied.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Mongolian Vendor and the Mongolian Purchaser. Any such condition may be waived by agreement between the Mongolian Vendor and the Mongolian Purchaser, in whole or in part. Any such waiver shall be binding only if made in writing.

8.4 Non-Satisfaction of Conditions

If any condition set out in Sections 8.1, 8.2 or 8.3 is not satisfied or performed by the time specified therefor, the Party for whose benefit the condition is inserted may:

(a) In the case of Sections 8.2, or 8.3, waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or

(b) Elect on written notice to the other Party to terminate the Mongolian Transaction before the closing of the Mongolian Transaction.

8.5 Termination of the Mongolian Transaction

The Mongolian Transaction may be terminated at any time prior to the Mongolian Closing Date:

(a) By either the Mongolian Purchaser or the Mongolian Vendor:

(i) By mutual written agreement of the Mongolian Vendor and the Mongolian Purchaser;

(ii) Upon notice to the other if any of the Mongolian Purchaser or of the Mongolian Vendor is in material breach of its obligations and covenants under this Agreement and such breach is not remedied after five (5) days' notice of such breach to the breaching Party;

(iii) In accordance with Section 8.4(b);

(iv) If the Mongolian Purchaser validly declines to complete the Mongolian Transaction pursuant to the provisions of Section 9.7; or

(v) If the closing of the Mongolian Transaction has not occurred on or prior to February 15, 2013 in accordance with Section 9.1;

(b) By the Mongolian Vendor, if any condition set forth in Section 8.1 is not satisfied, unless the Mongolian Vendor is in material breach of its obligations under this Agreement resulting in such condition not being satisfied; and

(c) By the Mongolian Purchaser:

(i) if any condition set forth in Section 8.2 is not satisfied, unless the Mongolian Purchaser is in material breach of its obligations under this Agreement resulting in such condition not being satisfied; and

(ii) in accordance with Section 9.4.

If the Mongolian Transaction is terminated in the circumstances set out in this Section, all further obligations of the Parties under this Agreement which relate to the Mongolian Transaction will terminate and no Party will have any liability or further obligations hereunder relating to the Mongolian Transaction or the Mongolian Assets, expect for the provisions of: (a) Section 2.7(c) (Mongolian Deposit); (b) this Section 8.5; (c) and Sections 15.3 and 15.4.

9. CLOSING – MONGOLIAN TRANSACTION

9.1 Closing

The completion of the Mongolian Transaction shall take place on the Mongolian Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the Parties in writing.

9.2 Mongolian Purchaser's Deliveries on Closing

At or before the Time of Closing on the Mongolian Closing Date, the Mongolian Purchaser shall execute and deliver (or where applicable make payment) to the Mongolian Vendor the following, each of which shall be in form and substance satisfactory to the Mongolian Vendor, acting reasonably:

(a) The Mongolian Purchase Price less the Mongolian Deposit and all interest accrued thereon;

(b) Payment or evidence of payment of all applicable Taxes payable in connection with the Mongolian Transaction as required by Section 2.8;

(c) A certificate, dated the Mongolian Closing Date, confirming that all of the representations and warranties of the Mongolian Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Mongolian Closing Date;

(d) An acknowledgement dated the Mongolian Closing Date, that each of the conditions precedent in Sections 8.2 and 8.3 of this Agreement, if applicable, has been fulfilled, performed or waived as of the Closing Date; and

(e) Such further and other documentation as is referred to in this Agreement or as the Mongolian Vendor may reasonably require to give effect to this Agreement.

9.3 Mongolian Vendors' Deliveries on Closing

At or before the Time of Closing on the Mongolian Closing Date, the Mongolian Vendor shall execute and deliver to the Mongolian Purchaser the following, each of which shall be in form and substance satisfactory to the Mongolian Purchaser, acting reasonably:

(a) A certificate, dated the Mongolian Closing Date, confirming that all of the representations and warranties of the Mongolian Vendor contained in this Agreement are true as of the Mongolian Closing Date, with the same effect as though made on and as of the Mongolian Closing Date;

(b) An acknowledgement dated the Mongolian Closing Date, that each of the conditions precedent in Sections 8.1 and 8.3 of this Agreement has been fulfilled, performed or waived as of the Mongolian Closing Date;

(c) All conveyances, deeds of transfer, bills of sale, assignments and transfers (including, among others, all documents necessary or required to transfer all registrations related to the Mongolian Assets with any applicable Governmental Authority) duly executed by the Mongolian Vendor that are reasonably required to transfer the Mongolian Assets to the Mongolian Purchaser in customary form free and clear of all Encumbrances and of all rights of others (and where applicable in recordable form) consistent with Section 2.3;

(d) The Mongolian Ownership and Maintenance Documents; and

(e) Such further and other documentation as is referred to in this Agreement or as the Mongolian Purchaser may reasonably require to give effect to this Agreement.

9.4 Failure to fulfill the Mongolian Conditions

If the Mongolian Conditions are not fulfilled on or before February 15, 2013, then the Mongolian Purchaser will be entitled to terminate this Agreement as it relates to the Mongolian Transaction in accordance with Section 8.5(a)(iii) by written notice to the Mongolian Vendor, the Monitor and the Escrow Agent, and upon such termination notice being given to the Escrow Agent by the Mongolian Purchaser the Mongolian Deposit, and all interest, income and earnings thereon, will be returned and paid to the Mongolian Purchaser by the Escrow Agent within three (3) Business Days after the receipt of the Mongolian Purchaser's notice described above.

9.5 Possession of the Mongolian Assets

The Mongolian Vendor shall remain in possession of the Mongolian Assets until the Time of Closing on the Mongolian Closing Date. At the Time of Closing on the Mongolian Closing Date, the Mongolian Purchaser shall take possession of the Mongolian Assets wherever situate. The Mongolian Purchaser acknowledges that the Mongolian Vendor has no obligation to deliver physical possession of the Mongolian Assets to the Mongolian Purchaser. In no event shall the Mongolian Assets be sold, assigned, transferred or set over to the Mongolian Purchaser until any conditions set out in the Approval and Vesting Order have been satisfied or waived and the Mongolian Purchaser has satisfied all delivery requirements outlined in Section 9.2.

9.6 Access to Mongolian Assets

The Mongolian Purchaser may have reasonable access to the Mongolian Assets during normal business hours prior to the Time of Closing on the Mongolian Closing Date for the purpose of enabling the Mongolian Purchaser to conduct such non-destructive, non-invasive inspections of the Mongolian Assets as it deems appropriate. Such inspection shall only be conducted in the presence of a representative of the Mongolian Vendor, if so required at the discretion of the Mongolian Vendor. The Mongolian Purchaser agrees to indemnify and save the Mongolian Vendor harmless from and against all claims, demands, losses, actions and costs incurred or arising from or in any way directly related to the inspection of the Mongolian Assets or the attendance of the Mongolian Purchaser, their respective employees or agents.

9.7 Risk – Mongolian Assets

The Mongolian Assets shall be and remain at the risk of the Mongolian Vendor until the Time of Closing on the Mongolian Closing Date and at the risk of the Mongolian Purchaser from and after the Time of Closing on the Mongolian Closing Date. For greater certainty, all insurance policies held by the Mongolian Vendor in respect of the Mongolian Assets shall be terminated by the Mongolian Vendor at the Time of Closing on the Mongolian Closing Date and the Mongolian Purchaser shall be obligated to obtain their own insurance in respect of the Mongolian Assets forthwith from and after the Time of Closing on the Mongolian Closing Date. If, prior to the Mongolian Closing, the Mongolian Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Mongolian Purchaser may decline to complete the Mongolian Transaction. Such option shall be exercised within 10 days after notification to the Mongolian Purchaser by the Mongolian Vendor of the occurrence of damage or destruction (or prior to the Mongolian Closing Date if such occurrence takes place within 10 days of the Mongolian Closing Date). If the Mongolian Purchaser elects to decline to complete the Mongolian Transaction, this Agreement, as it relates to the Mongolian Transaction shall be terminated automatically and the Mongolian Vendor shall have no liability or obligation hereunder with respect to the Mongolian Assets. If the Mongolian Purchaser does not exercise such option, they shall complete the Mongolian Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Mongolian Purchaser shall complete the Mongolian Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this section substantial damage or destruction shall be deemed to have occurred if the book value of the Mongolian Assets which are destroyed or otherwise lost exceeds $[redacted] If any dispute arises under this Section as to whether damage or destruction is substantial, such dispute will be determined in accordance with Section 13 herein.

10. CONDITIONS PRECEDENT TO TOREX TRANSACTION

10.1 Conditions – Mexican Purchaser

The obligation of the Mexican Purchaser to complete the Torex Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing on the Torex Closing Date:

(a) All representations and warranties of the Mexican Vendor contained in this Agreement shall be true as of the Torex Closing Date with the same effect as though made on and as of that date;

(b) The Mexican Vendor shall have performed each of its obligations and covenants under this Agreement to the extent required to be performed with respect to the Torex Transaction on or before the Torex Closing Date;

(c) No action or proceeding having a reasonable likelihood of success shall be pending or threatened to restrain or prohibit the completion of the Torex Transaction contemplated by this Agreement;

(d) The Mexican Purchaser shall have completed its due diligence related to the Torex Transaction and communicated such to the Vendors pursuant to Section 4.2(c);

(e) The Mexican Transaction shall be scheduled to close contemporaneously with the Torex Transaction or shall have already closed; and

(f) The Torex Assets shall have been delivered to the location of the Mexican Purchaser's business in Hermosilo, Mexico.

The foregoing conditions are for the exclusive benefit of the Mexican Purchaser. Any such condition may be waived by the Mexican Purchaser in whole or in part. Any such waiver shall be binding on the Mexican Purchaser only if made in writing.

10.2 Conditions – Mexican Vendor

The obligation of the Mexican Vendor to complete the Torex Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing on the Torex Closing Date:

(a) All representations and warranties of the Mexican Purchaser contained in this Agreement shall be true as of the Torex Closing Date with the same effect as though made on and as of that date;

(b) The Mexican Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed with respect to the Torex Transaction on or before the Torex Closing Date; and

(c) No action or proceeding having a reasonable likelihood of success shall be pending or threatened to restrain or prohibit the completion of the Torex Transaction contemplated by this Agreement.

The foregoing conditions are for the exclusive benefit of the Mexican Vendor. Any such condition may be waived by the Mexican Vendor in whole or in part. Any such waiver shall be binding on the Mexican Vendor only if made in writing.

10.3 Mutual Conditions

The Torex Transaction and the obligations of the Mexican Vendor and the Mexican Purchaser hereunder as they relate to the Torex Transaction and the Torex Assets, are subject to the conditions that:

(a) The Approval and Vesting Order shall have been issued by the Court;

(b) The Approval and Vesting Order shall not have been stayed, appealed, varied or vacated, and no order of the Court shall have been issued which restrains or prohibits the completion of the Torex Transaction;

(c) Either the Mexican Order shall have been issued by the applicable court of Mexico or the Mexican Purchaser and the Mexican Vendor shall have agreed as to a mutually acceptable process or mechanism to convey the Torex Assets to the Mexican Purchaser free and clear of all Encumbrances and of all rights of others and any agreed conditions precedent to that process or mechanism shall have been satisfied; and

(d) If applicable, the Mexican Order shall not have been stayed, appealed, varied or vacated, and no order of any Mexican court shall have been issued which restrains or prohibits the completion of the Torex Transaction.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Mexican Vendor and the Mexican Purchaser. Any such condition may be waived by agreement between the Mexican Vendor and the Mexican Purchaser, in whole or in part. Any such waiver shall be binding only if made in writing.

10.4 Non-Satisfaction of Conditions

If any condition set out in Sections 10.1, 10.2 or 10.3 is not satisfied or performed by the time specified therefor, the Party for whose benefit the condition is inserted may:

(a) In the case of Sections 10.1, 10.2, 10.3(b) or 10.3(d), waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or

(b) Elect on written notice to the other Party to terminate this Agreement before the closing of the Torex Transaction.

10.5 Termination of the Torex Transaction

The Torex Transaction may be terminated at any time prior to the Torex Closing Date:

(a) By either the Mexican Purchaser or the Mexican Vendor:

(i) By mutual written agreement of the Mexican Vendor and the Mexican Purchaser;

(ii) Upon notice to the other if any of the Mexican Purchaser or of the Mexican Vendor is in material breach of its obligations and covenants under this Agreement and such breach is not remedied after five (5) days' notice of such breach to the breaching Party

(iii) In accordance with Sections 10.4(b);

(iv) If the Mexican Purchaser validly declines to complete the Torex Transaction pursuant to the provisions of Section 11.7; or

(v) If the closing of the Torex Transaction has not occurred on or prior to February 15, 2013;

(b) By the Mexican Vendor, if any condition set forth in Section 10.1 is not satisfied, unless the Mexican Vendor is in material breach of its obligations under this Agreement resulting in such condition not being satisfied;

(c) By the Mexican Vendor for any reason upon 3 Business Days' written notice, provided that the Torex Deposit, and all interest, income and earnings thereon, will be immediately returned and paid to the Mexican Purchaser by the Escrow Agent upon receipt of such termination notice; and

(d) By the Mexican Purchaser:

(i) if any condition set forth in Section 10.2 is not satisfied, unless the Mexican Purchaser is in material breach of its obligations under this Agreement resulting in such condition not being satisfied; and

(ii) in accordance with Section 11.5;

If the Torex Transaction is terminated in the circumstances set out in this Section, all further obligations of the Parties under this Agreement which relate to the Torex Transaction will terminate and no Party will have any liability or further obligations hereunder relating to the Torex Transaction or the Torex Assets, expect for the provisions of: (a) Section 2.7(d) (Torex Deposit); (b) this Section 10.5; (c) and Sections 15.3 and 15.4.

11. CLOSING – TOREX TRANSACTION

11.1 Closing

The completion of the Torex Transaction shall take place on the Torex Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the Parties in writing.

11.2 Mexican Purchaser's Deliveries on Closing

At or before the Time of Closing on the Torex Closing Date, the Mexican Purchaser shall execute and deliver (or where applicable make payment) to the Mexican Vendor the following, each of which shall be in form and substance satisfactory to the Mexican Vendor, acting reasonably:

(a) The Torex Purchase Price less the Torex Deposit and all interest accrued thereon;

(b) Payment or evidence of payment of all applicable Taxes payable in connection with the Torex Transaction as required by Section 2.8;

(c) A certificate, dated the Torex Closing Date, confirming that all of the representations and warranties of the Mexican Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Torex Closing Date;

(d) An acknowledgement dated the Torex Closing Date, that the Torex Conditions and each of the conditions precedent in Sections 10.2 and 10.3 of this Agreement, if applicable, has been fulfilled, performed or waived as of the Torex Closing Date; and

(e) Such further and other documentation as is referred to in this Agreement or as the Mexican Vendor may reasonably require to give effect to this Agreement.

11.3 Mexican Vendor's Deliveries on Closing

At or before the Time of Closing on the Torex Closing Date, the Mexican Vendor shall execute and deliver to the Mexican Purchaser the following, each of which shall be in form and substance satisfactory to the Mexican Purchaser, acting reasonably:

(a) A certificate, dated the Torex Closing Date, confirming that all of the representations and warranties of the Mexican Vendor contained in this Agreement are true as of the Torex Closing Date, with the same effect as though made on and as of the Torex Closing Date;

(b) An acknowledgement dated the Torex Closing Date, that the Torex Conditions and each of the conditions precedent in Sections 10.1 and 10.3 of this Agreement has been fulfilled, performed or waived as of the Torex Closing Date;

(c) All conveyances, deeds of transfer, bills of sale, assignments and transfers (including, among others, all documents necessary or required to transfer all registrations related to the Torex Assets with any applicable Governmental Authority) duly executed by the Mexican Vendor that are reasonably required to transfer the Torex Assets to the Mexican Purchaser in customary form free and clear of all Encumbrances and of all rights of others (and where applicable in recordable form) consistent with Section 2.3;

(d) The Torex Ownership and Maintenance Documents; and

(e) Such further and other documentation as is referred to in this Agreement or as the Mexican Purchaser may reasonably require to give effect to this Agreement.

11.4 Failure to fulfill the Torex Conditions

If the Torex Conditions are not fulfilled on or before February 15, 2013, then the Mexican Purchaser will be entitled to terminate this Agreement as it relates to the Torex Transaction in accordance with Section 10.5(a)(v), and upon notice being given by the Mexican Purchaser to the Escrow Agent the Torex Deposit, and all interest, income and earnings thereon, will be returned and paid to the Mexican Purchaser by the Escrow Agent within three (3) Business Days after the receipt of the Mexican Purchaser's notice described in above.

11.5 Possession of the Torex Assets

The Mexican Vendor shall remain in possession of the Torex Assets until the Torex Closing Date. On the Torex Closing Date, the Mexican Purchaser shall take possession of the Torex Assets at the Mexican Purchaser's place of business in Hermosilo, Mexico. In no event shall the Torex Assets be sold, assigned, transferred or set over to the Mexican Purchaser until any conditions set out in the Approval and Vesting Order and the Mexican Order, if any, have been satisfied or waived and the Mexican Purchaser has satisfied all delivery requirements outlined in Section 11.2.

11.6 Access to Torex Assets

The Mexican Purchaser may have reasonable access to the Torex Assets during normal business hours prior to the Time of Closing on the Torex Closing Date for the purpose of enabling the Mexican Purchaser to conduct such non-destructive, non-invasive inspections of the Torex Assets as it deems appropriate. Such inspection shall only be conducted in the presence of a representative of the Mexican Vendor, if so required at the discretion of the Mexican Vendor. The Mexican Purchaser agrees to indemnify and save the Mexican Vendor harmless from and against all claims, demands, losses, actions and costs incurred or arising from or in any way directly related to the inspection of the Torex Assets or the attendance of the Mexican Purchaser, its employees or agents.

