# NEW DAWN MINING CORP.

**116 Simcoe Street, Suite 301**
**Toronto, Ontario, Canada M5H 4E2**

## NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that a special meeting (the "**Meeting**") of shareholders of **NEW DAWN MINING CORP.** (the "**Corporation**") will be held at the offices of Borden Ladner Gervais LLP on the 44th floor, Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3Y4, at 10:00 a.m. (Toronto time) on Tuesday, November 19, 2013, for the following purposes:

1. to consider and, if deemed advisable, approve, with or without variation, a special resolution to authorize the consolidation of the common shares of the Corporation on the basis of one (1) post-consolidation common share for every one hundred thousand (100,000) currently outstanding common shares;

2. to consider and, if deemed advisable, approve, with or without variation, a special resolution to: (i) authorize the continuance of the Corporation from Canada to the Cayman Islands as an exempted company incorporated with limited liability; and (ii) adopt the memorandum and articles of association, attached hereto as Schedule "B", upon the successful continuance of the Corporation into the Cayman Islands; and

3. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The accompanying Management Information Circular of the Corporation provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

Shareholders who cannot attend the Meeting in person may vote by proxy. Instructions on how to complete and return the proxy are provided with the proxy form and are described in the Management Information Circular. To be valid, proxies must be received by Equity Financial Trust Company at 200 University Avenue, Suite 300, Toronto, Ontario, Canada M5H 4H1, no later than 5:00 p.m. (Toronto time) on Friday, November 15, 2013, or if the Meeting is adjourned, no later than 10:00 a.m. (Toronto time) on the last business day preceding the day to which the Meeting is adjourned.

**BY ORDER OF THE BOARD**

(signed) Graham R. Clow CPA CA
Chief Financial Officer and
Corporate Secretary
October 21, 2013

# NEW DAWN MINING CORP.
# MANAGEMENT INFORMATION CIRCULAR

## SOLICITATION OF PROXIES

**THIS PROXY CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF NEW DAWN MINING CORP. (THE "CORPORATION") OF PROXIES TO BE USED AT THE SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ATTACHED NOTICE OF MEETING (THE "MEETING").** It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation.

## APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO** either by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of Equity Financial Trust Company at 200 University Avenue, Suite 300, Toronto, Ontario, Canada M5H 4H1, no later than 5:00 p.m. (Toronto time) on Friday, November 15, 2013, or if the Meeting is adjourned, no later than 10:00 a.m. (Toronto time) on the last business day preceding the day to which the Meeting is adjourned, or delivered to the chairman of the Meeting on the day of the Meeting or adjournment thereof.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the shareholder or by his attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such meeting on the day of the Meeting, or adjournment thereof, or in any other manner permitted by law.

## VOTING OF PROXIES

Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy will be voted for each of the matters to be voted on by shareholders as described herein or withheld from voting or voted against if so indicated on the form of proxy. **The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of matters identified in the notice of meeting, or other matters which may properly come before the Meeting.** As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters that are expected to come before the Meeting.

## VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person (a "non-registered owner") are registered either (a) in the name of an intermediary (an "**Intermediary**") that the non-registered owner deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the "**Meeting Materials**") (i) directly to non-registered owners who have advised their Intermediary that they do not object to the Intermediary providing their ownership information to issuers whose securities they beneficially own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"), and (ii) to the clearing agencies and Intermediaries for onward distribution to non-registered owners who have advised their Intermediary that they object to the Intermediary providing their ownership information ("**Objecting Beneficial Owners**" or "**OBOs**").