11.7 Risk – Torex Assets

The Torex Assets shall be and remain at the risk of the Mexican Vendor until the Time of Closing on the Torex Closing Date and at the risk of the Mexican Purchaser from and after the

Time of Closing on the Torex Closing Date. For greater certainty, all insurance policies held by the Mexican Vendor in respect of the Torex Assets shall be terminated by the Vendors at the Time of Closing on the Torex Closing Date and the Mexican Purchaser shall be obligated to obtain their own insurance in respect of the Torex Assets forthwith from and after the Time of Closing on the Torex Closing Date. If, prior to the Torex Closing, the Torex Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Mexican Purchaser may decline to complete the Torex Transaction. Such option shall be exercised within 10 days after notification to the Mexican Purchaser by the Mexican Vendor of the occurrence of damage or destruction (or prior to the Torex Closing Date if such occurrence takes place within 10 days of the Torex Closing Date). If the Mexican Purchaser elects to decline to complete the Torex Transaction, this Agreement, as it relates to the Torex Transaction shall be terminated automatically and the Mexican Vendor shall have no liability or obligation hereunder with respect to the Torex Assets. If the Mexican Purchaser does not exercise such option, they shall complete the Torex Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Mexican Purchaser shall complete the Torex Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this section substantial damage or destruction shall be deemed to have occurred if the book value of the Torex Assets which are destroyed or otherwise lost exceeds $[redacted]. If any dispute arises under this Section as to whether damage or destruction is substantial, such dispute will be determined in accordance with Section 13 herein.

12. RELATION BETWEEN TRANSACTIONS

Except as provided in this Agreement, each of the Canadian Transaction, the Mexican Transaction, the Mongolian Transaction and the Torex Transaction shall be deemed to be a separate and distinct transaction. Except for the closing of the Canadian Transaction which is a condition precedent to the Mexican Transaction, the Mongolian Transaction and the Torex Transaction for the benefit of the Mexican Purchaser and the Mongolian Purchaser, as the case may be, the termination of any of the Canadian Transaction, the Mexican Transaction, the Mongolian Transaction or the Torex Transaction by any of the Parties shall not affect the right of the other Parties to complete any of the other transactions. For greater certainty, in the event that the Canadian Transaction is terminated, the Mexican Purchaser and the Mongolian Purchaser shall have the right to terminate the Mexican Transaction, the Mongolian Transaction or the Torex Transaction upon written notice within 5 Business Days of the Canadian Purchaser's termination notice given pursuant to Section 5.5, as applicable, and (unless such termination occurs solely as a result of the applicable Purchaser's failure to perform any of its obligations hereunder) upon such termination the Mexican Deposit, the Mongolian Deposit and Torex Deposit, and all interest thereon, will be returned and paid to the Mexican Purchaser and the Mongolian Purchaser by the Escrow Agent within three (3) Business Days after the termination of the Canadian Transaction as provided above.

13. DISPUTE RESOLUTION

If any dispute arises with respect to any matter related to the Transactions, such dispute will be determined by the Court, or by such other person or in such other manner as the Court may direct.

14. COVENANTS

14.1 The Vendors covenant as follows, and acknowledge and confirm that each of the Purchasers is relying upon such covenants in connection with the purchase of the Assets contemplated by this Agreement:

(a) Conduct of Business. Except as contemplated by this Agreement or with the prior written consent of the Purchasers, which consent will not be unreasonably withheld or delayed, up until the Assets are transferred to the Purchasers in accordance with this Agreement, the Vendors shall:

(i) subject to the CCAA Proceedings and the Initial Order, operate the business in the ordinary course of business consistent with past practices and industry norms;

(ii) take commercially reasonable actions to ensure that the Vendors' representations and warranties herein contained will remain true and correct as at the closing of each transaction, with the same force and effect as if such representations and warranties were made as of the Time of Closing of each such transaction;

(iii) promptly advise the Purchasers of any facts that come to the Vendors' attention that would cause any of the Vendors' representations and warranties herein contained to be untrue in any respect;

(iv) take commercially reasonable actions to maintain all of the Assets in the Vendors' possession or control in substantially the same condition as they now exist, ordinary wear and tear excepted; provided that the Vendors may continue to use inventory in the ordinary course consistent with past practices and industry norms;

(v) maintain, repair and operate all of the Assets in good working order in accordance with past practices and industry norms; and

(vi) provide all documents that may be required to proceed with the transfer of all registrations, related to the Assets with all Governmental Authorities.

(b) Mongolian Payables. Following the closing of the Mongolian Transaction, the Mongolian Vendor shall use the Mongolian Purchase Price to first pay all Mongolian Payables outstanding as of the Time of Closing on the Mongolian Closing Date.

(c) Torex Inventory. Within 14 calendar days of the date hereof, the Monitor will provide the Purchasers with a revised Initial Inventory List, determined based on the values and methodology used in the preparation of the Initial Inventory List, which shall indicate which items of Inventory in the "Mexico" tab of the Initial Inventory List are Torex Assets and which are Mexico Assets. The Initial Inventory List shall remain unchanged in all other respects. For greater clarity, the

Initial Inventory List, as revised by this provision, shall be used as the basis for any Purchase Price adjustments pursuant to Section 2.9 hereof.

14.2 The Purchasers covenant as follows, and acknowledge and confirm that each of the Vendors is relying upon such covenants in connection with the purchase of the Assets contemplated by this Agreement:

(a) Conduct of Purchasers. Except as contemplated by this Agreement or with the prior written consent of the Vendors, which consent will not be unreasonably withheld or delayed, up until the Assets are transferred to the Purchasers in accordance with this Agreement, the Purchasers shall:

(i) take commercially reasonable actions to ensure that the Purchasers' representations and warranties herein contained will remain true and correct as at the closing of each transaction, with the same force and effect as if such representations and warranties were made as of the Time of Closing of each such transaction; and

(ii) promptly advise the Vendors of any facts that come to the Purchasers' attention that would cause any of the Purchasers' representations and warranties herein contained to be untrue in any respect.

15. GENERAL

15.1 Further Assurances

Each of the Parties shall, from time to time after the Applicable Closing Dates, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement, including executing such further documents or taking such further actions, as may be required to commence and complete any of the proceedings contemplated in Section 4.3 of this Agreement. The Parties acknowledge that following the date hereof, the Monitor or an affiliate of the Monitor may be appointed by the Court as receiver in respect of the Assets of the Vendors, and in such event the Parties agree to, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

15.2 Public Notices

The Vendors will be entitled to disclose this Agreement and all information provided by the Purchasers in connection herewith to the Court, the Monitor, and parties in interest to the CCAA Proceedings. Other than statements made in the Court, the Vendors and the Purchaser shall not issue any press release or make any public statement or public communication with respect to this Agreement or the Transactions without the prior written consent of the other Party, which will not be unreasonably withhold or delayed; provided, however, that any Party may, without such consent, make such disclosure if the same is required by applicable law (including the CCAA Proceedings) or by any other court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its affiliates, and if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. The Parties further agree that the Monitor may prepare and file reports and other documents with the Court containing references to the Transactions and the terms of such transactions.

15.3 Expenses

Except as otherwise specifically provided herein, each of the Vendors and the Purchasers shall be responsible for the expenses (including fees and expenses of legal advisers, accountants and other professional advisers) incurred by them, respectively, in connection with the negotiation and settlement of this Agreement and the completion of the transactions contemplated hereby.

15.4 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax, addressed in the case of the Purchasers, as follows:

Major Drilling Group International Inc.
111 St. George Street
Suite 200
Moncton, NB E1C 1T7

Attention:	James A. Gibson
Telephone No.:	506-859-7669
Fax No.:	506-857-9211

With a copy to:

McCarthy Tétrault LLP
1000 de La Gauchetière St. W., Suite 2500
Montreal, Quebec H3B 0A2

Attention: Philippe Fortier
Facsimile No.: (514) 875-6246

and in the case of the Vendors as follows:

Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Vendors
The Fortis Building
139 Water Street
7th Floor
St. John's, Nfld A1C 1B2

Attention: Paul D. Hickey
Telephone No.: 709-570-5404
Fax No.: 709-726-0345

Any such notice or other communication, if given by personal delivery on a Business Day, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax before 5:00 p.m. (Moncton time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by fax after 5:00 p.m. (Moncton time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

15.5 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the applicable Vendor and Purchaser and approved by the Court as required.

15.6 Currency

All references herein to money amounts are in Canadian currency, unless expressly specified otherwise.

15.7 Survival

The representations and warranties of the Parties hereto contained in this Agreement shall survive Closing.

15.8 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns, pursuant to the terms and conditions of this Agreement, including any Receiver(s) and/or receiver and manager(s) appointed over the Assets or any portion thereof.

15.9 Entire Agreement

This Agreement and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written agreement executed by the Parties.

15.10 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the Transactions or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

15.11 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement or such document, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

15.12 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of New Brunswick. Notwithstanding the foregoing, any and all documents or orders that may be filed, made or entered in the CCAA Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the CCAA, without regard to the conflicts of law principles thereof. The Parties consent to the jurisdiction and venue of the CCAA Court for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement.

15.13 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail or facsimile of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

The Parties have executed this Agreement.

ERNST & YOUNG INC., IN ITS CAPACITY AS THE COURT-APPOINTED MONITOR OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY, FOR AND ON BEHALF OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC

By: ______________________

Name: Paul D Hickey CA·CIRP
Title: Senior Vice President

MAJOR DRILLING GROUP INTERNATIONAL INC.

By: ______________________

Name:
Title:

By: ______________________

Name:
Title:

MAJOR DRILLING DE MEXICO SA DE CV

By: ______________________

Name:
Title:

By: ______________________

Name:
Title:

The Parties have executed this Agreement.

ERNST & YOUNG INC., IN ITS CAPACITY AS THE COURT-APPOINTED MONITOR OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY, FOR AND ON BEHALF OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC

By: ______________________________

Name:

Title:

MAJOR DRILLING GROUP INTERNATIONAL INC.

By: ______________________________

Name: Francis McGuire

Title: President and CEO

By: ______________________________

Name: Denis Larocque

Title: Chief Financial Officer

MAJOR DRILLING DE MEXICO SA DE CV

By: ______________________________

Name: Francis McGuire

Title: President and Director

By: ______________________________

Name: Denis Larocque

Title: Secretary and Director

MAJOR DRILLING MONGOLIA XXK

By: ____________________________
Name: Francis McGuire
Title: Deputy Managing Director

By: ____________________________
Name: Denis Larocque
Title: Deputy Managing Director

Schedule A

Assets

Schedule A-1

Schedule A-1
CANADA
Asset Purchase Agreement
Listing of assets subject to APA

Drill #	Assets	Original Manufacturer	Description	Licence	Serial #	Location
	Drills (Includes Accessories like Rod Handlers, Drill & Fly Shacks)					
Rig - 13	LEM - 2500	Usinage Marcotte	n/a	n/a		GOGAMA, ON
Rig - 14	LEM - 2500	Usinage Marcotte	n/a	n/a		NDDN, QC
Rig - 17	LEM - 1500 - V	Orbit Garant	n/a	n/a		WABUSH, NL
DRILL SHACK	Drill Shack - Rig #17	n/a	n/a	n/a		
Rig - 18	LEM - 1500 - V	Orbit Garant	n/a	n/a		GOGAMA, ON
DRILL SHACK	Drill Shack - Rig #18	n/a	n/a	n/a		
Rig - 19	LEM - 1500 - V	Orbit Garant	n/a	n/a		NDDN, QC
DRILL SHACK	Drill Shack - Rig #19	n/a	n/a	n/a		
Rig - 20	LEM - 2500	Usinage Marcotte	n/a	n/a		WABUSH, NL
Rig - 23	LEM - 2500	Usinage Marcotte	n/a	n/a		DETOUR LAKE, ON
Rig - 24	LEM - 2500	Usinage Marcotte	HTM 2500 Drill with JD engine (FML#1)	n/a	RG66466A347227	NDDN, QC
Rig - 25	LEM - 2500	Usinage Marcotte	Marcotte Model 2500 drill	n/a	RG6081A173601	GOGAMA, ON
Rig - 26	LEM - 2500	Usinage Marcotte	Marcotte Model 2500 drill, with Cummings engine model 5.9	n/a	46752892	NDDN, QC
Rig - 27	LEM - B25	JKS Boyles (bought by Atlas Copco)	Boyles BBS Drill	n/a	SL912	NDDN, QC
Rig - 28	LEM - 2500	Usinage Marcotte	Marcotte Model 2500 drill, with Cummings engine model 8.3	n/a	46681282	NDDN, QC
Rig - 29	LEM - 2500	Usinage Marcotte	Marcotte Model 2500 drill rig, with Cummings diesel model 5.9	n/a	46807865	DETOUR LAKE, ON
Rig - 34	LEM - 1500	Forage Val Dor		n/a	90802	GOGAMA, ON
Rig - 36	LEM - 36 Auger	Acker	Acker soil sentry all hydraulic drill	n/a	79081084	MONCTON, NB
Rig - 37	LEM - 500 Ply	Coastal Hydraulics (?)	2008 Duralite 500N heliportable drill	n/a		NDDN, QC
REPAIRS (Rig 37)	Drill Shacks REPAIRS	n/a	n/a	n/a		
REPAIRS (Rig 37)	Supply Pump and Water Heater Combo - Dril #37	n/a	n/a	n/a	n/a	
Rig - 42	LEM - A5	Mitchell's Drilling Equipment Ltd	Zinex, Model A5 Diamond Drill (B20 head)	n/a	n/a	WABUSH, NL
Rig - 43	LEM - A5	Mitchell's Drilling Equipment Ltd	Zinex, Model A5 Diamond Drill (B20 head)	n/a	n/a	NDDN, QC
Rig - 44	LEM - A5	Mitchell's Drilling Equipment Ltd	Zinex, Model A5 Diamond Drill (B20 head)	n/a	n/a	WABUSH, NL
SKID PLATFORM	Construction of a skid platform for Rig 44			n/a	n/a	
Rig - 45	LEM - 2000 Fly			n/a	n/a	NDDN, QC
DRILL SHACK	Drill shack for rig 35			n/a	n/a	
Rig - 46	LEM - 2500		Duralite 1000N / P Drillehead	n/a	n/a	WABUSH, NL
Rig - 56	HTM-2500		HTM 2500 W/PQ HEADE	n/a	n/a	GOGAMA, ON
Rig - 61	LEM - A5 Fly		A5 Diamond Drill complete with Isuzu Engine, B20 Head, Synchronized Footclamp, Wireless Spool, Mud tanker and Mud Mixer etc			NDDN, QC
Rig - 62	LEM - A5 Fly		A5 Diamond Drill complete with Isuzu Engine, B20 Head, Synchronized Footclamp, Wireless Spool, Mud tanker and Mud Mixer etc			NDDN, QC
	Rod Handler		UM HTM2500	n/a	n/a	
Rig - 65	LEM - Rotary RC 450		2011 - Rotary RC Drill - T450GT		J104-0149	DETOUR LAKE, ON
REPAIRS (Rig 65)	Winch Added to RC Drill			n/a	n/a	
	Drill Support Equipment (Sloops, Pumps, Pump Shacks, Tanks, Containers, Generators, Heaters, Welders, Transformers, Camps, Radios etc)					
CAMP	Camps					NDDN, QC
CAMP	Portable Mobile Camp #1		Camp -#1	n/a	n/a	NDDN, QC
CAMP	Portable Mobile Camp #2		Camp -#2	n/a	n/a	NDDN, QC
CAMP	(2) 45 ft Portable Camp		Camp -#3&4	n/a	n/a	NDDN, QC
CAMP	(2] 45ft Portable Sleep Camps		Camp -#5&6	n/a	n/a	NDDN, QC
CAMP	Tents		Tents	n/a	n/a	NDDN, QC
CAMP	Camp de Survie			n/a	n/a	NDDN, QC
CONTAINER	Sea Containers 20'			n/a	n/a	NDDN, QC
CONTAINER	4X8 Sludge container			n/a	n/a	NDDN, QC
CONTAINER	40 ft Container (turning this into a sloop for Moncton)			n/a	n/a	NDDN, QC
CONTAINER	20 ft Container			n/a	n/a	NDDN, QC
CONTAINER	40ft Container			n/a	n/a	NDDN, QC
CONTAINER	20ft Container			n/a	n/a	NDDN, QC
CONTAINER	20ft Container			n/a	n/a	NDDN, QC
CONTAINER	20ft Container			n/a	n/a	NDDN, QC
CONTAINER	20ft Container			n/a	n/a	NDDN, QC
CONTAINER	Tubular Containers		Containers for Rods	n/a	n/a	NDDN, QC
CONTAINER	Tubular Containers			n/a	n/a	NDDN, QC
CONTAINER	Tubular Containers			n/a	n/a	NDDN, QC
CONTAINER	Tubular Containers			n/a	n/a	NDDN, QC
CONTAINER	Tubular Containers			n/a	n/a	NDDN, QC
CONTAINER	Tubular Containers			n/a	n/a	NDDN, QC
CONTAINER	Tubular Containers			n/a	n/a	NDDN, QC
CONTAINER	40 Ft Container			n/a	n/a	NDDN, QC
CONTAINER	2 X 20ft Container			n/a	n/a	NDDN, QC
CORE SHACK	Mobile Core Shack		Shack	n/a	n/a	NDDN, QC
DRY	Dry		Dry	n/a	n/a	NDDN, QC
FILTER	Poly Drill Filter			n/a	n/a	NDDN, QC
FILTER	Filter Pack - Poly Drill Filter Box w/ vibrator, pump & Endless Bag		Poly drill filter box with vibrator, pump and endless bag	n/a	n/a	NDDN, QC
Fly Shack	Duralite Fly Shack			n/a	n/a	NDDN, QC
FUEL TANK	Fuel tank 500 gallon			n/a	n/a	NDDN, QC
FUEL TANK	Fuel tank 500 gallon			n/a	n/a	NDDN, QC

Drill #	Assets	Original Manufacturer	Description	Licence	Serial #	Location
FUEL TANK	Skid Mount Fuel Tank 2500 litre			n/a	n/a	NDDN, QC
FUEL TANK	Skid Mount Fuel Tank 2500 litre			n/a	n/a	NDDN, QC
FUEL TANK	Skid Mount Fuel Tank 2500 litre			n/a	n/a	NDDN, QC
FUEL TANK	Skid Mount Fuel Tank 2500 litre			n/a	n/a	NDDN, QC
FUEL TANK	Skid mount fuel cube C/W electric pump			n/a	n/a	NDDN, QC
FUEL TANK	4x8 Fuel container			n/a	n/a	NDDN, QC
FUEL TANK	Fuel Tank			n/a	n/a	NDDN, QC
FUEL TANK	Fuel Tank			n/a	n/a	NDDN, QC
FUEL TANK	Fuel Tank for stove			n/a	n/a	NDDN, QC
FUEL TANK	Fuel Tank			n/a	n/a	NDDN, QC
FUEL TANK	Mobile Fuel Tank		1000 Gallons Mobile Fuel Tank, Gasboy 18GMP 12 Volt	n/a	n/a	NDDN, QC
FUEL TANK	Fuel Tank			n/a	n/a	NDDN, QC
FUEL TANK	Fuel Tank			n/a	n/a	NDDN, QC
FUEL TANK	Fuel Tank		1001 Gallons Mobile Fuel Tank, CAN/ CGBS 43.146-2002	n/a	n/a	NDDN, QC
FUEL TANK	Fuel Tank		1002 Gallons Mobile Fuel Tank, CAN/ CGBS 43.146-2002	n/a	n/a	NDDN, QC
FUEL TANK	Fuel Tank		1003 Gallons Mobile Fuel Tank, CAN/ CGBS 43.146-2002	n/a	n/a	NDDN, QC
GENERATOR	Diesel Generator Flyght			n/a	n/a	NDDN, QC
GENERATOR	Diesel Generator Flyght			n/a	n/a	NDDN, QC
GENERATOR	Diesel Generator Flyght			n/a	n/a	NDDN, QC
GENERATOR	Cat Generator, 50 KVA		Generator-#1	n/a	n/a	NDDN, QC
GENERATOR	Cat it is a DELCO, 90 KVA		Generator-#2	n/a	n/a	NDDN, QC
GENERATOR	Cummings generator 125 KVA		Generator-#3	n/a	n/a	NDDN, QC
GENERATOR	Generator			n/a	n/a	NDDN, QC
GENERATOR	Generator			n/a	n/a	NDDN, QC
GENERATOR	Generator			n/a	n/a	NDDN, QC
GENERATOR	Generator			n/a	n/a	NDDN, QC
GENERATOR	Gas Generator 5500 Watts			n/a	n/a	NDDN, QC
GENERATOR	Yanmar Generator 3700W		Yanmar Generator 3700W	n/a	M16419//EA0999	NDDN, QC
GENERATOR	Yanmar Generator 3700W		Yanmar Generator 3700W	n/a	M16420//EA1000	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater large			n/a	n/a	NDDN, QC
HEATER	Coil Heater large			n/a	n/a	NDDN, QC
HEATER	Coil Heater large			n/a	n/a	NDDN, QC
HEATER	Portable Heater Aerotech Arcticmaster 200			n/a	n/a	NDDN, QC
HEATER	Portable Heater Aerotech Arcticmaster 201			n/a	n/a	NDDN, QC
HEATER	Portable Heater Aerotech Arcticmaster 202			n/a	n/a	NDDN, QC
HEATER	Portable Heater Aerotech Arcticmaster 203			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	Coil Heater			n/a	n/a	NDDN, QC
HEATER	2 Camp Heaters			n/a	n/a	NDDN, QC
HEATER	Camp Heater			n/a	n/a	NDDN, QC
HEATER	Heating System for Pump Shack		Recuperateur de chaleur	n/a	n/a	NDDN, QC
HEATER	Coil Heater for Pump Shack		Coil Heater for Pump Shack	n/a	n/a	NDDN, QC
HEATER	Coil Heater for Pump Shack		Coil Heater for Pump Shack	n/a	n/a	NDDN, QC
HEATER	Coil Heater for Pump Shack		Coil Heater for Pump Shack	n/a	n/a	NDDN, QC
HEATER	Coil Heater for Pump Shack		Coil Heater for Pump Shack	n/a	n/a	NDDN, QC
HEATER	Coil Heater for Pump Shack		Coil Heater for Pump Shack	n/a	n/a	NDDN, QC
HEATER	Coil Heater for Pump Shack		Coil Heater for Pump Shack	n/a	n/a	NDDN, QC
HEATER	Coil Heater for Pump Shack		Coil Heater for Pump Shack	n/a	n/a	NDDN, QC
HEATER	Coil Heater for Pump Shack		Coil Heater for Pump Shack	n/a	n/a	NDDN, QC
HEATER	Deisel Fuel Heater			n/a	n/a	NDDN, QC
HEATER	Deisel Fuel Heater			n/a	n/a	NDDN, QC
MISC	Torches & hoses			n/a	n/a	NDDN, QC
MISC	Tractor blade racks			n/a	n/a	NDDN, QC
MISC	NQ Bowen Spear and Grapple			n/a	n/a	NDDN, QC
MISC	2 8" Snowboats			n/a	n/a	NDDN, QC
MUD TANK	Mud Tank 10' x 20' x 4' - 4800 Imp Gallon			n/a	n/a	NDDN, QC
MUD TANK	Mud Tank 10' x 20' x 4' - 4800 Imp Gallon			n/a	n/a	NDDN, QC
MUD TANK	Mud Tank 8' x 20' x 3' - 2900 Imp Gallon			n/a	n/a	NDDN, QC
MUD TANK	Mud Tank 8' x 20' x 3' - 2900 Imp Gallon			n/a	n/a	NDDN, QC
PUMP	Pump Brahma Bare			n/a	n/a	NDDN, QC
PUMP	Boyles Diesel Pump			n/a	n/a	NDDN, QC
PUMP	Emsco Dupl.ex pump and mud system			n/a	n/a	NDDN, QC
PUMP	Water pump drive assembly deutz diesel			n/a	n/a	NDDN, QC
PUMP	Water pump drive assembly Kubota diesel			n/a	n/a	NDDN, QC
PUMP	Water pump transmission drive ass. Deutz diesel			n/a	n/a	NDDN, QC
PUMP	420 Hydraulic Pumps			n/a	n/a	NDDN, QC

Drill #	Assets	Original Manufacturer	Description	Licence	Serial #	Location
PUMP	Pump Shack			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump - To be put into new Drills being built @ Marcot			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	Pump			n/a	n/a	NDDN, QC
PUMP	KF-40 Ele type Supply Pumps		Drill Pumps	n/a	n/a	NDDN, QC
PUMP	KF-40 Ele type Supply Pumps			n/a	n/a	NDDN, QC
PUMP	KF-40 Ele type Supply Pumps			n/a	n/a	NDDN, QC
PUMP	KF-40 Ele type Supply Pumps			n/a	n/a	NDDN, QC
PUMP	KF-40 Ele type Supply Pumps			n/a	n/a	NDDN, QC
PUMP	KF-40 Ele type Supply Pumps			n/a	n/a	NDDN, QC
PUMP	KF-40 Ele type Supply Pumps			n/a	n/a	NDDN, QC
PUMP	Pumps used for Drill Shacks			n/a	n/a	NDDN, QC
PUMP	Pressure Pump/ Heater			n/a	n/a	NDDN, QC
PUMP SHACK	Pump Shacks 7'X14'			n/a	n/a	NDDN, QC
PUMP SHACK	Pump Shacks 7'X14'			n/a	n/a	NDDN, QC
PUMP SHACK	Pump Shack			n/a	n/a	NDDN, QC
PUMP SHACK	Pump Shack			n/a	n/a	NDDN, QC
PUMP SHACK	Pump Shack			n/a	n/a	NDDN, QC
PUMP SHACK	Pump Shack			n/a	n/a	NDDN, QC
PUMP SHACK	Pump Shack			n/a	n/a	NDDN, QC
PUMP SHACK	Pump with Pump Shack		Yanmar KF40 with 9.5 HP Motor	n/a	n/a	NDDN, QC
PUMP SHACK	Pump Shack - Drill #44			n/a	n/a	NDDN, QC
PUMP SHACK	Pump Shack - Drill #45			n/a	n/a	NDDN, QC
RADIO	Portable Radios			n/a	n/a	NDDN, QC
RADIO	Portable Radios			n/a	n/a	NDDN, QC
RADIO	Portable Radios			n/a	n/a	NDDN, QC
RADIO	Portable Radios			n/a	n/a	NDDN, QC
RADIO	Portable Radios			n/a	n/a	NDDN, QC
RADIO	Portable Radios			n/a	n/a	NDDN, QC
RADIO	Portable Radios			n/a	n/a	NDDN, QC
RADIO	Mobile Radio 16 CH 136-174			n/a	n/a	NDDN, QC
RADIOS	7 Radios Mobile Kenwood VHF 50W		7 Radios Mobile Kenwood VHF 50W	n/a	n/a	NDDN, QC
SAT PHONE	Satellite Telephoae			n/a	n/a	NDDN, QC
SAT PHONE	Satellite Telephone			n/a	n/a	NDDN, QC
SHOWER & DRY	Mobile Shower & Dry		Showers	n/a	n/a	NDDN, QC
SLOOP	Sloop 5' x 10'			n/a	n/a	NDDN, QC
SLOOP	Sloop 8' x14' C/W on board gang bang			n/a	n/a	NDDN, QC
SLOOP	Heavy Duty Rod Sloop		Rod Sloop	n/a	n/a	NDDN, QC
SLOOP	Rod Sloop		Sloop for Rig #19	n/a	n/a	NDDN, QC
SLOOP	Rod Sloop			n/a	n/a	NDDN, QC
SLOOP	Sloop for Rig			n/a	n/a	NDDN, QC
SLOOP	Sloop		Fabricated and painted heater coil sloop	n/a	n/a	NDDN, QC
SLOOP	Sloop		Fabricated and painted heater coil sloop	n/a	n/a	NDDN, QC
SLOOP	Rnd Sloop 17X100		Rod Slnop 17X100	n/a	n/a	NDDN, QC
SLOOP	Rod Sloop - For Rig #19		Rod Sloop - For Rig #19	n/a	n/a	NDDN, QC
SLOOP	4 Snow Sloops			n/a	n/a	NDDN, QC
SLOOP	Sloop, Pump Shack, etc for Drill #42			n/a	n/a	NDDN, QC
SLOOP	Sloop, Pump Shack, etc for Drill #43			n/a	n/a	NDDN, QC
SLOOP	Sloop, Pump Shack, etc for Drill #44			n/a	n/a	NDDN, QC
SLOOP	Sloop, Pump Shack, etc for Drill #21			n/a	n/a	NDDN, QC
SLOOP	Sloop, Pump Shack, etc for Drill #22			n/a	n/a	NDDN, QC
STORAGE UNIT	20ft Storage Unit			n/a	n/a	NDDN, QC
ALTERNATOR	Alternator			n/a	n/a	NDDN, QC
TRANSFORMER	Transformer			n/a	n/a	NDDN, QC
WELDER	Welder			n/a	n/a	NDDN, QC
WELDER	Welder		Welder Scout DC CC 9HP Honda	n/a	n/a	NDDN, QC
BOOSTER	Hurricane Booster B7-41/1000		Hurricane Booster B7-41/1000	n/a	410302012	NDDN, QC
	Heavy Equipment (Loaders/ Skidders/ Dozers/ Excavators)					
DOZER	D-6 Dozer - Serial # 3YG05905					NDDN, QC
DOZER	Bucket - D-6 Dozer - Serial # 3YG05905					NDDN, QC
DOZER #1	D-hd Cat tractor - 1985		Dozer-#1	n/A	6X1946	NDDN, QC
DOZER #2	Dozer Cat D6M LPG 1998		Dozer-#2		VM39493-4	NDDN, QC
DOZER #4	Dozer - CAT D6D		Dozer - CAT D6D	n/a	D6X 01796	NDDN, QC
DOZER #5	Dozer - CAT D6D Crawler Dozer		Dozer - CAT D6D Crawler Dozer w/ Cat winch & main line	n/a	D6D06X01897	NDDN, QC
DOZER #6	Caterpillar D6D Dozer		Caterpillar D6D Series 06X01 655	n/a	06X01 655	NDDN, QC
DOZER #7	Caterpillar D6D Dozer		D6 Dozer	n/a	20X2253	NDDN, QC
DOZER #8	1986 CAT D6D		1986 CAT D6D	n/a	04X10562	NDDN, QC

Drill #	Assets	Original Manufacturer	Description	Licence	Serial #	Location
DOZER #9	1984 CAT D6D		1984 CAT D6D	n/a	06X01130	NDDN, QC
EXCAVATOR #1	Jnhn Deer - Excavator #1		John Deer Hydraulic Excavator Model JD270	n/a	70157	NDDN, QC
EXCAVATOR #2	John Deer - Excavator #2		John Deer Hydraulic Excavator Model JD330	n/a	80503	NDDN, QC
LOADER #1	Kubota M9000 tractor (loader)			FBB9778-9	58277	NDDN, QC
LOADER #2	1986 Komatsu Model WA450A		Loader - #1		S#10669 / Unit#c21503 / hrs22492	WABUSH, NL
LOADER #3	1991 Komatsu WA 500 Loader				15386	NDDN, QC
SKIDDER	1987 Clark Skidder, model F-667		Skidder-#1	V348059-7	561H915CAC	NDDN, QC
SKIDDER	1988 Clark Skidder, model F-667		Skidder-#2	V260288-8	561H943CAC	DETOUR LAKE, ON
SKIDDER	1989 Clark Skidder, model F-667		Skidder-#3	VL48270-2	561H964CAC	DETOUR LAKE, ON
SKIDDER	1988 Timberjack Skidder		Skidder-#4	VJ57604-1	358238	GOGAMA, ON
SKIDDER	1990 Timberjack Skidder		Skidder-#5	VL48275-7	CK2377	NDDN, QC
	Vehicles (Trucks, Vans, ATVs, Snowmobile, Carriers, Trailers, Gators, Tractors)					
6X6 ATV #10	Polaris Ranger 6X6		Polaris Ranger 6X6		4XAHR76A8AD103872	MONCTON, NB
6X6 ATV #11	Polaris Ranger 6X6		Polaris Ranger 6X6		4XAHR76A4A4196169	MONCTON, NB
6X6 ATV #12	2011 Polaris Ranger - 6X6		2011 Polaris Ranger - 6X6		4XAHR76A6B4202332	MONCTON, NB
6X6 ATV #13	2011 Polaris Ranger - 6X6		2011 Polaris Ranger - 6X6		4XAHR76A6B4202228	MONCTON, NB
6X6 ATV #14	2005 Polaris Ranger		2005 Polaris Ranger		4XARF50A65D726044	MONCTON, NB
6X6 ATV #16	2012 Polarie Ranger - 6X6		2012 Polaris Ranger		4XAWH76A7C2695136	MONCTON, NB
6X6 ATV #2	Polaris Ranger 6X6		6X6 ATV #2		4XAHR76A5A4191336	MONCTON, NB
6X6 ATV #3	Polaris Ranger 6X6		6X6 ATV #3		4XAHR76A6A4901974	MONCTON, NB
6X6 ATV #4	Polaris Ranger 6X6		6X6 ATV #4		4XAHR76AXA4193793	MONCTON, NB
6X6 ATV #5	Polaris Ranger 6X6		6X6 ATV #5		4XAHR76A0A4193799	MONCTON, NB
6X6 ATV #6	Polaris Ranger 6X6		6X6 ATV #6		4XAHR76AXA4193812	MONCTON, NB
6X6 ATV #7	Polaris Ranger 6X6		6X6 ATV #7		4XAHR76A8A4193808	MONCTON, NB
6X6 ATV #8	Polaris Ranger 6X6		6X6 ATV #8		4XAHR76A4A4193806	MONCTON, NB
6X6 ATV #9	Polaris Ranger 6X6		Polaris Ranger 6X6		4XAHR76A8A4198622	MONCTON, NB
ATV #1	1993 Honda ATV TRX30		ATV #1	VC86796-3	478TE1429PA501319	
ATV #2	1997 Honda ATV TRX30		ATV #2	V993044-7	478TE1523VA900237	
GATOR	Gator XUV		Gator XUV		MOXUVGB030507	GOGAMA, ON
GATOR #3	Gator - JD - 855D		Gator - JD - 855D			GOGAMA, ON
GATOR #4	Gator - JD - 855D		Gator - JD - 855D			GOGAMA, ON
LIFT	1997 JCB 930CA		Lift -#1	VJ86744 1	608904	NDDN, QC
LIFT TRUCK	Lift Truck Mitsubishi					NDDN, QC
CRAWLER CARRIER #1	Canycom Modele S40 1998					NDDN, QC
CRAWLER CARRIER #2	1995 Moraka Nissan Hanix RT800 400 gallon reservoir - Muskag		on track - transports fuel/equipment - for offroad only	VG32751-1	R8000173	NDDN, QC
CRAWLER CARRIER #3	1968 Bombardier Muskeg	Bombardier	1968 Bombardier Muskeg		2SAAQM304080400270	NDDN, QC
CRAWLER CARRIER #4	Bombardier Muskeg		Bombardier Muskeg Diesel Carrier		321830461 vehicle/ LD21733U81647311 Motor	NDDN, QC
CRAWLER CARRIER #5	1994 Marooka - ModelMK50		1994 Marooka - ModelMK50		T50079	NDDN, QC
CRAWLER CARRIER #6	Marooka - Model MST-300VD		Marooka - Model MST-300VD		4026	NDDN, QC
CRAWLER CARRIER #7	Marooka - Model MST-300VD		Marooka - Model MST-300VD		4027	NDDN, QC
Sleds - #1 to 5	Hauling Sleds (5 @ $1,500)		Sleds - #1 to 5	n/a - used offroad	n/a	NDDN, QC
Snowmobile -#1	2003 Bombardier Tundra - Snowmobile		Snowmobile -#1	VD21239-1	2BPS327923V000969	MONCTON, NB
Snowmobile -#10	Snow Mobile		Motoneige Tundra Sport 550 Jaune		2BPSGKBA2BV000538	MONCTON, NB
Snowmobile -#11	Snow Mobile		Motoneige Tundra Sport 550 Jaune		2BPSGKBA4BV000704	MONCTON, NB
Snowmobile -#12	Snow Mobile		Motoneige Tundra Sport 550 Jaune		2BPSGKBAXBV000710	MONCTON, NB
Snowmobile -#13	Snow Mobile		Motoneige Tundra Sport 550 Jaune		2BPSGKBA4BV000623	MONCTON, NB
Snowmobile -#14	Snow Mobile		Skandic Tundra 300F		2BPSGA7B97V001043	MONCTON, NB
Snowmobile -#15	Snow Mobile		Expedition Sport 500F		2BPSKABA4BV000114	MONCTON, NB
Snowmobile -#16	Snow Mobile		Expedition Sport 500F		2BPSKABA4BV000162	MONCTON, NB
Snowmobile -#17	Snow Mobile		Motoneige Tundra Sport 550 Jaune		2BPSGKBA1BV000689	MONCTON, NB
Snowmobile -#18	Snow Mobile		Motoneige Tundra Sport 550 Jaune		2BPSGKBA6BV000848	MONCTON, NB
Snowmobile -#19	Bombardier - Tundra Sport 550		Motoneige Tundra Sport 550 Jaune		2BPSGKBA5BV000419	MONCTON, NB
Snowmobile -#20	Bombardier - Tundra Sport 550		Motoneige Tundra Sport 550 Jaune		2BPSGKBA5BV000839	MONCTON, NB
Snowmobile -#21	Bombardier - Tundra Sport 550		Motoneige Tundra Sport 550 Jaune		2BPSGKBA8BV000365	MONCTON, NB
Snowmobile -#2	2004 Snowmobile		Snowmobile -#2	VE36086-9	2BPS328334V000992	MONCTON, NB
Snowmobile -#3	2006 Snowmobile		Snowmobile -#3	VG32752-2	2BPSGA6B16V001666	MONCTON, NB
Snowmobile -#4	2007 Snowmobile		Snowmobile -#4	VJ57560-8	2BPSGA7B47V000995	MONCTON, NB
Snowmobile -#5	2007 Snowmobile		Snowmobile -#5	VK42638-2	2BPSGA7B57V001895	MONCTON, NB
Snowmobile -#6	2007 Snowmobile		Snowmobile -#6	VK42639-3	2BPSGA7B17V001876	MONCTON, NB
Snowmobile -#7	2007 Snowmobile - *added by Sylvie as BL missed on his valuation*		Snowmobile -#7	VJ57650-7	2BPSGA7B17V001875	MONCTON, NB
Snowmobile -#8	2008 snowmobile - Model 300		Snowmobile -#8	VK90855-6	2BPSGA8BX8V000600	MONCTON, NB
Snowmobile -#9	Snow Mobile		Snow Mobile		2PBSGA6B66V001954	MONCTON, NB
SNOWPLOW	1988 International SS Truck - 10 wheels TRUCK		Snowplow Truck - Large - used only on forstery roads - moved to site on flat bed	n/a - used offroad	1htzudbr2jh550420	NDDN, QC
TRAILER	Trailer		Trailer			NDDN, QC
TRAILER	Trailer					NDDN, QC
TRAILER	Trailer			n/a	n/a	NDDN, QC
TRAILER	1998 Holden Trailer HGN21		Trailor - #1 - 5th wheel pulled by Dodge Ram 2500 - trailor holds parts	RM51473.2	12HGN2831WS105388	NDDN, QC
TRAILER	Temisco Tractor Tailer		Trailor #2 - Highway Hauling of drills and equipment	sylvie - O/S	sylvie - O/S	NDDN, QC
TRAILER	Temisco Tractor Tailer		Trailor #3 - Highway Hauling of drills and equipment	sylvie - O/S	sylvie - O/S	NDDN, QC
TRAILER	1989 Mana 912 Trailor		Trailor - #4 - Storage room for site (pulled to site)	VJ21086-8	2M5921463K1022675	NDDN, QC
TRAILER	1986 Rous FRP Trailor		Trailor - #5 - Storage room for site (pulled to site)	sylvie - O/S	2R1B3W3C9G1003307	NDDN, QC
Truck	GMC Truck 1/2 ton 2004		GMC Truck 1/2 ton 2004			
Truck	GMC Truck 2007		GMC Truck 2007		2GTEK13C97164664	WABUSH, NL
Truck	2008 GMC Sierra		2008 GMC Sierra		1GTHK29K08E103172	WABUSH, NL
Water Truck #1	2000 GMC 7500 Water Truck		2000 GMC 7500 Water Truck			WABUSH, NL