Intermediaries are required to forward the Meeting Materials to Objecting Beneficial Owners unless an Objecting Beneficial Owner has waived the right to receive them. Intermediaries will commonly use service companies to forward the Meeting Materials to Objecting Beneficial Owners. Generally, Objecting Beneficial Owners who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the Objecting Beneficial Owner but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered owner when submitting the proxy. In this case, the Objecting Beneficial Owner who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

(b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Objecting Beneficial Owner and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically the non-registered owner will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered owner should remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its services company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered owners to direct the voting of the common shares in the capital of the Corporation ("**Common Shares**") they beneficially own. Should a non-registered owner who receives either form of proxy wish to vote at the Meeting in person, the non-registered owner should strike out the persons named in the form of proxy and insert the non-registered owner's name in the blank space provided for that purpose. Non-registered owners should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

## DISTRIBUTION OF SECURITY-HOLDER MATERIALS TO NON-OBJECTING BENEFICIAL OWNERS

These security-holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## FORWARD-LOOKING INFORMATION

This Circular contains "forward-looking information" which may include, but is not limited to, statements with respect to the anticipated benefits of the Consolidation and Continuance (each as defined below), the anticipated timing of the delisting of the Common Shares from the Toronto Stock Exchange, future financial or operating performances of the Corporation, its mineral properties, requirements for additional capital, government regulation of mining operations, political risk, indigenization risk, and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking information statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, those factors discussed in the section entitled "Risk Factors" in the Corporation's Management's Discussion and Analysis for the years ended September 30, 2012 and 2011. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document based on the opinions and estimates of management, and the Corporation disclaims any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise, except as required by applicable securities legislation. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, shareholders should not place undue reliance on forward-looking statements.

## CURRENCY

Except as otherwise indicated, all dollar amounts indicated in this Circular are expressed in Canadian dollars. Amounts in United States dollars are indicated as US$.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of the date hereof, the capital of the Corporation consists of:

| | Authorized | Issued and outstanding |
|---|---|---|
| Special Shares | Unlimited | Nil |
| Common Shares | 200,000,000 | 45,612,383 |

The Corporation has made a list of all persons who were registered holders of Common Shares at the close of business on October 1, 2013 and the number of Common Shares registered in the name of each person on that date. Each shareholder is entitled to one vote for each Common Share registered in the name of the holder as it appears on the list.

The Articles of the Corporation provide, in effect, that the directors of the Corporation shall not issue Voting Shares (defined as Common Shares and any other class of shares of the Corporation eligible to vote at meetings of shareholders), and the Corporation shall not register a transfer of Voting Shares, if such issue or transfer would result in any United States person (as defined in the United States Internal Revenue Code) owning (or being considered to own under the rules of the United States Internal Revenue Code) 10% or more of the total combined voting power of all classes of Voting Shares. If, for any reason, a United States person does own 10% or more of the outstanding Voting Shares eligible to vote at a shareholders' meeting, the maximum number of Voting Shares which may be voted by that United States person is limited to the highest whole number of Voting Shares which is less than 10% of the outstanding voting shares eligible to vote at such meeting. The restrictions on share issuances, transfers and voting do not apply to United States persons who own 10% or more of the outstanding Voting Shares on the date the Articles of Continuance became effective on November 15, 2007 (a "**Grandfathered United States Holder**").

The purpose of the restrictions on share ownership and voting by U.S. persons is to reduce the risk that the Corporation may become a "controlled foreign company" for purposes of the United States Internal Revenue Code.

To the knowledge of the directors and senior officers of the Corporation, as of the date hereof, the following shareholders are the only persons or companies that beneficially own or exercise control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the Meeting:

| Name of Shareholder and Municipality of Residence | Number of Common Shares Owned, Controlled or Directed | % of the Outstanding Common Shares |
|---|---|---|
| Reflection Partners, L.P.[(1)]<br>Los Angeles, California | 12,949,191 | 28.4% |
| ECP Africa Fund II PCC<br>Mauritius[(2)] | 4,885,530 | 10.7% |

(1) Reflection Partners, L.P. is a California limited partnership of which Mark S. Zucker is the general partner. Reflection Partners, L.P. is a Grandfathered United States Holder.

(2) ECP Africa Fund II PCC also holds warrants exercisable for Common Shares, at prices in excess of the current market price, that are not reflected in this table.