Drill #	Assets	Original Manufacturer	Description	Licence	Serial #	Location
Water Truck #2	1998 GMC C8500 Water Tanker		1998 GMC C8500 Water Tanker		1GDT74C6WJ521640	WABUSH, NL
Truck-#1	1989 Chevrolet K1500 Pickup TRUCK		truck-#1	FBL8805-1	2GCDK14K1K1166788	
Truck-#2	1995 Ford F-150 Pickup TRUCK		truck-#2	FAY2275-8	1FTEX14N1SKA77576	
Truck-#4	2005 Ford F-150 Pickup TRUCK		truck-#4	FAY2211-2	1FTVX14565NA12628	DETOUR LAKE, ON
Truck-#5	2001 Dodge Ram 3500 Pickup TRUCK		truck-#5	FX30568-2	1B7MF33711J292649	DETOUR LAKE, ON
Truck-#6	2007 Dodge Ram 2500 Pickup TRUCK		truck-#6	L377872-3	1D7KS28C07J542741	GOGAMA, ON
Truck #8	2008 Chev Silverado		Truck #8		2GCEK13C081191799	WABUSH, NL
Truck #10	2007 GMC Sierra		Truck #10	CMT827	3GTEK14X67G200724	WABUSH, NL
Truck #11	2010 Chev Silverado		Truck #11		IGCPKPEA7AZ166032	DETOUR LAKE, ON
Truck #12	2010 Chev Tru		Truck #12		IGCPKREA6AZ116539	DETOUR LAKE, ON
Truck #14	2010 Chev Silverado		Truck #14		1GCPKREA4AZ223489	NDDN, QC
Truck #16	2010 Chev TRLT 1500		Truck #16		1GCPKPEA5AZ271409	WABUSH, NL
Truck #17	2011 Chev TRLT 1500		Truck #17		1GCRKREA1BZ139429	NDDN, QC
Truck #18	2010 Chev TRLT 1500		Truck #18		3GCRKREAXAG222324	GOGAMA, ON
Truck #19	2011 Chev TRLT 1500		Truck #19		1GCRKREAXBZ139249	WABUSH, NL
Truck #20	2010 Chev TRLT 1500		Truck #20		1GCPKPEA3AZ276656	DETOUR LAKE, ON
Truck #21	2011 Chev TRLT 1500		Truck #21		1GCRKREAXBZ129062	NDDN, QC
Truck #22	2010 Chev TRLT 1500		Truck #22		3GCRKREA3AG285538	WABUSH, NL
Truck #24	Chev LT 1500		Chev LT 1500		1GCRKREA2BZ120923	NDDN, QC
Truck #25	Chev LT 1500		Chev LT 1500		IGCRKREA4BZ113861	GOGAMA, ON
Truck #26	Chev LT 1500		Chev LT 1500		1GCRKREA1BZ129984	NDDN, QC
Truck #27	Chev LT 1500		Chev LT 1500		1GCRKREA7BZ112199	GOGAMA, ON
Truck #28	Chev Silverado LTZ 1500 - Black (for RM)		Chev Silverado LTZ 1500 - Black (for RM)		1GCRKTE35BZ200568	NDDN, QC
Truck #29	Chev Silverado - Ext Cab 1500 - Black		Chev Silverado - Ext Cab 1500 - Black		1GCRKPEA6BZ153329	NDDN, QC
Truck #30	Chev Silverado - Crew Cab 3500 - Blue Granite		Chev Silverado - Crew Cab 3500 - Blue Granite		1GC4KZC89BF180385	NDDN, QC
Truck #31	2011 Chev Silverado - Ext Cab 1500 - Blue				3GCPKREA3BG155462	DETOUR LAKE, ON
Truck #33	2011 Chev Silverado - Ext Cab 1500 - Blue				1GCNCPEX3BZ397746	NDDN, QC
Truck #34	2011 Chev TR1500 Series				1GCNCPEX0BZ397705	NDDN, QC
Truck #35	2012 Chev TR1500 Series				3GCPKREA5BG380644	NDDN, QC
Van #1	2010 Chev Express Van		Van #1		1GA21G1DG2A1120761	DETOUR LAKE, ON
Van #2	2010 Chev Express Van		Van #2		1GA21G1DG2A1120789	WABUSH, NL

Schedule A-2

Schedule A-2
MEXICO
Asset Purchase Agreement
Listing of assets subject to APA (excluding TOREX)

Qty	Assets	Serial Number	Supplier	Pedimento #
	Bulldozer / Skiders			
1	Bulldozer-D6H	6FC00560	Landdrill International Ltd	062337716012161
1	Blade for Bulldozer- D6H		Landdrill International, Ltd.	
1	Skidder-1981 Timberjack 380	382227	Landdrill International, Ltd.	072337717004153
1	Skidder-1981 Tree Farmer C6D	6104-131	Landdrill International, Ltd.	072337717007206
1	Forklift Case 580 G (Including Expenses, Duties, Fees)	JJG0293338	Landdrill International, Ltd.	082337718004608
1	Tractor Caterpillar Pail Louder 966 E	76J5641	Mario Alfonso Bernal Garcia	
1	1981 CAT D6-D Dozer with winch and Blade, Feight and Duties	S/N 4X6437	Landdrill International, Ltd., Maval Agencia Aduanal,s.C	082337718011303
1	TH John Deere Gator Diesel, 1002-Cayman Tires	M06X4DD05147	Mario Alfonso Bernal Garcia	102336440003312
1	Marooka Model MST-800-E	3332	Crawler Carrier Sales LLC	102337710009238
1	1984 CATERPILLAR BULLDOZER D6-D	04X09854	Inflight Drilling S. de R.L. de C.V.	4009137
1	1994/5 CATERPILLAR BULLDOZER D6-H	3ZF06004	Inflight Drilling S. de R.L. de C.V.	7001724
1	1999 JOHN DEERE TIMBERJACK FOWARDER 1710 CRANE	17DE0227	Inflight Drilling S. de R.L. de C.V.	9005041
1	1999 JOHN DEERE TIMBERJACK FORWARDER 1710 SUPPORT	17DEO248	Inflight Drilling S. de R.L. de C.V.	9005040
1	2010 MOROOKA MST-800VD	4299	Inflight Drilling S. de R.L. de C.V.	
1	2010 JOHN DEERE TRACTOR 3005	LV3005G200948	Inflight Drilling S. de R.L. de C.V.	
1	WINCH D6D		Mario Alfonso Bernal Garcia	
1	Tractor John Deere 2320	1LV2320HCBH611504	Landdrill International, Inc	
1	Tractor John Deere 2320	1LV2320HCBH611496	Landdrill International, Inc	
1	Tractor John Deere 2320	1LV2320HCBH611498	Landdrill International, Inc	
1	WINCH D6H		Mario Alfonso Bernal Garcia	
1	TRACTOR MASSEY FERGUSON		Mario Alfonso Bernal Garcia	
1	Tractor Marooka		Mario Alfonso Bernal Garcia	
1	Marooka Model MT-1500	MT-1500- 15291	Crawler Carrier Sales LLC	
1	Marooka Model MT-1500	MT-1500- 152066	Crawler Carrier Sales LLC	
	Drills			
RIG - 11	LY-44-1 Drill -11	44-1	Landdrill International Nicaragua, S.A.	
RIG - 12	LY-44-2 John Deere Engine 6 cylinders	44-2	Landdrill International, Ltd.	072337717001934
RIG - 12	LY-44-2 JOHN DEERE ENGINE 6068TF2501	44-2	Landdrill International, Ltd.	
RIG - 31	Underground Drill	STM-1500-1	Landdrill International Ltd.	082337718012602
RIG - 31	Marcotte Rotation Motor	STM-1500-1	Landdrill International, Inc	092336449008205
RIG - 32	STM 1500 Underground Drill	STM-1500-2	Landdrill International Inc.	102337710000119
RIG - 41	HTM-600 Drill Usinage Marcotte	LEM-600-U	Landdrill International Inc.	**112304571041457**
RIG - 47	SCHRAMM RC02- T450W Mounted on truck	J102-B113 / 1FDYL90EXVVA022001	Inflight Drilling S. de R.L. de C.V.	**7024708 / 0001892**
RIG - 48	SCHRAMM RC01-T64 - Timberjack 1210	12100482	Inflight Drilling S. de R.L. de C.V.	**9000393**
RIG - 49	ZINEX A5-1	412530	Inflight Drilling S. de R.L. de C.V.	**8001267**
RIG - 50	ZINEX A5-2	205650	Inflight Drilling S. de R.L. de C.V.	**8001267**
RIG - 52	ZINEX A5-4	2009 - 16	Inflight Drilling S. de R.L. de C.V.	**9003845**
RIG - 53	ZINEX A5-5	2009 - 19	Inflight Drilling S. de R.L. de C.V.	**9003845**
RIG - 55	HYDRACORE GEOTECH 3500	GT-3500-04	Inflight Drilling S. de R.L. de C.V.	
RIG - 24	LEM - 2500 (FML1) / HTM-2500	RG66466A347227	Landdrill International Inc.	**04571043760**
RIG - 30	LEM-2500-1 (FML7) / HTM-2500	46288466	Landdrill International Inc.	
RIG - 59	LEM - 1500 - U / STM 1500 U/G	STM1500-3	Landdrill International Inc.	
RIG - 60	LEM - 1500 - U / STM 1500 U/G	STM1500-4	Landdrill International Inc.	
	Rod Sloops			
1	RS-001		Landdrill International Ltd	062337716011100
1	RS-002		Landdrill International Ltd	062337716011403
1	RS-003		Landdrill International Ltd	062337716011561
6	ROD SLOOPS		Inflight Drilling S. de R.L. de C.V.	
Sloop A-5	MS-005	Sloop A-5		
	Mud Sloops			
1	MS-001		Landdrill International Ltd	062337716011100
1	MS-002		Landdrill International Ltd	062337716011403
	Tanks			
3	Metallic Tank for Diesel Cap.230 Lts.		Juventino Gutierrez Gantelum	
1	Metallic Tank for Diesel Cap.350 Lts.		Juventino Gutierrez Gantelum	
1	Metallic Tank for Diesel Cap.350 Lts.-LY-44-2		Fco. Ignacio Ibarra Rodriguez	
1	Metallic Tank for Diesel Cap.230 Lts.-LY-44-2		Fco. Ignacio Ibarra Rodriguez	
1	Mud Tank for Drill LEM 2500-5		Ing. Juventino Gutierrez Gastelum	
1	Metallic Tank for Diesel Cap.100 Gal. LEM-2500-5		Ing. Juventino Gutierrez Gastelum	

Qty	Assets	Serial Number	Supplier	Pedimento #
1	Mud Tank for Drill LEM 2500-5		Ing. Juventino Gutierrez Gastelum	
1	50% Metallic Tank for Diesel Cap.100 Gal. Rig.15 LEM-38-2		Ing. Juventino Gutierrez Gastelum	
1	Metallic Tank for Diesel Cap.100 Gal. Rig.12 LEM-44-2		Ing. Juventino Gutierrez Gastelum	
1	50% Metallic Tank for Diesel Cap.100 Gal. Rig.15 LEM-38-2		Ing. Juventino Gutierrez Gastelum	
14	DIESEL TANKS (11 DE 750L., 1 DE 1,000L, 1 DE 12,000L, 1 DE 1,050L)		Inflight Drilling S. de R.L. de C.V.	
	Generators			
1	Generator of 5000		Home Depot Mexico, S. de R.L. de C.V.	
1	Generator Evans 5.5Kva. 9Hp Robin 120/240V.	G55MG0900V	Serviequipos de Soldadura, S.A. de C.V.	
1	Generator 8000 Watts Motor B		Home Depot Mexico, S. de R.L. de C.V.	
1	Generator 8000 Watts Motor B		Home Depot Mexico, S. de R.L. de C.V.	
1	Generator 8000 Watts Motor B		Home Depot Mexico, S. de R.L. de C.V.	
1	Generator Evans 6.5Kva. 11Hp Robin 110/240V.Monof		Serviequipos de Soldadura, S.A. de C.V.	
1	Electric Generator for STM-1500-2	TD3376809-1	Empire Shouthwest LLC	
1	Controls and Interruptor for Electric Generator	STM-1500-2	Maria de la Luz Alvarez Valenzuela	
1	Generator CAT Mod.C9 300Kw.Mot.S9L02733 Gen.G5A03569	C9E01689	Tracsa, S.A. de C.V.	
1	Controls and Interruptor for Electric Fan #2 Mina Rayas	STM-1500-2	Maria de la Luz Alvarez Valenzuela	
1	Sub New Cable Pump W/20mts. Cable		Francisco Gpe. Haro Cota	
1	Generator 220		Francisco Gpe. Haro Cota	
1	Control Pannel and breakers for Electric Genset	C9E01689	Multiled Zacatecas, S.A. de C.V.	
1	Generator 12.5 KW., 3fasic, Motor Lister Diesel	L10555-002ES	Mario Alfonso Bernal Lopez	
1	GENERATOR SET 30 k/w	SN-B-413	Inflight Drilling S. de R.L. de C.V.	
1	GENERATOR SET 42 k/w	101000607 / X09K410055	Inflight Drilling S. de R.L. de C.V.	
1	CMSD10000 GENERATOR SET 10 k/w	I-050836474	Inflight Drilling S. de R.L. de C.V.	
1	MEX-019 GENERATOR		Tracsa SAPI, de C.V.	
1	CAT GENERATOR DC9		Tracsa SAPI, de C.V.	
1	CAT GENERATOR DC9		Repairs Motor FOO18	
1	Assets Generator		Mario Alfonso Bernal Lopez	
1	Assets Generator		Mario Alfonso Bernal Lopez	
	Motors / Compressors			
1	Compressor 4.5 H.P.		Home Depot Mexico, S. de R.L. de C.V.	
1	Compressor 3 H.P. 60 Gal. 15 Amp 135 Lb.		Serviequipos de Soldadura, S.A. de C.V.	
1	Pneumatic Drill	S83F-X	El Dorado Sistemas de Sinergia, S.A. de C.V.	
1	SULLAIR 900XH	20071210028	Inflight Drilling S. de R.L. de C.V.	
1	HURRICANE BOOSTER JD4045	LO37108	Inflight Drilling S. de R.L. de C.V.	
1	HURRICANE BOOSTER 4.57-276-416	LO51251	Inflight Drilling S. de R.L. de C.V.	
1	MOTOR DIESEL 6 CIL		Mario Alfonso Bernal Garcia	
1	RADIADOR MOTOR JHON DEERE		Mario Alfonso Bernal Garcia	
2	RADIADOR MOTOR JHON DEERE		Mario Alfonso Bernal Garcia	
1	MOTOR REXTROT		Mario Alfonso Bernal Garcia	
1	MOTOR SAUVER DANFOSS		Mario Alfonso Bernal Garcia	
1	COMPLETE ENGINE		Mario Alfonso Bernal Garcia	
1	COMPLETE ENGINE		Mario Alfonso Bernal Garcia	
1	COMPLETE ENGINE		Mario Alfonso Bernal Garcia	
	Vehicles			
1	Pick Up - Dodge RAM 4x4 1996 White		Antonio Mendoza Balderrama	
1	Pick Up - Dodge RAM Autom.1999 Green		Alberto Gonzalez Rivera	
1	Labor and Motor with Transmission for Ford Lobo		Francisco Guadalupe Haro	
1	Pick Up - Toyota Hylux 2007 Silver		Automotriz Vado del Río, S.de R.L. de C.V.	
1	Pick Up - Dodge Ram 2500 4x4 2007 - White	1D7HU18267J586443	Gonzalez R. Automotriz, S.A. de C.V.	
1	Pick Up - Dodge Ram 2500 4x4 2007 - Kakhi	1D7HU18287J586735	Gonzalez R. Automotriz, S.A. de C.V.	
1	3 Tons Trailer with Tank of 2,650 Lts.	3BZBP12227C005875	Industrias Vazquez, S.A. de C.V.	
1	Pick Up - Dodge Ram 2500 SLT Quad Cab 4x4 2007 - Gray	1D7HU18297J576375	Gonzalez R. Automotriz, S.A. de C.V.	
1	Pick Up - Dodge Ram 2500 SLT Quad Cab 4x4 2007 - White	1D7HU18297J606345	Gonzalez R. Automotriz, S.A. de C.V.	
1	Pick Up - Dodge Ram 2500 SLT Quad Cab 4x4 2007 - Black	1D7HU18277J622242	Gonzalez R. Automotriz, S.A. de C.V.	
1	3 Tons Trailer with Tank of 2,650 Lts.	3BZBP14298C000767	Industrias Vazquez, S.A. de C.V.	
1	1 Ton Truck -Dodge Ram 4000 Chassis Cab diesel Mod. 2008 - White	3D6WN56C78G151090	Gonzalez R. Automotriz, S.A. de C.V.	
1	Movil Home for Jobs		Mario Alfonso Bernal Garcia	
1	Pick Up -Dodge Ram ST2500 Reg.Cab. 4x4 4.7 Mod. 2008 - White	1D7HU16N98J175844	Gonzalez R. Automotriz, S.A. de C.V.	
1	Pick Up -Dodge Ram ST2500 Reg.Cab. 4x4 4.7 Mod. 2008 - White	1D7HU16N38J124615	Gonzalez R. Automotriz, S.A. de C.V.	
1	Pick Up -Dodge Ram ST2500 Reg.Cab. 4x4 4.7 Mod. 2008 - White	1D7HU16298J188860	Gonzalez R. Automotriz, S.A. de C.V.	
1	Pick Up -Dodge Ram 2500 ST 4x4 Aut. Reg.Cab. Mod.2010 - White	3D7Y61EP9AG142136	Gonzalez R. Automotriz, S.A. de C.V.	
1	Pick Up -Dodge Ram 2500 ST 4x4 Aut. Reg.Cab. Mod.2010 - White	3D7Y61EP0AG142140	Gonzalez R. Automotriz, S.A. de C.V.	
1	Trailer for transportation power pack of drill	330CL	Grupo Constructor Casdel, S.A. de C.V.	
1	Pick Up - DODGE-RAM Q CAB DIESEL 5.9 4X4	3D7KS28C08G197276	Inflight Drilling S. de R.L. de C.V.	
1	1 Ton Truck -DODGE-RAM 4000 4X2	3D6WN56709G502748	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -DODGE-RAM 2500 4X4 ST	3D7Y61EP3AG120908	Inflight Drilling S. de R.L. de C.V.	

Qty	Assets	Serial Number	Supplier	Pedimento #
1	Pick Up -DODGE-RAM 1500 4X2 ST	3D7Y61EP6AG102869	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -DODGE-RAM 2500 4X4 ST	3D7Y61EP0AG115102	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -DODGE-RAM 2500 4X4 ST	3D7C61EPXAG101329	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -DODGE-RAM 2500 4X4 ST	3D7Y61EP4AG131304	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -DODGE-RAM 2500 4X4 ST	3D7Y61EP2AG131303	Inflight Drilling S. de R.L. de C.V.	
1	1 Ton Truck -DODGE-RAM 4000 4X4 DIESEL	3D6W35EL9AG195492	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -DODGE-RAM 2500 4X4 ST	3D7C61EP8AG101314	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -DODGE-RAM 2500 4X4 ST	3D7C61EPXAG152314	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -DODGE-RAM 2500 4X4 ST	3D7Y61EP8AG129233	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -FORD-F250 4X4 Crew Cab Diesel	1FTSW2BR1AEA65460	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -FORD-F150 4X4 Reg Cab	1FTMF1EW3AKB15359	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -FORD-F250 4X4 Crew Cab Diesel	1FTSW2BR2AEA94823	Inflight Drilling S. de R.L. de C.V.	
1	2010 HONDA ATV - 2501	1HFTE21UXA4100117	Inflight Drilling S. de R.L. de C.V.	
1	2010 HONDA ATV - 2501	1HFTE21U9A4100268	Inflight Drilling S. de R.L. de C.V.	
1	2010 JOHN DEERE GATOR	M0XUVDE080516 / MOXOPA068771	Inflight Drilling S. de R.L. de C.V.	
1	2007 CHEVROLET KODIAK TRUCK	3GBP7H1C87M115216	Inflight Drilling S. de R.L. de C.V.	
1	2001 FREIGHTLINER TRACTOCAMION	3AKJACA861DH78136	Inflight Drilling S. de R.L. de C.V.	
1	1975 DODGE D-600 7 TON.	L517826	Inflight Drilling S. de R.L. de C.V.	
1	1991 FRUEHAUF 40" FLATDECK (12.19m x 2.60m)	932PFM20891	Inflight Drilling S. de R.L. de C.V.	
1	1996 SCORPION TRAILER DUAL AXLE	235-3526	Inflight Drilling S. de R.L. de C.V.	
1	2007 BIG TEX TRAILER	16VAX081X71A57881	Inflight Drilling S. de R.L. de C.V.	
1	1997 WITZCO RG-50 LOW BOY 3 AXLES	4URA11E3XUSO61064	Inflight Drilling S. de R.L. de C.V.	
1	2007 ESTRELLA BLANCA TRAILER 1 AXLE 900 Kgs	RIE10040779	Inflight Drilling S. de R.L. de C.V.	
1	2008 FERNANDEZ LOW BOY 5"X10" 1 AXLE 2.5TON	RF0108007	Inflight Drilling S. de R.L. de C.V.	
1	2009 FABRICATED TRAILER BOX 2 AXLES 3.5X2.5X1.6MTS 1.2 TONS BLUE	2312313	Inflight Drilling S. de R.L. de C.V.	
1	2009 ESTRELLA BLANCA LOW BOY 5"x10" 1 AXLE 1.5 TONS	28Z8P10169C001843	Inflight Drilling S. de R.L. de C.V.	
1	2010 ESTRELLA BLANCA LOW BOY 5"x10" 2 AXLES 3.0 TONS	3BZBP1023AC000940	Inflight Drilling S. de R.L. de C.V.	
1	2010 ESTRELLA BLANCA LOW BOY 5"x10" 1 AXLE 1.5 TONS	3BZBP1019AC003493	Inflight Drilling S. de R.L. de C.V.	
1	2010 ESTRELLA BLANCA LOW BOY 5"X12" SINGLE AXLE 1.5 TONS	3BZBP1219AC003491	Inflight Drilling S. de R.L. de C.V.	
1	2010 ESTRELLA BLANCA 7x16 DOULBLE AXLE TRAILER 3T	3BZBP1625AC003507	Inflight Drilling S. de R.L. de C.V.	
1	2010 ESTRELLA BLANCA 4x8 SINGLE AXLE TRAILER 800KGS	3BZBP081690006555	Inflight Drilling S. de R.L. de C.V.	
1	2010 ESTRELLA BLANCA 4x8 SINGLE AXLE TRAILER 800KGS	3BZBP081X90005618	Inflight Drilling S. de R.L. de C.V.	
1	Pick Up -Dodge 2011 Single cab	3D7Z61EP1BG615646	Palmas Automotriz S.A. de C.V.	
1	Pick Up -Dodge 2011 Ram 2500 ST 4X4	3D7Z61EP2BG560253	Palmas Automotriz S.A. de C.V.	
1	Pick Up - SERVICE CAR FOR UNDERGROUND MINE		Mario Alfonso Bernal Garcia	
1	Pick Up -Dodge 2011 Crew cab	3D7R61CT6BG608952	Palmas Automotriz S.A. de C.V.	
1	Pick Up -Dodge 2011 Crew cab	3D7R61CT3BG613266	Palmas Automotriz S.A. de C.V.	
1	Pick Up -Dodge 2011 Single cab	3D7Z61EPXBG637516	Palmas Automotriz S.A. de C.V.	
1	Pick Up -Dodge 2011 Ram 2500 ST 4X4	3D7Z61EP1BG637517	Palmas Automotriz S.A. de C.V.	
1	RACKS FOR PICK UPS		Guillermo Isaac Galindo Gaxiola	
1	MOTOR DODGE RAM		Marisela Sotillon Miranda	
1	Pick Up - 165 DATSUN 1985		Mario Alfonso Bernal Garcia	
1	Pick Up - 2008 DIESEL MITSUBISHI		Mario Alfonso Bernal Garcia	
	Pumps			
1	WP-420-001		Landdrill International Ltd	062337716011100
1	WP-420-002		Landdrill International Ltd	062337716011100
1	WP-420-003		Landdrill International Ltd	062337716011100
1	WP-KL45-011		Landdrill International Ltd	062337716011100
1	WP-420-004		Landdrill International Ltd	
1	WP-420-005		Landdrill International Ltd	062337716015197
1	Sumergible Pump		Ramon Arturo Castro Varela	
1	WP-Bean Royal 435 - LY-44-2		Adriana María Haro López	
1	Injection Pump for 4045 Motor - LY-38-3		Adriana María Haro López	
1	Injection Pump for 4045 Motor		Adriana María Haro López	
1	WP-FMC 420 - LY-38-3		Adriana María Haro López	
1	Pump		Serviequipos de Soldadura, S.A. de C.V.	
1	WP-Bean Royal 420		Adriana María Haro López	
1	WP-Bean Royal 420		Adriana María Haro López	
1	435 Pump Kubota For 44-2		Shop Fabrication	
1	435 Pump Kubota For 38-3		Shop Fabrication	
1	Shio-14 Pump and Electric Instalations		Gildardo Montenegro Palomino	
1	Water PUMP ,420 GPM LO918 BCDS with YANMAR DIESEL ENGINE		Landdrill International, Ltd.	
1	Water Line Hose Gorilla 1 1/2 anf Fitting for Swamp MEX-015		Fuerza Hidraulica y Neumatica, S.A. de C.V.	
1	Water Line Hose Gorilla 1 1/2 anf Fitting for Swamp MEX-015		Fuerza Hidraulica y Neumatica, S.A. de C.V.	
1	Neumatic Water Pump 2"		Mario Alfonso Bernal Lopez	092337719004140
1	WATER PUMP 435 GPM W1122 BCD		inventory outs 06-09	
2	Neumatic Water Pump 2" Ingersollrand		Mario Alfonso Bernal Garcia	
1	Water Pump FMC 435 - MEX-022		Paulina Leyva Gurrola	

Qty	Assets	Serial Number	Supplier	Pedimento #
1	Neumatic Water Pump 2" Ingersolrand		Mario Alfonso Bernal Garcia	092337719004140
1	Volume Pump 1 1/2"		Francisco Gpe. Haro Cota	
1	Centrifuge Water Pum Out of Mine		'Mario Alfonso Bernal Lopez	
1	435 Used Pump for Drilling		Andira Dinay Fontes Martinez	
1	14324 - WATER LINE HOSE FOR DRILL A5-7			
1	14328 - WATER LINE HOSE FOR PROJECT(DRILL A5-7			
3	WATER PUMP SET HONDA 5hp		Inflight Drilling S. de R.L. de C.V.	
3	OIL PUMP SET		Productos Industriales y Automotrices, SA de CV	
1	KAWASAKY PUMP FOR DRILL		Mario Alfonso Bernal Garcia	
3	MOTOR YANMAR & CARTRIDGE SUNS VALVES EVERY PROYECTS		Mario Alfonso Bernal Garcia	
1	MOTOR PARQUER ROTATION	V14-160-SVS-HPE3A-NN-160/32-10	Mario Alfonso Bernal Garcia	
1	PUMP/ PIESTEN PUMP		Mario Alfonso Bernal Garcia	
8	PUMPS		Mario Alfonso Bernal Garcia	
7	6 PUMPS EATDN , 1 PUMP KAWASAKY		Mario Alfonso Bernal Garcia	
1	500 PSI WATER HOSES TO PROJECT		Fuerza Hidraulica y Neumatica, S.A. de C.V.	
1	VALVE OF PRESSURE		Fuerza Hidraulica y Neumatica, S.A. de C.V.	
3	ELECTRIC PUMPS		Fuerza Hidraulica y Neumatica, S.A. de C.V.	
3	FUEL PUMPS		Fuerza Hidraulica y Neumatica, S.A. de C.V.	
1	Water Pumps		Fuerza Hidraulica y Neumatica, S.A. de C.V.	
1	Water Pumps		Fuerza Hidraulica y Neumatica, S.A. de C.V.	
1	Water Pumps		Fuerza Hidraulica y Neumatica, S.A. de C.V.	
1	Water Pumps		Fabrication	
1	Super Pump 7		Fabrication	
1	Super Pump 7		Fabrication	
1	Motor Siemens 1200 rpm 5 HP for succcion pum		Jorge Ancheta Sesma	
1	Electric Materials for Pumps		Jorge Ancheta Sesma	
1	Water Pumps		Fabrication	
1	Super Pump 4		Fabrication	
1	Super Pump 5		Fabrication	
	Welders			
1	WLD-001		Landdrill International Ltd	062337716011561
2	WLD-002 - Maxstar 200 STR		Decson Welding, S.A. de C.V.	
1	Bobcat 250 Miller		Decson Welding, S.A. de C.V.	
1	Journeyman 510 W/H315FC		Decson Welding, S.A. de C.V.	
1	Thunderbolt XL 225/150 ac/dc 230v 50/60	012023Y	Decson Welding, S.A. de C.V.	
1	Lincoln Welder 225 AC/DC 220v.		Serviequipos de Soldadura, S.A. de C.V.	
1	Millermatic 252		Decson Welding, S.A. de C.V.	
1	Welder Machine and Generator Licoln Ranger		Roberto Gamez Borquez	
5	Welder Oxigen and Acetilene Cylinders		INFRA, S.A. de C.V.	
6	Welder Oxigen and Acetilene Cylinders (1Mix)		INFRA, S.A. de C.V.	
1	Welder Miller Mod.907209	LJ250003H	Mario Alfonso Bernal Garcia	
6	3 Welder Oxigen and 3 Acetilene Cylinders		INFRA, S.A. de C.V.	
2	1 Welder Oxigen and 1 Acetilene Cylinders		INFRA, S.A. de C.V.	
1	Welder Miller Blue Star		Inflight Drilling S. de R.L. de C.V.	
1	Weldandpower 125	2262679	Inflight Drilling S. de R.L. de C.V.	
1	Power AR5500 con motor gasolina		Inflight Drilling S. de R.L. de C.V.	
1	Infra Electricas M12-300 CA/CD		Inflight Drilling S. de R.L. de C.V.	
1	Weldandpower 125		Mario Alfonso Bernal Garcia	
	Containers			
1	CON-001		Landdrill International Ltd	062337716012303
1	CON-002		Landdrill International Ltd	06233771601365
1	CON-003		Landdrill International Ltd	06233771601365
1	Container Wanhai Year 1995. Crane and Skies	WHLU9526888	Mario Alfonso Bernal Garcia, Enrique Ramonet Valdez, Serdi, S.A. de C.V.	
1	Container Akey Year 1999	CWSU260248	Mario Alfonso Bernal Garcia	
1	Container Triton 1996 40 foots	BD-441210	Mario Alfonso Bernal Garcia	092335099000623
1	Container 40 foots 1996		Mario Alfonso Bernal Garcia	092335099000584
1	Container 20 foots 1995 Hyundai Mod.DHL-1CC-4205R6	DH9400296	Mario Alfonso Bernal Garcia	102336620000517
4	Steel Boxes for Tools & Bits 12"x12"x48"		Filiberto Esquer Urquijo	102336620000517
3	SLEEPING QUARTERS Fabricated		Inflight Drilling S. de R.L. de C.V.	
1	BATH ROOM SHOWER Fabricated		Inflight Drilling S. de R.L. de C.V.	
1	PARTS STORAGE Fabricated		Inflight Drilling S. de R.L. de C.V.	
1	4 Cyl JOHN DEERE (part rig)		Inflight Drilling S. de R.L. de C.V.	
1	KITCHEN UNIT		Inflight Drilling S. de R.L. de C.V.	
1	CONTAINER PARTS STORAGE Fabricated		Inflight Drilling S. de R.L. de C.V.	
3	FUEL CONTAINERS (1MEX030, 2MEX034)		Guillermo Isac Galindo Gaxiola	
1	NIC-Conteiner and Disk Saw		Landdrill International Nicaragua, S.A.	30061000804
1	Container			
1	CONTAINER PARTS STORAGE Fabricated			

Qty	Assets	Serial Number	Supplier	Pedimento #
1	Container		Sergio Luna Haro	
1	Container		Mario Alfonso Bernal Garcia	
1	Container		Mario Alfonso Bernal Garcia	
1	Container		Fabrication	