## OWNERSHIP OF SECURITIES BY OFFICERS AND DIRECTORS OF THE CORPORATION

Officers and Directors of the Corporation own the following securities:

| Name and Municipality of Residence | Office | Common Shares of the Corporation Beneficially Owned, Directed or Controlled, Directly or Indirectly[(1)(7)] |
|---|---|---|
| Robert N. Weingarten[(3)(4)]<br>Los Angeles, California, USA | Executive Chairman and Director | 1,413,056 |
| Ian R. Saunders<br>Bulawayo, Zimbabwe | President, CEO and Director | 885,739 |
| Bryce Fort[(5)]<br>Washington, D.C., USA | Director | Nil |
| Philip G. MacDonnell[(2)(3)(4)]<br>Toronto, Ontario, Canada | Director | Nil |
| Divo Milan[(2)]<br>Mexico City, Mexico | Director | 682,363 [(6)] |
| Jon W. North[(2)(3)(4)]<br>Oakville, Ontario, Canada | Director | Nil |
| Graham R. Clow<br>Mono, Ontario, Canada | Chief Financial Officer | 51,620 |

(1) The information as to shares beneficially owned or over which they exercise control or direction not being within the knowledge of the Corporation has been furnished by the respective nominees individually. To the knowledge of the Corporation, none of the nominees own shares in any of the Corporation's subsidiaries either beneficially or over which they exercise control or direction.

(2) Member of the Audit Committee.

(3) Member of the Corporate Governance and Nominating Committee.

(4) Member of the Compensation Committee.

(5) Mr. Fort is one of a team of advisors at Emerging Capital Partners LLP, an investment fund manager that makes investment decisions for the investment funds that they administer. The investment funds under administration include ECP Africa Fund II PCC, which is resident in Mauritius and which owns 4,885,550 Common Shares of the Corporation. Mr. Fort does not beneficially own or control the Common Shares held by that fund.

(6) These shares are held by Varrica Investment PTY Ltd. and Eureka Global PTE Ltd. on behalf of an irrevocable trust established by Mr. Milan for the benefit of his minor children.

(7) Officers and directors of the company also hold options exercisable for Common Shares, at prices in excess of the current market price, that are not reflected in this table.

## DELISTING FROM THE TORONTO STOCK EXCHANGE

The Corporation has applied to voluntarily delist the Common Shares from the Toronto Stock Exchange (the "**Exchange**") and expects the delisting to be effective on November 20, 2013.

## MATTERS TO BE CONSIDERED AT THE MEETING

The proposed consolidation of the Common Shares and the proposed continuance to the Cayman Islands will be considered as separate resolutions and the approval of one is not dependent on the approval of the other. Accordingly, the Corporation may proceed with either or both resolutions if approved at the Meeting. In addition, the Board of Directors may determine not to proceed with either or both resolutions even if they are approved at the Meeting.

### 1. Consolidation of Common Shares

The special resolution described under the heading "*Consolidation Resolution*" below (the "**Consolidation Resolution**") is required to effect the proposed consolidation described below (the "**Consolidation**") and will be presented for consideration at the Meeting. The purpose of the Consolidation Resolution is to approve the Consolidation whereby the total number of Common Shares of the Corporation will be reduced and the number of shareholders of the Corporation will be reduced to the extent that the Corporation will be able to cease to be a reporting issuer under applicable Canadian securities laws. If the Consolidation is implemented, the Corporation will take steps to terminate its status as a reporting issuer in the Provinces of Ontario, British Columbia, Alberta, Manitoba and Saskatchewan. The Consolidation constitutes a "business combination" as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and a "going-private transaction" as defined under the *Canada Business Corporations Act* (the "**CBCA**").

***Background to the Consolidation***

Under applicable securities laws a broad range of regulatory obligations are imposed on companies, such as the Corporation, with public shareholders. These regulatory requirements necessitate the employment of independent accountants, financial consultants, geologists, printers, lawyers and other skilled personnel. Regulatory requirements such as MI 61-101 also subject certain transactions between public corporations and their "related parties" to independent valuation and minority shareholder approval requirements.

The Consolidation is intended to address current business and operational issues caused by a combination of adverse factors, all of which have been previously reported. The substantially lower gold price, together with steadily increasing payroll and power costs and high domestic royalties, taxes and fees, and ongoing operational issues have resulted in operating losses and negative cash flows at the Corporation's operating subsidiaries in Zimbabwe. This continuing cash outflow has left each of the Corporation's operating subsidiaries in a significant working capital deficiency position. These factors contributed to the recently announced decision to cease mining operations at one of the Corporation's material mining properties in Zimbabwe, the Dalny Mine, effective as of August 30, 2013.

In addition, the indigenisation process in Zimbabwe, which has been continuing for over two years, has effectively prevented the Corporation from raising the capital necessary to fund needed investment in its mining properties that would have been expected to mitigate the effect of the operational issues. The approval of the Corporation's Plan of Indigenisation, which was received on October 9, 2013, allows the Corporation to commence the implementation of its Plan of Indigenisation, a process that is likely to take some time to complete. However, there is the potential for further changes in the indigenisation policies of the Government of Zimbabwe that could impact the Corporation and its shareholders. Successful implementation of the Plan of Indigenisation will not provide the significant amounts of capital that the Corporation requires to execute its development plans.

In the current negative investment climate in Zimbabwe, which is likely to continue for the foreseeable future, the Corporation does not expect to be able to raise the necessary significant additional financing for development and

expansion through the public capital markets, thereby undermining one of the principal advantages for continuing as a public company. The Corporation believes that the costs that would be incurred in continuing to meet the ongoing legal, regulatory and compliance obligations cannot be justified in view of the Corporation's present financial circumstances.

Management and the Directors of the Corporation have diligently reviewed other alternatives to the proposed transactions. Such alternatives have included attempts to sell various significant mining assets, searches for joint venture partners, and attempts to raise financing through private placements including from existing shareholders. None of these initiatives has been successful. In addition, a concerted cost cutting exercise combined with seeking efficiency improvements has been insufficient to stabilise operations in the current gold price regime.

Taking into account the above factors, the directors have determined that the Consolidation is in the best interests of the Corporation.

***Terms of the Consolidation***

The Consolidation, which is being carried out pursuant to the CBCA, will be effected in accordance with the terms of the Consolidation Resolution, substantially in the form set forth below. If the Consolidation Resolution is passed, it is expected that the Consolidation will become effective shortly after the Meeting, upon filing of the articles of amendment and the issuance of a certificate of amendment giving effect thereto (the "**Consolidation Effective Date**").

On the Consolidation Effective Date:

- all of the Common Shares will be consolidated on the basis of 1 post-consolidation Common Share for each 100,000 currently outstanding Common Shares;
- holders of Common Shares will not be entitled to receive certificates for fractional post-consolidation Common Shares, and will not be entitled to exercise any of the rights of shareholders in respect of any fractional post-consolidation Common Share other than the right to receive payment, without interest, of the sum of $0.13 in cash for each Common Share held immediately prior to the Consolidation; and
- the number of Common Shares outstanding will be reduced to approximately 407, which will be held by approximately 17 shareholders in various jurisdictions.

Following the filing of Articles of Amendment to effect the Consolidation, the Corporation's authorized share capital will consist of an unlimited number of Special Shares and up to 2,000 Common Shares. The Articles of the Corporation will otherwise be unchanged.

Shareholders who exercise their dissent rights pursuant to section 190 of the CBCA ("**Dissenting Shareholders**") will be entitled to be paid the fair value of their Common Shares in accordance with the CBCA. For a full description of such dissent rights, see the discussion under the heading "Right of Dissent" provided below as well as Schedule "C" to this Circular.

On the Consolidation Effective Date, each shareholder holding less than 100,000 Common Shares will be removed from the Corporation's register of shareholders and, until validly surrendered, the Common Share certificate(s) held by such former holders will represent only the right to receive, upon such surrender, the Consideration (without interest).

Subject to any escheatment and unclaimed property laws, any certificate which prior to the Consolidation Effective Date represented issued and outstanding Common Shares which has not been surrendered, with all other instruments required by the accompanying letter of transmittal (the "**Letter of Transmittal**"), on or prior to the sixth anniversary of the Consolidation Effective Date, will cease to represent any claim or interest of any kind or nature against the Corporation or the Depositary.