Schedule A-3

Schedule A-3
MONGOLIA
Asset Purchase Agreement
Listing of assets subject to APA

Asset	Model	Serial Number	Original Manfacturer
TRUCKS & SKIDDERS			
Truck for JKS-300	JKS-300		
Loader			
Val/spa/parts for 72-75	72-75		
Val/spa/parts for 72-76	72-76		
Skidder model 640 D	2004-68 skidder	DW640DC5798802	
Skidder model 640 JD	2004-68 correction skidder	DW640DC5798802	
Skidder model 640 JD	640 JD skidder	DW640DC5798802	
Truck Beiben 26345 (ND1250A50Q) Pull truck	Foton Cars 10-64UBP		
Vehicles			
Baggage case	Russian van		
Nissan ADMAX	NISSAN		
Van Russian van 90-17 doesn't exist	90-17		
Russian van 27-56 does't exist	27-56		
Pickup jeep ISUZU 98-56	98-85		
Pickup jeep Ford 150 73-50	73-50		
Pickup jeep Ford 250			
Valuable spare parts			
Russian Van doesn't exist	Hurd Uaz		
Russian Jeep 24-22 UBL	UAZ 24-22UBL		
Russian Van 77-02 UBL	UAZ 77-02 UBL	Buheegnii#40221839	
Russian Van 15-78 UBL	UAZ 15-78 UBL		
Russian Van 97-56 UBYA	UAZ 97-56 UBYA		
Toyota			
Ford Ranger 24-38 UBN	Wagner 24-38 UBN		
Ford Ranger XL Pick up 69-55 UBV	Wagner 69-55 UBV		
Ford Ranger 62-44/VIN WFOLMFE406W499624/	62-44		
Toyota Landcruiser 100/UBTS 01-20UBTS	01-20UBTS		
Russian Truck UAZ39094 (van like pick up) RCP05988 73-42 UBE	Khurd International 73-42 UBE		
Nissan Patrol Pickup RCP05987 73-26UBE	MONNIS 73-26UBE		
Nissan Patrol Pickup RCP06595 Stdrd 2008VIN#094442	MONNIS 58-37UBP		
Engine Heater RCP06802 58-37UBP	FOTCAR 58-37UBP		
Toyota Landcruiser 80/ 90-42UBM	Peabody Winsway Resources LLC 90-42UBM	HDJ81-0045675(JT111 PJ8007010353)	
Trailers			
Drill trailer			
Tank	5t		
Container /vagonchik/			
Tank			
Tank			
Water tank	7t		
Water tank	7t		
Water Tank			
Water Tank			
Water Tank			
Water Tank			
Water Tank	Danzanbaatar		
Hyd.Head C/W hdy Chuck	Landdrill Co		
Drive Tube C/W HDY Chuck	Landdrill Co		
Trailer with tank	4t		
Trailer for generator			
Trailer with tank	7,5t		
Valuable spare parts			
Tank			
Trailers	Danzanbaatar		
Radio Stations			
Radio Station			

Satellite Phone			
MRS centre	FT-1500 base		
MRS centre	FT-1500 mobile		
MRS centre	TK-2107 hndy		
Mobile Radio			
Radio system-600	Radio Center		
Radio station	Radio Center		
Radio system-600	Radio Center		
Satphone Thrane	Telekomasia		
Radio stataions	Radio Center		
Radios	Radio Center		
Radios	Radio Center		
Satphone	Telekomasia		
Radio Stations	Radio Center		
Radio Satations	Radio Center		
Radio Satations Handy	Radio Center		
Radio Satations	Radio Center		
Radio IC-78	Radio Center		
Telephone Lan System	Radio Center		
Mobile & Handy Stations	Radio Center		
VX-3200 Base Station	Radio Center		
Radcom			
Satphone - TT-3170A		1. Terminal ISN No.: 76TT01EBC1D0	
Garmin GPS 60 CSX RCP05943	CAMS		
Garmin Memory stick, 60c/c5 dash mount; charger 12v dc	CAMS		
VSAT Equipment Antenna	Mobicom		
VSAT Nano GSM setup fee	Mobicom		
Regulator, router, switch, extension, UTP cable, RJ45	KPMLLC		
Wireless Antenna for Steve Mechanic	Ulusnet LLC		
Garmin 60c/c5 dash mount (gps base for vehicle)	CAMS		
Iridium 9555 satphone tony IMEI:300015010353970	MONSAT		
Blackberry cell phone for Tony Ryan			
OREGON 550 GPS			
GARMIN auto kit for OREGON550			
AC travel charger adaptor for Iridium 9555 satphone			
Car charger for Iridium 9555 satphone			
Antenna for Iriidum 9555 satphone			
Leather holster case for Iridium 9555 satphone			
Intl plug kit for Iridium 9555 satphone			
Satelite dish set D=1.8m / see more details from comment/ Router, Netmodem 2 Plus, SN 15435 Coaxial Cable			
Wireless router,Trendnet TEW-639GRU, SN C210093400555		SN C210093400555	
IP Phone, Mobi 75752349, SN CNSZAT-620PR10100079		SN CNSZAT-620PR10100079	
Phone case for Iridium 9555 s/n:30001501047888570		s/n:30001501047888570	
Satphone Iridium 9555 s/n: 300015010478570		s/n: 300015010478570	
Satphone Iridium 9555 s/n:300115010217100		s/n:300115010217100	
VSAT antenna with accessories 1.8m			
GPS /Garmin, E Trex summit HC/			
GPS /Garmin E Trex H/			
GPS /Garmin E Trex Vista HCX/			
VSAT Antenna with accessories 2.4m			
Iridium phone 9555 with SN 300115010156880		SN 300115010156880	Iridium
Iridium phone 9555 with SN 300115010255010		SN 300115010255010	Iridium
Iridium phone 9555 with SN 300115010157340		SN 300115010157340	Iridium
Iridium phone 9555 with SN 300115010050350		SN 300115010050350	Iridium
5W BUC of Vsat antenna Ser#AO2551D12		Ser#AO2551D12	
I Direct 3100 modem of VSAT ser#133570		ser#133570	
Containers			
Container	6t		
Container	20t		
Container			
Container			
Container			
Container			
Container			
Container			
Container			
Container			
Container ablution	40-013		
Container	50-013		

Container	50-014		
Container	Cratex Container		
Container ablution	40-015		
Container ablution	40-016		
Container			
Container			
Container			
Container			
Mud Container			
Shop Container			
Shop Container			
Shop Container			
Container ablution 2pcs	Landdrill Co		
Guard Shack at Shop			
Container 1x40" CTRU5681722	LANDUS		
40ft container for HQ rods and bean pumps N:569493(0)	LANDCAD	N:569493(0)	
40 ft container NONU 905545	Landdrill International INC - USD		
40ft container NONU 5384079	Landdrill International INC - USD		
40ft container NONU 9355859	Landdrill International INC - USD		
40 ft container NONU 905545 FDU10%	FDU10%		
40ft container NONU 5384079 FDU 10%	FDU10%		
40ft container NONU 9355859 FDU10%	FDU10%		
Cameras/Survey Equipment			
Flexit Camera			
Welnau 5.5Camera	Landdrill Co	109	
Welnau 5.5Camera (overcharged)	Landdrill Co	109	
Drills			
Cylinder Set, Maxidrill 3500 JKS 500	Rig33 JKS-500	Engine Serial# JD TO40451563458; Engine Model# 4045 TF 001; starter JD-RE 59595	
Container only left from motor and pump sent to Tom Browne	JE-13-1		
Engine from Major drilling on RC Rcp03647 GM8V92TA	GM8V92TA RC	GM8V92TA	
RIG NQ GK400 XY-1A(YJ) JTGYQ05CB119	Small training rig	GK400 XY-1A(YJ) JTGYQ05CB119	
First payment for purchasing Rig Schramm 685 DHH with truck on GMC Truck UNL86-60	Rig40 Schramm	VIN 1GDV9C4Z4EV544416 max vert CG 75	indiv. Mongolia person
Cordless battery drill driver 18V-Li (2.6Ah) s/n: 001000541	PO15118 Rig40	s/n: 001000541	
CSD1800 Drilling Rig57	PO14847	1st Rig: HOW11220507-4L7	Cortech
Custom pmt on Rig57 PO15075	PO15075 custom pmt on 1st Cortech Rig57	1st Rig: HOW11220507-4L7	
Custom pmt on Rig58 PO15482	PO15075 custom pmt on 2nd Cortech Rig58	2nd Rig: IAW113306302-4L2	
CSD1800 Drilling Rig58	PO15056	2nd Rig: IAW113306302-4L2	Cortech
Rig64 3rd Cortech CSD 1800 Drilling Rig	PO15383		
Drill rig shack for Rig#57			Asia Welding Works Co.,ltd - MNT
Dril rig shack for Rig#64			Asia Welding Works Co.,ltd - MNT
Compressor XRXS566 / SN# AIP725533/			Atlas Copco
Hurricane booster Model# B7-41/1000, SN#USL05111353	PO17121		Landdrill International INC - USD
Hanjin Power 7000SD-RC rig /SN # MN08020423/	RCP13132	/SN # MN08020423/	Hanjin DB Korea
Compressor 900XHH/1150XH DL SN#201112080128	RCP13366	SN#201112080128	
Container NONU 2536141 for compressor	RCP13366		
Excavators			
Hyudai Robex 2900 LC-3 excavator /SN#E904EA10951/	PO16906	SN#E904EA10951	Hyundai
Dozers			
CAT D6	Landdrill Co	10K1184	
D6C LGP 1975 CAT DOZER	Landdrill Co	16H3121	
Generators			
Generator	Honda		
Compressor			
Generator			
Generator			
Diezel motor			
Diezel motor	GRDN3GF-LH		
Machine /tokariin/			
Boat & boat engine			
Diezel motor			
Water Pump			
Generator	Honda		
Generator	PU-170		
Generator	SED 4000W 70AE		
Generator	HATZ		
Generator	HONDA		

Pump & Generator	Honda		
Pump & Generator	PU-170		
Pump & Generator	SED 6000W 100AE		
Pump & Generator	SED 4000W 70AE		
Generator set			
Generator	2		
Generator	1320		
Generator	S-310		
Compressor	Sullair		
Generator	Honda		
Generator			
Generator			
Generator			
Generator			
Generator			
Generator Diezel	Honda		
Generator			
Generator			
Generator			
Generator			
Generator			
Generator			
Generator			
Generator			
Generator			
Generator			
Generator			
Generator			
Generator			
Generator			
Generator	Unitra Co		
Generator			
Generator	SAIC job		
Generator	B&G Motors		
Generator	B&G Motors		
Generator used	MSM Co.,Ltd		
Generator	MSM		
Generator			
Generator	MSM Co.,Ltd		
Generator	MSM Co.,Ltd		
Generator	MSM Co.,Ltd		
Generator	MSM Co.,Ltd		
Generator - Wagner		OLY00000ERPF08424	
Generator - MSM			
Generator - Unitra			
Generator - Wagner G-EP50,3 sn RPF08424		OLY00000PRPF10727	
Generator DAIS-AM-7000S 2pcs	BSB - Service	DAIS-AM-7000S	
Lighting Tower HS-C5-I6-66-WW-B GJETTRAMLT8TH00030	CAMS	Engien Serial#C3M01977; Alternator Ser#0802130; VIN#GJETRAMLT8TH00030	
Generator Liester Peter LLP-4.5kva serial N: 11350810LLP	PO16189	serial N: 11350810LLP	
Generator Liester Peter LLP-4.5kva serial N: 113507870LLP	PO16189	serial N: 113507870LLP	
Diesel generator LLP-4.5	PO16501	serial N:	
Kubota J315 generator	PO16611		
Water Pumps			
Water Pump			
Water Pump	Proactive reliablilities		
Water Pump	Proactive reliablilities		
Sauer Tandem Pump	Proactive reliablilities		
Water Pump	Prodia LTD		
Water Pump	Proactive reliablilities		
Water Pump	Frontier Equipment	JT5417	
Water Pump	Frontier Equipment		
Water Pump	Unitra		
Water Pump	Unitra		
Water Pump	Unitra Co.		
Water Pump	Unitra		
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Bean Pumps 435	Landdrill Co		
Brahma 24 Pump	Landdrill Co		

Water Pump	Unitra Co.		
Water Pump	Unitra		
Water Pump	Unitra		
Water Pump	Unitra		
Water Pump	Unitra		
Water Pump	Unitra		
Water Pump	Unitra		
Water Pump	Unitra		
Water Pump	Unitra Co.		
Bean Pump 435 & Brahma pumps	Landdrill Co		
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Pump Shark			
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Bean Pump 435 2pcs	Landdrill Co		
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Joh Deere	Proactive		
Water Pump	Unitra Co.		
Submersible Pump	Unitra Co.		
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Water Pump	Unitra Co.		
Water Pump			
Water Pump			
Water Pump			
Water Pump			
Water Pump			
Electric Pump WILO PW404EA for shower container#2 (ablution block)	Unitra Co.	SN: 00700079	
High Pressure Washer RM9500B GX390 s/n: GCAET-1695683	Unitra Co.	s/n: GCAET-1695683	
Drainage Submersible pump for Aspire	Unitra Co.,Ltd - MNT		
Welder Machine/Welding Machine			
Welder Machine			
Welder Machine			
Welder Machine			
Welder Machine	Hope. Co		
Welder Machine	Batbayar Mr.		
Welder Machine	Acklands Grainger	LE077695	
Welder Machine			
Welder Machine	Amarjargal		
Engine	KAMAZ		
Engine /spare/	KAMAZ		
Cabin			
Welder Machine			
Welder Machine	Unitra. Co		
Hand Circular Saw/Mark Makita N5900B; SN#0036465	Unitra. Co	SN#0036465	
Welding Machine/Mark ASEA 200, Model #UF-12A23, SN#091126	Unitra. Co	SN#091126/	
Welding machine ASEA250 model:UF-15P23 SN:09109	Unitra. Co	UF-15P23 SN:09109	
Professional Plus Gas Kit, s/n: 314695-02-008	Global Minespec LLC	s/n: 314695-02-008	
Welding machine ASEA-250 s/n:1103036	Unitra Co.,Ltd - MNT	s/n:1103036	PO15117
Welding machine ASEA-250 s/n:1103049	Unitra Co.,Ltd - MNT	s/n:1103049	
Welding machine ASEA-250 s/n:1103037	Unitra Co.,Ltd - MNT	s/n:1103037	
Welding Machine ASEA-250 s/n: 1103012	Unitra Co.,Ltd - MNT	s/n: 1103012	
Welding Machine ASEA-250 s/n: 1103047	Unitra Co.,Ltd - MNT	s/n: 1103047	
Welding Machine ASEA-250 s/n: 1103054	Unitra Co.,Ltd - MNT	s/n: 1103054	
Beefmaster 4 burner BBQ Machine	CAMS-MNT		
Plazma cutter Cut 120 SN#A1010100800Q030090094	UUDENG Uuduu Engeneering - MNT	SN#A1010100800Q030090094	
R-80 handle for plazma cutter	UUDENG Uuduu Engeneering - MNT		
Semi automatic MIG-250 SN#A1112008300K010100219	UUDENG Uuduu Engeneering - MNT	SN#A1112008300K010100219	
Heaters			
Master heater	B350SBA		
Master heater	B350CEA		
Heater 28			

Boiler			
Boiler			
Master heater	B350CEA		
Heat Exchanger	Proactive reliability		
Boiler			
Boiler			
Heater Gryp			
Heater Gryp	MSM Co.,Ltd		
Heater Gryp	MSM Co.,Ltd		
Heater - MSD			
Heater - MSD			
Heater - Herman Nelson gyrp-40			
Munters (SIAL) heater Model:GRY-D40WE SN: 200628242010	MSM Co.,Ltd	SN: 200628242010	
Munters (SIAL) heater Model:GRY-D40WE SN: 200628192010	MSM Co.,Ltd	SN: 200628192010	
Munters (SIAL) heater Model:GRY-D40WE SN: 200628522010	MSM Co.,Ltd	SN: 200628522010 RCP09778; PO14232	
OKCE 180ltr boiler for Shower Container#2 (ablution block)	AABB LLC	Product N: 9346223 Type N: 120410801	
Munters GRY 40WD heaters	MSM - MNT		
Diesel heaters / Tiger king/	HBDM LLC - dozer rental		
Diesel heaters / Tiger king/	Low cash MNT		
Compressor/Motor			
Compressor	Chamco		
Engine, starter, alternator	Multi Power Products		
Motor	Proactive Reliabilities		
Engine 1792	Landdrill Co		
4 Speed Transmission	Landdrill Co	MT643M	
Engine 1792/4 Speed Trans.	Landdrill Co		
John Deere Motor	Frontier Equipment	SN#RG6081A172025*	
Daishin 5500 Motor			
HAO Drilling Motor 2pcs	Precision Energy Sup.		
FA Motor	Landdrill Co		
Skidders			
XG955 Wheel loader SN# CXG00955V001B0927	XG955 Wheel loader SN# CXG00955V001B0927		XGMA

Schedule A-4

Schedule A-4

MEXICO

Asset Purchase Agreement

Listing of TOREX assets subject to APA

Qty	Assets	Serial Number	Supplier	Pedimento #
	Drills			
RIG - 22	HTM-2000 Drill	LEM 05	Landdrill International Mexico	
RIG - 21	HTM-2000 Drill	LEM 04	Hugo Guadalupe Velazquez Barron	
RIG - 39	A5 Diamond Drill with Accesories	A-5	Mitchelles Drilling Equipment LTD	102337710009244
RIG - 51	ZINEX A5-3	2008 - 046	Inflight Drilling S. de R.L. de C.V.	8002050
RIG - 54	ZINEX A5-6	2010 - 034	Inflight Drilling S. de R.L. de C.V.	2962
	Tanks			
2	50% Metallic Mud Tank. Rig.22 LEM-5-UM-2500		Ing. Juventino Gutierrez Gastelum	
1	Metallic Tank for Diesel Cap.100 Gal. Rig.21 LEM-4 (UM-2500)		Ing. Juventino Gutierrez Gastelum	

Schedule B

Escrow Agreement

Schedule "B"

ESCROW AGREEMENT

ESCROW AGREEMENT, dated as of November 5, 2012 (this "**Escrow Agreement**"), among Ernst & Young Inc., in its capacity as escrow agent (the "**Escrow Agent**"), Ernst & Young Inc., in its capacity as the court-appointed monitor (the "**Monitor**") of Landdrill International Ltd., Landdrill International Mexico S.A. de C.V. and Landdrill International LLC (collectively, the "**Vendors**"), and Major Drilling Group International Inc., Major Drilling de Mexico SA de CV and Major Drilling Mongolia XXK (collectively, the "**Purchasers**").

WHEREAS, this Escrow Agreement is entered into pursuant to an agreement of purchase and sale dated as of November 5, 2012 (the "**Purchase Agreement**"), by and among the Monitor, in its capacity as the court-appointed monitor of the Vendors and not in its corporate or personal capacity, for and on behalf of the Vendors, and the Purchasers, pursuant to which the Purchasers have agreed, subject to the terms and conditions of the Purchase Agreement, to purchase certain assets of the Vendors from the Monitor;

WHEREAS, the Escrow Agent has agreed to hold the Escrow Fund, and to disburse all such funds in accordance with the terms of this Escrow Agreement and the Purchase Agreement;

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. ESCROW

1.1 Appointment of Escrow Agent

The Monitor and the Purchasers hereby appoint and designate Ernst & Young Inc. as Escrow Agent. The Escrow Agent hereby accepts such appointment and designation upon the terms, conditions and provisions provided in this Escrow Agreement.