Accordingly, as a result of the Consolidation, a shareholder (other than a Dissenting Shareholder):

(i) who holds a fractional post consolidation Common Share that is less than one whole Common Share upon completion of the Consolidation will be entitled to receive payment of his, her or its entitlement of Cdn.$0.13 per pre-Consolidation Common Share on account of such fractional Common Share,

(ii) who holds a whole number of post consolidation Common Shares and a fractional post consolidation Common Share that is less than one whole post consolidation Common Share upon completion of the Consolidation will be entitled to receive payment of his, her or its entitlement of Cdn.$0.13 per pre-Consolidation Common Share on account of such fractional Common Share and a new share certificate evidencing the ownership of a whole number of post consolidation Common Shares, and

(iii) who holds a whole number of post consolidation Common Shares will be entitled to receive a new share certificate evidencing the ownership of a whole number of post consolidation Common Shares.

where the payment in respect of a fractional Common Share and the new share certificate, where applicable, are, together the "**Consideration**".

***Procedure for Receipt of Consideration***

If the Consolidation Resolution is passed, each shareholder (other than any Dissenting Shareholders) will be entitled to receive payment of the Consideration in lieu of fractional post-consolidation Common Shares as soon as practicable after the Consolidation Effective Date. In order for shareholders to receive the Consideration, they must first complete and sign the enclosed Letter of Transmittal and return it, together with the certificate(s) representing the Common Shares held, to Equity Financial Trust Company (the "**Depositary**") in accordance with the procedure specified in the enclosed Letter of Transmittal. As soon as practicable following the Consolidation Effective Date and receipt of all required documents, the Depositary will send or cause to be sent payment of the Consideration to each shareholder (other than any Dissenting Shareholders) who has submitted a Letter of Transmittal in accordance with the foregoing.

The Corporation will use its current cash resources as the source of funds for payment of the Consideration.

***Letter of Transmittal and Surrender of Common Share Certificates***

The Letter of Transmittal is enclosed with this Circular for use by shareholders for the surrender of certificate(s) representing Common Shares. The details for the surrender of such share certificate(s) to the Depositary and the address of the Depositary are set out in the Letter of Transmittal.

In order to receive the Consideration a shareholder must first deliver and surrender to the Depositary all share certificate(s) representing such shareholder's Common Shares, together with the Letter of Transmittal duly completed and executed in accordance with the instructions on such form or in otherwise acceptable form and such other documents as the Depositary may reasonably require, if any.

*Lost Certificates*

A shareholder who has lost or misplaced the shareholder's Common Share certificate(s) should complete the Letter of Transmittal as fully as possible and forward it, together with an affidavit explaining the loss, to the Depositary. The Depositary will assist in making arrangements for the necessary affidavit (which may include an indemnity and bonding requirement at the shareholder's expense) for payment of the Consideration in accordance with the terms of the Consolidation.

*Method of Delivery*

The method of delivery of certificate(s) representing Common Shares, the Letter of Transmittal and all other required documents is at the option and risk of the person delivering them. The Corporation recommends that such documents be delivered by hand to the Depositary, at the office noted in the Letter of Transmittal, and a receipt obtained therefor, or if

mailed, that registered mail, with return receipt requested, be used, and that proper insurance be obtained. Shareholders holding Common Shares which are registered in the name of a broker, investment dealer, bank, trust company or other nominee must contact their nominee holder to arrange for the surrender of their Common Shares.

*Payment and Delivery of the Consideration*

In order to receive the Consideration, a shareholder must first deliver to the Depositary the certificate(s) representing such shareholder's Common Shares and such other additional documents as the Depositary may reasonably require. As soon as practicable after the Consolidation Effective Date, assuming due delivery of the required documentation, the Corporation will cause the Depositary to forward cheques for the Consideration (without interest) to which a shareholder is entitled, by first class mail to the address of the shareholder as specified in the Letter of Transmittal unless the shareholder indicates to the Depositary that he or she wishes to pick up the cheques representing the Consideration, in which case the cheques will be available at the offices of the Depositary for pick-up by such holder. Under no circumstances will interest on the Consideration be paid by the Corporation by reason of any delay in paying the Consideration or otherwise.

The payments to Shareholders will be denominated in Canadian dollars. However, a Shareholder can also elect to receive payment in U.S. dollars by checking the appropriate box in the Letter of Transmittal, in which case such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary at its typical banking institution on the date the funds are converted. Shareholders electing to have the payment for their Shares paid in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of the Shareholder.

If a Shareholder wishes to receive cash payable in U.S. dollars, the box captioned "Currency of Payment" in the Letter of Transmittal must be completed. Otherwise, the consideration will be paid in Canadian dollars.

***Expenses of the Consolidation***

All expenses of the Consolidation, including the costs of the MPA Formal Valuation, the Depositary and other expenses will be paid by the Corporation from its available cash resources.

***Recent Trading in the Common Shares***

The Common Shares are currently listed for trading on the Exchange under the trading symbol "ND". The Corporation has applied to voluntarily delist the Common Shares from the Exchange prior to the Consolidation Effective Date. The following table sets forth the reported high and low closing prices and the trading volume for the Common Shares on the Exchange for the past six month period.

| Month | High | Low | Volume of shares traded |
|---|---|---|---|
| April | $1.00 | $0.76 | 138,460 |
| May | $0.84 | $0.68 | 106,735 |
| June | $0.62 | $0.34 | 75,009 |
| July | $0.39 | $0.30 | 155,755 |
| August | $0.35 | $0.21 | 140,086 |
| September | $0.27 | $0.10 | 2,131,918 |
| October[(1)] | $0.14 | $0.06 | 176,780 |

(1) Up to and including October 18, 2013.

***Formal Valuation***

MI 61-101 provides that, unless exempted, a corporation proposing to carry out a "business combination" is required to engage an independent valuator to prepare a valuation of the affected securities (and any non-cash consideration being offered therefor) and provide to the holders of the affected securities a summary of such valuation. Pursuant to an engagement letter dated September 9, 2013, the Corporation retained MPA Morrison Park Advisors Inc. ("**MPA**") to prepare a formal valuation in accordance with MI 61-101 (the "**MPA Formal Valuation**").

To the knowledge of the Corporation and any director or senior officer of the Corporation, after reasonable inquiry, there are no prior valuations, as defined in MI 61-101, that have been prepared within the 24 months prior to the date of this Circular.

The following is a summary only of the MPA Formal Valuation. This summary is qualified in its entirety by, and should be read in conjunction with, the full text of the MPA Formal Valuation attached to this Circular as Schedule "A". The MPA Formal Valuation describes, among other things, the assumptions made, methodologies used, matters considered and limitations on the review undertaken by MPA.

The MPA Formal Valuation has been provided to the Board of Directors for its exclusive use only in considering the Consolidation and may not be relied upon by any person, other than the members of the Board of Directors, or used for any other purpose, without the prior written consent of MPA. The MPA Formal Valuation is not intended to be and does not constitute a recommendation to the Board of Directors as to whether they should approve the Consolidation, nor as a recommendation to any Shareholder as to how to vote or act at the Meeting or as an opinion concerning the trading price or value of any securities of New Dawn following the announcement or completion of the Consolidation.

*Engagement of MPA*

MPA has been requested to provide a formal valuation, in accordance with MI 61-101 requirements, of the Common Shares of the Corporation. MPA has been determined to be qualified and independent for the purposes of MI 61-101 and was engaged by the Board of Directors as of September 9, 2013 pursuant to the MPA Engagement Agreement to prepare and deliver to the Board of Directors the MPA Formal Valuation. The terms of the MPA Engagement Agreement provide for, among other things, the payment by New Dawn to MPA of a fee upon substantial completion or delivery to the Board of Directors of a preliminary report and for the payment of additional fees upon substantial completion or delivery to the Board of Directors of the MPA Formal Valuation. In addition, in the MPA Engagement Agreement, the Corporation agreed to indemnify MPA against certain liabilities that could arise in connection with MPA's engagement.