1.2 Terms

All capitalized terms not otherwise defined herein shall have the meaning ascribed to same in the Purchase Agreement.

2. ESCROW FUND

2.1 Establishment of the Escrow Account

The Escrow Agent has established a segregated interest-bearing trust account (the "**Escrow Account**") for the purpose of holding the Escrow Fund, which shall be maintained, and from which the Escrow Funds shall be disbursed, in accordance with the terms and conditions of this Escrow Agreement. The Escrow Account shall be maintained free and clear of all Encumbrances whatsoever.

2.2 Funding of the Escrow Account

The Escrow Agent acknowledges receipt of the Deposits by wire transfer of immediately available funds from the Purchasers. The Escrow Agent has deposited such amount into the Escrow Account on the date hereof.

2.3 No Set-Off

The Escrow Fund shall not be available to, and shall not be used by, the Escrow Agent to set-off any obligations owing to the Escrow Agent. The Escrow Agent is acting as agent hereunder and does not have and will not have any interest in the Escrow Fund other than simple possession.

2.4 Reporting

If requested, the Escrow Agent shall provide to the Purchasers and the Monitor monthly statements identifying applicable transactions, transfers and holdings of the Escrow Fund. Other than reporting any interest or other earnings in accordance with Section 3.2 and applicable law, the Escrow Agent shall have no tax reporting duties with respect to any disbursements made pursuant to this Escrow Agreement.

3. INVESTMENTS

3.1 Investment of Escrow Fund

Unless jointly directed otherwise by the Purchasers and the Monitor in writing, the Escrow Agent shall invest the Escrow Fund in an interest bearing savings account or guaranteed investment certificates having a maturity date of no more than 30 days with the right of early redemption on one (1) Business Day's notice. All earnings in respect of the Deposits shall become part of the Escrow Fund. The Escrow Agent is authorized to liquidate any portion of the Escrow Fund in order to make payments required under this Escrow Agreement.

3.2 Taxes

For tax purposes, the Purchasers will be treated as the owner of any earnings on the Deposits, and the Purchasers will report, and pay applicable taxes in respect of, all such income in such proportions, in the appropriate tax year and in the applicable jurisdiction. The Escrow Agent shall, upon request from a Purchaser, provide any necessary information required under the *Income Tax Act* (Canada), the applicable income tax acts of Mexico and Mongolia, or any relevant provincial, state or local equivalents in each jurisdiction.

4. ESCROW RELEASE

4.1 Canadian Closing

At the Time of Closing on the Canadian Closing Date, the Canadian Purchaser and the Monitor shall deliver to the Escrow Agent a joint written notice confirming that the Canadian Transaction has closed. Immediately upon receipt, the Escrow Agent shall pay that portion of the Escrow Fund representing the Canadian Deposit and all interest, income and earnings accrued thereon to the Monitor.

4.2 Mexican Closing

At the Time of Closing on the Mexican Closing Date, the Mexican Purchaser and the Monitor shall deliver to the Escrow Agent a joint written notice confirming that the Mexican Transaction has closed. Immediately upon receipt, the Escrow Agent shall pay that portion of the Escrow Fund representing the Mexican Deposit and all interest, income and earnings accrued thereon to the Monitor.

4.3 Mongolian Closing

At the Time of Closing on the Mongolian Closing Date, the Mongolian Purchaser and the Monitor shall deliver to the Escrow Agent a joint written notice confirming that the Mongolian Transaction has closed. Immediately upon receipt, the Escrow Agent shall pay that portion of the Escrow Fund representing the Mongolian Deposit and all interest, income and earnings accrued thereon to the Monitor.

4.4 Torex Closing

At the Time of Closing on the Torex Closing Date, the Mexican Purchaser and the Monitor shall deliver to the Escrow Agent a joint written notice confirming that the Torex Transaction has closed. Immediately upon receipt, the Escrow Agent shall pay that portion of the Escrow Fund representing the Torex Deposit and all interest, income and earnings accrued thereon to the Monitor.

4.5 Disbursement to the Monitor upon Termination of Purchase Agreement

Upon the receipt by the Escrow Agent of joint written instructions from the Purchasers and the Monitor that the Purchase Agreement or a Transaction has been terminated under circumstances where the Purchase Agreement requires the Escrow Fund, or a portion thereof, to be disbursed to the Monitor, the Escrow Agent shall promptly deliver such amount of the Escrow Fund to the Monitor by wire transfer to such account or accounts as the Monitor may designate to the Escrow Agent by written notice.

4.6 Disbursement to the Purchasers upon Termination of Purchase Agreement

(i) Upon the receipt by the Escrow Agent of joint written instructions from the Purchasers and the Monitor that the Purchase Agreement or a Transaction has been terminated under circumstances where the Purchase Agreement requires the Escrow Fund, or a portion thereof, to be returned to the Purchasers, the Escrow Agent shall promptly deliver such amount of the Escrow Fund to the Purchasers by wire transfer to such account or accounts as the Purchasers may designate to the Escrow Agent by written notice.

(ii) If one of the Transactions contemplated in the Purchase Agreement is terminated pursuant to Section 5.5, 7.4, 9.4 or 11.4 of the Purchase Agreement by one of the Purchasers, then such Purchaser shall provide a termination notice ("**Drop End Termination Notice**") to the Escrow Agent, and the Escrow Agent shall promptly deliver such amount of the Escrow Fund to the Purchaser in respect of such terminated Transaction by wire transfer to such account of the Purchaser. For greater clarity, it is not required that the Monitor execute a Drop End Termination Notice.

4.7 Disbursement upon Court Order

Upon the receipt by the Escrow Agent of a Court Order (as defined below) requiring all or any portion of the Escrow Fund to be disbursed, the Escrow Agent shall promptly deliver such portion of the Escrow Fund in accordance with such Court Order.

5. ESCROW AGENT

5.1 Responsibilities and Duties of the Escrow Agent

(i) The duties, responsibilities and obligations of the Escrow Agent shall be limited to those expressly set forth in this Escrow Agreement and the Purchase Agreement, and no duties, responsibilities or obligations shall be inferred or implied. The Escrow Agent shall not be subject to, nor required to comply with, any other agreement among the Purchasers and the Monitor other than the Purchase Agreement or to comply with any direction or instruction from the Purchasers or the Monitor (other than those contained herein or delivered in accordance with this Escrow Agreement or written instructions given jointly by the Purchasers and the Monitor). The Escrow Agent shall not be required to, and shall not, expend or risk any of its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. The Escrow Agent is authorized to rely in good faith upon any instruction, notice, demand, certificate or document jointly delivered by the Purchasers and the Monitor believed by it to be genuine.

(ii) The Escrow Agent shall not be liable for any loss or injury resulting from its actions, omissions, performance or lack of performance of its duties hereunder in the absence of bad faith, gross negligence or willful misconduct. In no event shall the Escrow Agent be liable (i) for any consequential, punitive or special damages or (ii) for the acts or omissions of its nominees, correspondents, designees, subagents or subcustodians appointed with due care by the Escrow Agent.

(iii) The Escrow Agent may consult with legal counsel as to any matter relating to this Escrow Agreement, and the Escrow Agent shall not incur any liability in acting in good faith in accordance with any advice from such counsel.

(iv) The Escrow Agent shall not be responsible for the form, execution, validity, value or genuineness of documents or securities deposited hereunder, or for any description therein, or for the identity, authority or rights of persons executing or delivering or purporting to execute or deliver any such document, security or endorsement.

(v) In the event of any dispute between or conflicting claims by or among the Purchasers or the Monitor with respect to the Escrow Fund, the Escrow Agent shall be entitled to refuse to comply with any and all claims, demands or instructions with respect to the Escrow Fund so long as such dispute or conflict shall continue, and the Escrow Agent shall not be or become liable in any way for failure or refusal to comply with such conflicting claims, demands or instructions. The Escrow Agent shall be entitled to refuse to act until such conflicting or adverse claims or demands shall have been determined by a final order, judgment or decree of a court of competent jurisdiction (a "**Court Order**"), which order, judgment or decree is not subject to appeal, or settled by agreement between the conflicting parties as evidenced in writing reasonably satisfactory to the Escrow Agent.

5.2 Removal; Resignation

The Purchasers and the Monitor may jointly remove the Escrow Agent at any time by giving the Escrow Agent at least thirty (30) calendar days' prior written notice. The Escrow Agent may resign as escrow agent at any time, by giving at least thirty (30) calendar days' prior written notice of such resignation to the Monitor and the Purchasers. In either event, the Monitor and the Purchasers will jointly and promptly select a successor escrow agent, and the Monitor and the Purchasers will enter into an agreement with such successor escrow agent in substantially the form of this Escrow Agreement. The removal or resignation of the Escrow Agent shall relieve the Escrow Agent of any responsibility or duty thereafter arising hereunder, but shall not relieve the Escrow Agent of responsibility to account to the Monitor and the Purchasers for funds received by the Escrow Agent prior to the effective date of such removal or resignation. If a substitute for the Escrow Agent hereunder shall not have been selected prior to the expiration of sixty (60) calendar days following the date of the notice of removal or resignation, the Escrow Agent shall be entitled to petition any court of competent jurisdiction for the appointment of a substitute for it hereunder or, in the alternative, it may (i) transfer and deliver the Escrow Fund to or upon the order of such court or (ii) keep safely all Escrow Fund until it receives joint notice from the Monitor and the Purchasers of a substitute appointment. The Escrow Agent shall be discharged from all subsequently arising duties hereunder upon acceptance by the substitute escrow agent of the Escrow Agent's duties hereunder or upon transfer and delivery of the funds in the escrow account to or upon the order of any court.

5.3 Indemnification of the Escrow Agent

The Monitor and the Purchasers each agree to hold the Escrow Agent harmless from and to indemnify the Escrow Agent against, any loss, liability, claim or demand arising out of or in connection with the performance of its obligations in accordance with the provisions of this Escrow Agreement, except to the extent such loss, liability, claim or demand arises from the bad faith, gross negligence or willful misconduct of the Escrow Agent. This indemnity shall survive the closing of the transactions described in the Purchase Agreement and the termination of this Agreement.

5.4 Expenses

The Escrow Agent shall be entitled to receive all reasonable, out-of-pocket expenses (including any legal expenses), disbursements and advances incurred or made by the Escrow Agent in connection with this Escrow Agreement. All such expenses, disbursements and advances shall be paid by the Purchasers.

5.5 Merger or Consolidation

Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

6. MISCELLANEOUS

6.1 Notices

Any notices, demands or other communication required to be sent or given hereunder by any of the parties shall in every case be in writing and shall be presumed properly served if (a) delivered personally to the recipient, (b) sent to the recipient by reputable express courier service (charges paid) or mailed to the recipient by registered or certified mail, return receipt requested and postage paid, or (c) sent to the recipient by facsimile. Date of service of such notice shall be (i) the date such notice is personally delivered, (ii) three (3) business days after the date of mailing if sent by certified or registered mail, (iii) one (1) business day after date of delivery to the overnight courier if sent by overnight courier, or (iv) the same day, if telecopied before 6:00 p.m. (at the time of the recipient) on a business day, and otherwise on the next business day after the date of transmittal by telecopy. Such notices, demands and other communications shall be sent to the addresses indicated below:

(i) If to the Monitor, the Vendors or the Escrow Agent:

Ernst & Young Inc., [in its capacity as Monitor of the Vendors / in its capacity as Escrow Agent]
The Fortis Building
139 Water Street
7th Floor
St. John's, Nfld A1C 1B2

Attention : Paul D. Hickey
Facsimile No.: 709-726-0345

(ii) If to the Purchasers:

Major Drilling Group International Inc.
111 St. George Street
Suite 200
Moncton, NB E1C 1T7

Attention: James A. Gibson
Facsimile No.: 506-857-9211

With a copy to:

McCarthy Tétrault LLP
1000 de La Gauchetière St. W., Suite 2500
Montreal, Quebec H3B 0A2

Attention:
Facsimile No.: (514) 875-6246

6.2 Severability

Whenever possible, each provision of this Escrow Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Escrow Agreement is held to be prohibited by or invalid under applicable law or rule in any jurisdiction, in any respect, such invalidity shall not affect the validity, legality and enforceability of any other provision or any other jurisdiction and, the remaining terms and provisions of this Escrow Agreement shall not in any way be affected or impaired thereby, all of which shall remain in full force and effect, and the affected term or provision shall be modified to the minimum extent permitted by law so as to achieve most fully the intention of this Escrow Agreement.

6.3 Amendment and Waiver

This Escrow Agreement may be amended, or any provision of this Escrow Agreement may be waived, provided that any such amendment or waiver will be binding on a party only if such amendment or waiver is set forth in a writing executed by such party. The waiver by any party hereto of a breach of any provision of this Escrow Agreement shall not operate or be construed as a waiver of any other breach.

6.4 Counterparts

This Escrow Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other.

6.5 Construction and Jurisdiction

This Escrow Agreement shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein and shall be treated as a contract made in the Province of New Brunswick. The Parties irrevocably adorn and submit to the exclusive jurisdiction of the courts of the Province of New Brunswick and courts of appeal therefrom in respect of all matters arising out of this Escrow Agreement.

6.6 Headings

The Section captions used hereunder are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

6.7 Parties in Interest; Assignment

This Escrow Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Other than pursuant to Section 5.5, neither this Escrow Agreement nor any of the rights interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties, such consent not to be unreasonably withheld.

6.8 Entire Agreement

This Escrow Agreement and the Purchase Agreement constitute the entire agreement of, and supersede all prior agreements and understandings, both written and oral, among the parties, with respect to the subject matter hereof.

6.9 No Strict Construction

The language used in this Escrow Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

(Signature page follows.)

The parties have executed this Agreement.

ERNST & YOUNG INC., IN ITS CAPACITY AS THE COURT-APPOINTED MONITOR OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY, FOR AND ON BEHALF OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC

By:
Name: Paul D Hickey CA·CIRP
Title: Senior Vice President

By: ______________________________
Name:
Title:

MAJOR DRILLING GROUP INTERNATIONAL INC.

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

MAJOR DRILLING DE MEXICO SA DE CV

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

MAJOR DRILLING MONGOLIA XXK

By: ______________________________
Name:
Title:

The parties have executed this Agreement.

ERNST & YOUNG INC., IN ITS CAPACITY AS THE COURT-APPOINTED MONITOR OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY, FOR AND ON BEHALF OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

MAJOR DRILLING GROUP INTERNATIONAL INC.

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

MAJOR DRILLING DE MEXICO SA DE CV

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

MAJOR DRILLING MONGOLIA XXK

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

The parties have executed this Agreement.

ERNST & YOUNG INC., IN ITS CAPACITY AS THE COURT-APPOINTED MONITOR OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY, FOR AND ON BEHALF OF LANDDRILL INTERNATIONAL LTD., LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. AND LANDDRILL INTERNATIONAL LLC

By: ____________________
Name:
Title:

By: ____________________
Name:
Title:

MAJOR DRILLING GROUP INTERNATIONAL INC.

By: ____________________
Name: Francis McGuire
Title: President and CEO

By: ____________________
Name:
Title:

MAJOR DRILLING DE MEXICO SA DE CV

By: ____________________
Name: Francis McGuire
Title: President and Director

By: ____________________
Name:
Title:

MAJOR DRILLING MONGOLIA XXK

By: ____________________
Name: Francis McGuire
Title: Secretary and Director

By: ____________________
Name:
Title:

By: ______________________________
Name:
Title:

ERNST & YOUNG INC. in its capacity as Escrow Agent

By:
Name: Paul D Hickey CA·CIRP
Title: Senior Vice President

Schedule "C"

Approval and Vesting Order

Schedule "C"

Court File No. M/M/114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL ATLANTIC LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL CONTRACT MINING LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. (A MEXICAN CORPORATION), LANDDRILL INTERNATIONAL LLC (A MONGOLIAN CORPORATION) and LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION)

(the "**Applicants**")

ORDER FOR APPROVAL OF ASSET PURCHASE AGREEMENT

WHEREAS the motion of Ernst & Young Inc., Court-appointed Monitor of the Applicants (the "**Monitor**"), seeking, *inter alia*, the approval of an asset purchase agreement substantially in the form attached to the Fourth Report of the Monitor, as it may be amended from time to time (hereinafter defined as the "**Asset Purchase Agreement**") involving substantially all of the tangible operating assets (the "**Assets**") of the Vendors (as defined in the Asset Purchase Agreement) and the transactions contemplated thereby and vesting in the Purchasers (as defined in the Asset Purchase Agreement) the Vendors' right, title and interest in and to the Assets, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the

"**CCAA**"), was heard this 13th day of November, 2012 at 145 Assomption Blvd., Moncton, New Brunswick.

ON READING the Monitor's Fourth Report and the Appendices and Confidential Appendices thereto;

AND UPON HEARING:

Stephen J. Hutchison, Counsel for the Applicants;

Ashley John Taylor, Counsel for the Monitor;

Mary Buttery, Counsel for Sprott Resource Lending Partnership;

Alissa K. Mitchell, Counsel for GE Canada Equipment Financing, GP;

Jeffrey M. Lee, Counsel for Norrep Credit Opportunities Fund and Crown Capital Partners Inc.;

[NTD: Insert additional parties]

no one appearing for any other person on the Service List, although properly served as appears from the affidavit of service, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. THIS COURT ORDERS that any capitalized term used but not defined herein shall have the meaning ascribed to such term in Asset Purchase Agreement.

APPROVAL OF ASSET PURCHASE AGREEMENT

3. THIS COURT ORDERS that the Asset Purchase Agreement, as it may be amended from time to time, and the Transactions contemplated thereunder are hereby approved, provided that no amendments to the economic terms shall be made without further order of this Court. The Monitor, for and on behalf of the Applicants, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Assets to the Canadian Purchaser, the Mexican Purchaser and the Mongolian Purchaser, including any steps necessary or desirable to satisfy and/or comply with any applicable laws, regulations or orders of any courts, tribunals, regulatory bodies or administrative bodies in any jurisdiction in which the Assets may be located.

4. THIS COURT ORDERS that the Monitor may make such amendments to the Asset Purchase Agreement as it considers necessary or desirable, provided that it makes no changes to any economic terms including, without limiting the generality of the foregoing, any terms dealing with the Purchase Price or deposits.

VESTING OF ASSETS

5. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Canadian Purchaser substantially in the form attached as Schedule "A" (the "**Monitor's Canadian Certificate**"), all of the Canadian Vendor's right, title and interest in and

to the Canadian Assets shall vest, without further instrument of transfer or assignment, absolutely in the Canadian Purchaser, free and clear of and from any Encumbrances and of all rights of others and, for greater certainty, this Court orders that all of the Encumbrances and all rights of others affecting or relating to the Canadian Assets are hereby expunged and discharged as against the Canadian Assets.

6. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Mexican Purchaser substantially in the form attached as Schedule "B" (the "**Monitor's Mexican Certificate**"), all of the Mexican Vendor's right, title and interest in and to the Mexican Assets shall vest, without further instrument of transfer or assignment, absolutely in the Mexican Purchaser, free and clear of and from any Encumbrances and of all rights of others and, for greater certainty, this Court orders that all of the Encumbrances and all rights of others affecting or relating to the Mexican Assets are hereby expunged and discharged as against the Mexican Assets.

7. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Mongolian Purchaser substantially in the form attached as Schedule "C" (the "**Monitor's Mongolian Certificate**"), all of the Mongolian Vendor's right, title and interest in and to the Mongolian Assets shall vest, without further instrument of transfer or assignment, absolutely in the Mongolian Purchaser, free and clear of and from any Encumbrances and of all rights of others and, for greater certainty, this Court orders that all of the Encumbrances and all rights of others affecting or relating to the Mongolian Assets are hereby expunged and discharged as against the Mongolian Assets.

8. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Torex Purchaser substantially in the form attached as Schedule "D" (the "**Monitor's Torex Certificate**"), all of the Mexican Vendor's right, title and interest in and to the Torex Assets shall vest, without further instrument of transfer or assignment, absolutely in the Mexican Purchaser, free and clear of and from any Encumbrances and of all rights of others and, for greater certainty, this Court orders that all of the Encumbrances and all rights of others affecting or relating to the Torex Assets are hereby expunged and discharged as against the Torex Assets.

PAYMENT OF PURCHASE PRICE

9. THIS COURT ORDERS that on the Canadian Closing Date, if applicable, the Canadian Purchaser shall pay the Canadian Purchase Price to the Monitor (less the amount of the Canadian Deposit which has previously been paid to the Monitor as Escrow Agent). For the purposes of determining the nature and priority of the Encumbrances, the net proceeds from the sale of the Canadian Assets shall stand in the place and stead of the Canadian Assets, and that from and after the delivery of the Monitor's Certificate re: Canadian Assets, all Encumbrances and all rights of others shall attach to the net proceeds from the sale of the Canadian Assets with the same priority as they had with respect to the Canadian Assets immediately prior to the sale, as if the Canadian Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

10. THIS COURT ORDERS that on the Mexican Closing Date, if applicable, the Mexican Purchaser shall pay the Mexican Purchase Price to the Monitor (less the amount of the Mexican Deposit which has previously been paid to the Monitor as Escrow Agent). For the purposes of

determining the nature and priority of the Encumbrances, the net proceeds from the sale of the Mexican Assets shall stand in the place and stead of the Mexican Assets, and that from and after the delivery of the Monitor's Certificate re: Mexican Assets, all Encumbrances and all rights of others shall attach to the net proceeds from the sale of the Mexican Assets with the same priority as they had with respect to the Mexican Assets immediately prior to the sale, as if the Mexican Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

11. THIS COURT ORDERS that on the Mongolian Closing Date, if applicable, the Mongolian Purchaser shall pay the Mongolian Purchase Price to the Monitor (less the amount of the Mongolian Deposit which has previously been paid to the Monitor as Escrow Agent). For the purposes of determining the nature and priority of the Encumbrances, the net proceeds from the sale of the Mongolian Assets shall stand in the place and stead of the Mongolian Assets, and that from and after the delivery of the Monitor's Certificate re: Mongolian Assets, all Encumbrances and all rights of others shall attach to the net proceeds from the sale of the Mongolian Assets with the same priority as they had with respect to the Mongolian Assets immediately prior to the sale, as if the Mongolian Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

12. THIS COURT ORDERS that on the Torex Closing Date, if applicable, the Mexican Purchaser shall pay the Torex Purchase Price to the Monitor (less the amount of the Torex Deposit which has previously been paid to the Monitor as Escrow Agent). For the purposes of determining the nature and priority of the Encumbrances, the net proceeds from the sale of the Torex Assets shall stand in the place and stead of the Torex Assets, and that from and after the delivery of the Monitor's Certificate re: Torex Assets, all Encumbrances and all rights of others

shall attach to the net proceeds from the sale of the Torex Assets with the same priority as they had with respect to the Torex Assets immediately prior to the sale, as if the Torex Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

13. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court copies of the Monitor's Canadian Certificate, the Monitor's Mexican Certificate, the Monitor's Mongolian Certificate and the Monitor's Torex Certificate (collectively, the "**Monitor's Certificates**"), forthwith after delivery thereof.

14. THIS COURT ORDERS that the Monitor may rely on written notices from the Vendors and the Purchasers regarding fulfillment or, if applicable, waiver of conditions to closing of the applicable Transactions under the Asset Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificates.

15. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Vendors and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any of the Vendors;

the vesting of any of the Assets in any of the Purchasers pursuant to this Order and the obligations of any of the Vendors under the Asset Purchase Agreement, shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Vendors and shall not be void or voidable by creditors of any of the Vendors, nor shall any of them constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall any of them constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. THIS COURT ORDERS AND DECLARES that the Transactions are exempt from any requirement under any applicable federal or provincial law to obtain shareholder approval and is exempt from the application of the *Bulk Sales Act* (Ontario) or any equivalent or applicable legislation under any other province or territory.

SEALING ORDER

17. THIS COURT ORDERS that Confidential Appendices "A", "B" and "C" to the Fourth Report be kept sealed, confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice which sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.

AID AND RECOGNITION

18. THIS COURT ORDERS that this Approval and Vesting Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, and governmental, municipal and regulatory authorities against whom it may otherwise be enforceable.

19. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, Mexico or Mongolia to give effect to this Order and to assist the Vendors and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

Schedule "A"
Form of Monitor's Canadian Certificate

Court File No. M/M/114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL ATLANTIC LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL CONTRACT MINING LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. (A MEXICAN CORPORATION), LANDDRILL INTERNATIONAL LLC (A MONGOLIAN CORPORATION) and LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION)

(the "**Applicants**")

MONITOR'S CANADIAN CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Chief Justice Smith of the Court of Queen's Bench of New Brunswick (the "**Court**") dated August 31, 2012, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of, *inter alia*, Landdrill International Inc. (the "**Canadian Vendor**"), Landdrill Mexico S.A. de C.V. (the "**Mexican Vendor**"), Landdrill International LLC (the "**Mongolian Vendor**" and, together with Canadian Vendor and the Mexican Vendor, the "**Vendors**"), Landdrill International Ltd., Landdrill Atlantic Ltd, and Landdrill Contract Mining Ltd.

B. Unless otherwise indicated herein, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the agreement of purchase and sale made as of November [5], 2012 (the "**Asset Purchase Agreement**") between the Vendors and Major Drilling Group Inc. (the "**Canadian Purchaser**"), Major Drilling de Mexico S.A. de C.V. (the "**Mexican Purchaser**") and Major Drilling Mongolia XXK (the "**Mongolian Purchaser**" and, together with the Canadian Purchaser and the Mexican Purchaser, the "**Purchasers**").

C. Pursuant to an Order of the Court dated November [13], 2012, the Court approved the Asset Purchase Agreement and provided for, among other things, the vesting in the Canadian Purchaser of the Canadian Vendor's right, title and interest in and to the Canadian Assets, which vesting is to be effective with respect to the Canadian Assets upon the delivery by the Monitor to the Canadian Purchaser of a certificate certifying (a) receipt of the Canadian Deposit and the balance of the Canadian Purchase Price by the Monitor; and (b) receipt of confirmation from the Canadian Vendor and the Canadian Purchaser that the Canadian Conditions have been satisfied or waived by the Canadian Vendor and the Canadian Purchaser, as applicable.

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Canadian Deposit and the balance of the Canadian Purchase Price for the Canadian Assets payable on the Canadian Closing Date pursuant to the Asset Purchase Agreement;

2. The Monitor has received written confirmation from the Canadian Vendor and the Canadian Purchaser that the Canadian Conditions have been satisfied or waived by the Canadian Vendor and the Canadian Purchaser, as applicable; and

3. This Monitor's Canadian Certificate was delivered by the Monitor to the Canadian Purchaser at ________ [TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Applicants and not in its personal capacity

Per: ____________________________________

Name:

Title:

Schedule "B"
Form of Monitor's Mexican Certificate

Court File No. M/M/114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL ATLANTIC LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL CONTRACT MINING LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. (A MEXICAN CORPORATION), LANDDRILL INTERNATIONAL LLC (A MONGOLIAN CORPORATION) and LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION)

(the "**Applicants**")

MONITOR'S MEXICAN CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Chief Justice Smith of the Court of Queen's Bench of New Brunswick (the "**Court**") dated August 31, 2012, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of, *inter alia*, Landdrill International Inc. (the "**Canadian Vendor**"), Landdrill Mexico S.A. de C.V. (the "**Mexican Vendor**"), Landdrill International LLC (the "**Mongolian Vendor**" and, together with Canadian Vendor and the Mexican Vendor, the "**Vendors**"), Landdrill International Ltd., Landdrill Atlantic Ltd, and Landdrill Contract Mining Ltd.

B. Unless otherwise indicated herein, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the agreement of purchase and sale made as of November **[5]**, 2012 (the "**Asset Purchase Agreement**") between the Vendors and Major Drilling Group Inc. (the "**Canadian Purchaser**"), Major Drilling de Mexico S.A. de C.V. (the "**Mexican Purchaser**") and Major Drilling Mongolia XXK (the "**Mongolian Purchaser**" and, together with the Canadian Purchaser and the Mexican Purchaser, the "**Purchasers**").

C. Pursuant to an Order of the Court dated November **[13]**, 2012, the Court approved the Asset Purchase Agreement and provided for, among other things, the vesting in the Mexican Purchaser of the Mexican Vendor's right, title and interest in and to the Mexican Assets, which vesting is to be effective with respect to the Mexican Assets upon the delivery by the Monitor to the Mexican Purchaser of a certificate certifying (a) receipt of the Mexican Deposit and the balance of the Mexican Purchase Price by the Monitor; and (b) receipt of confirmation from the Mexican Vendor and the Mexican Purchaser that the Mexican Conditions have been satisfied or waived by the Mexican Vendor and the Mexican Purchaser, as applicable.

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Mexican Deposit and the balance of the Mexican Purchase Price for the Mexican Assets payable on the Mexican Closing Date pursuant to the Asset Purchase Agreement;

2. The Monitor has received written confirmation from the Mexican Vendor and the Mexican Purchaser that the Mexican Conditions have been satisfied or waived by the Mexican Vendor and the Mexican Purchaser, as applicable; and

3. This Monitor's Mongolian Certificate was delivered by the Monitor to the Mongolian Purchaser at ________ [TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Applicants and not in its personal capacity

Per: ______________________________

Name:

Title:

Schedule "C"
Form of Monitor's Mongolian Certificate

Court File No. M/M/114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL ATLANTIC LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL CONTRACT MINING LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. (A MEXICAN CORPORATION), LANDDRILL INTERNATIONAL LLC (A MONGOLIAN CORPORATION) and LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION)

(the "**Applicants**")

MONITOR'S MONGOLIAN CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Chief Justice Smith of the Court of Queen's Bench of New Brunswick (the "**Court**") dated August 31, 2012, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of, *inter alia*, Landdrill International Inc. (the "**Canadian Vendor**"), Landdrill Mexico S.A. de C.V. (the "**Mexican Vendor**"), Landdrill International LLC (the "**Mongolian Vendor**" and, together with Canadian Vendor and the Mexican Vendor, the "**Vendors**"), Landdrill International Ltd., Landdrill Atlantic Ltd, and Landdrill Contract Mining Ltd.

B. Unless otherwise indicated herein, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the agreement of purchase and sale made as of November **[5]**, 2012 (the "**Asset Purchase Agreement**") between the Vendors and Major Drilling Group Inc. (the "**Canadian Purchaser**"), Major Drilling de Mexico S.A. de C.V. (the "**Mexican Purchaser**") and Major Drilling Mongolia XXK (the "**Mongolian Purchaser**" and, together with the Canadian Purchaser and the Mexican Purchaser, the "**Purchasers**").

C. Pursuant to an Order of the Court dated November **[13]**, 2012, the Court approved the Asset Purchase Agreement and provided for, among other things, the vesting in the Mongolian Purchaser of the Mongolian Vendor's right, title and interest in and to the Mongolian Assets, which vesting is to be effective with respect to the Mongolian Assets upon the delivery by the Monitor to the Mongolian Purchaser of a certificate certifying (a) receipt of the Mongolian Deposit and the balance of the Mongolian Purchase Price by the Monitor; and (b) receipt of confirmation from the Mongolian Vendor and the Mongolian Purchaser that the Mongolian Conditions have been satisfied or waived by the Mongolian Vendor and the Mongolian Purchaser, as applicable.

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Mongolian Deposit and the balance of the Mongolian Purchase Price for the Mongolian Assets payable on the Mongolian Closing Date pursuant to the Asset Purchase Agreement;

2. The Monitor has received written confirmation from the Mongolian Vendor and the Mongolian Purchaser that the Mongolian Conditions have been satisfied or waived by the Mongolian Vendor and the Mongolian Purchaser, as applicable; and

3. This Monitor's Mexican Certificate was delivered by the Monitor to the Mexican Purchaser at ________ [TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Applicants and not in its personal capacity

Per: ______________________________

Name:

Title:

Schedule "D"
Form of Monitor's Torex Certificate

Court File No. M/M/114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL ATLANTIC LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL CONTRACT MINING LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. (A MEXICAN CORPORATION), LANDDRILL INTERNATIONAL LLC (A MONGOLIAN CORPORATION) and LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION)

(the "**Applicants**")

MONITOR'S TOREX CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Chief Justice Smith of the Court of Queen's Bench of New Brunswick (the "**Court**") dated August 31, 2012, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of, *inter alia*, Landdrill International Inc. (the "**Canadian Vendor**"), Landdrill Mexico S.A. de C.V. (the "**Mexican Vendor**"), Landdrill International LLC (the "**Mongolian Vendor**" and, together with Canadian Vendor and the Mexican Vendor, the "**Vendors**"), Landdrill International Ltd., Landdrill Atlantic Ltd, and Landdrill Contract Mining Ltd.

B. Unless otherwise indicated herein, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the agreement of purchase and sale made as of November **[5]**, 2012 (the "**Asset Purchase Agreement**") between the Vendors and Major Drilling Group Inc. (the "**Canadian Purchaser**"), Major Drilling de Mexico S.A. de C.V. (the "**Mexican Purchaser**") and Major Drilling Mongolia XXK (the "**Mongolian Purchaser**" and, together with the Canadian Purchaser and the Mexican Purchaser, the "**Purchasers**").

C. Pursuant to an Order of the Court dated November **[13]**, 2012, the Court approved the Asset Purchase Agreement and provided for, among other things, the vesting in the Mexican Purchaser of the Mexican Vendor's right, title and interest in and to the Torex Assets, which vesting is to be effective with respect to the Torex Assets upon the delivery by the Monitor to the Mexican Purchaser of a certificate certifying (a) receipt of the Torex Deposit and the balance of the Torex Purchase Price by the Monitor; and (b) receipt of confirmation from the Mexican Vendor and the Mexican Purchaser that the Torex Conditions have been satisfied or waived by the Mexican Vendor and the Mexican Purchaser, as applicable.

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Torex Deposit and the balance of the Torex Purchase Price for the Torex Assets payable on the Torex Closing Date pursuant to the Asset Purchase Agreement;

2. The Monitor has received written confirmation from the Mexican Vendor and the Mexican Purchaser that the Torex Conditions have been satisfied or waived by the Mexican Vendor and the Mexican Purchaser, as applicable; and

3. This Monitor's Torex Certificate was delivered by the Monitor to the Mexican Purchaser at ________ [TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Applicants and not in its personal capacity

Per: ________________________________

Name:

Title:

Schedule D

Mongolian Payables

Schedule "D"

Supplier	Business direction	Term	Receipt Date	Period of Service	Invoice		Amount	
					Number	Date	MNT	USD
AV SHUTEEN	10mm plate steel 1400 tug 1m2	3 Day	18-Oct	18-Oct	AV-121018	18-Oct	219,000.00	
AV SHUTEEN	Square Steel tube 30x30 for sulliar	3 Day	17-Oct	17-Oct	AV121017	17-Oct	52,200.00	
AIRLAND LOGISTICS	Freight charges for shipments from Australia	30 days	16-Oct	16-Oct	S-00004372	16-Oct		$ 358.37
NIC	Diesel	3 days	17-Oct	8-Oct	Kh-121015	15-Oct	5,635,799.99	
ORBITNET LLC	SAT/INTERNET, 14080TUG PER DAY (Aspire Job)	1WEEK	30-Sep	6-31 Jul, 2012	Invoice - LD120901	30-Sep	340,645.16	
PALACE HOTEL	hotel payment for Jacques Monette		14-Sep	8/29-8/30	P-120914	14-Sep	362,323.00	
PSC-Hilti	180mm Cutting disc for stock-75pcs	3 days	17-Oct	17-Oct	PSC-121017	17-Oct	266,640.00	
WAGNER ASIA EQUIPMENT LLC	Security pmt of forklift rental at shop	COD				29-Jul	(2,090,000.00)	
WURTH Mongolia LLC	Gasket maker silicone 250	2-Oct	2-Oct	2-Oct	W-121002	2-Oct	35,000.00	
TOTAL							**4,821,608.15**	**$ 358.37**

USD Converted to MNT	**494,653.81**
Grand Total (in MNT)	**5,316,261.96**

CONFIDENTIAL
APPENDIX A

TO THE FOURTH REPORT OF THE MONITOR DATED NOVEMBER 6, 2012

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CONFIDENTIAL
APPENDIX B

TO THE FOURTH REPORT OF THE MONITOR DATED NOVEMBER 6, 2012

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