*Credentials of MPA*

MPA is an independent, partner-owned, Canadian investment banking advisory firm which specializes in providing financial advisory services to corporations and governments. MPA is an exclusive member of IMAP, the world's largest alliance of independent M&A advisory firms. MPA and its professionals have extensive experience in preparing valuations and fairness opinions and in transactions similar to the Consolidation.

The opinions expressed herein are the opinions of MPA, and the form and content hereof have been approved for release by a committee of directors and officers of MPA, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

*Independence of MPA*

None of MPA or its affiliates (i) is an "issuer insider", "associated entity" nor an "affiliated entity" of the Corporation, or an "interested party", as each such terms are used in MI 61-101; (ii) is acting as a financial adviser to the Corporation in connection with the Consolidation; (iii) is a manager or co-manager of any soliciting dealer group for the Consolidation nor will MPA, as a member of any such group, perform services beyond the customary soliciting dealers' functions; or (iv)

has a financial incentive with respect to the conclusions reached in the MPA Formal Valuation or the outcome of the Consolidation or has a material financial interest in the completion of the Consolidation.

None of the fees payable to MPA under the MPA Engagement Agreement is contingent upon the conclusions reached by MPA in the MPA Formal Valuation, or upon the completion of the Consolidation. The fees payable to MPA pursuant to the MPA Engagement Agreement are not financially material to MPA. No understandings or agreements exist between MPA or the Corporation with respect to future financial advisory or investment banking business.

*General Assumptions, Limitations and Reliance*

In the MPA Formal Valuation, MPA stated that it believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by MPA, without considering all factors and analyses together, could create a misleading view of the process underlying the MPA Formal Valuation. The preparation of a formal valuation is a complex process and is not necessarily susceptible to partial analysis or summary description and any attempt to do so could lead to undue emphasis on any particular factor or analysis.

In connection with the preparation of the MPA Formal Valuation, MPA, among other things, reviewed information provided by the Corporation, met with senior management of the Corporation and conducted other investigative exercises as more specifically described in the MPA Formal Valuation.

MPA relied upon, and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by MPA from public sources, or provided to MPA by the Corporation or its affiliates or advisers or otherwise obtained by MPA pursuant to its engagement, and the MPA Formal Valuation is conditional upon such completeness, accuracy and fair presentation. MPA was not requested to and did not attempt to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. MPA did not meet separately with the independent auditors of the Corporation in connection with preparing the MPA Formal Valuation and MPA assumed the accuracy and fair presentation of, and relied upon, audited financial statements and reports of the auditors thereon, as well as unaudited interim financial statements for the Corporation.

With respect to the historical financial data, operating and financial forecasts and budgets provided to MPA and relied upon in its financial analyses, MPA assumed that they were reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgements of management of the Corporation, having regard to the business, plans, taxation, financial condition and prospects for each of the relevant assets.

MPA also assumed that the Consolidation will be completed substantially in accordance with all applicable laws and that this Circular will disclose all material facts relating to the Consolidation and will satisfy all applicable legal requirements. the Corporation represented to MPA, in a certificate of two senior officers of the Corporation, dated October 18, 2013, among other things, that the information, data and other material (financial or otherwise) provided to MPA by or on behalf of the Corporation, including the written information and discussions concerning the Corporation and the assets referred to herein (collectively, the "Information") in the MPA Formal Valuation, are complete and correct at the date the Information was provided to MPA and that, since the date of the Information, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Corporation or any of its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the MPA Formal Valuation.

The MPA Formal Valuation was rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at October 8, 2013, and the conditions and prospects, financial and otherwise, of the Corporation as they are reflected in the Information and as they were represented to MPA in its discussions with management of the Corporation and its affiliates and advisers. In MPA's analyses and in connection with the preparation of the MPA Formal Valuation, MPA made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Consolidation.

*General Approach to Valuation*

MPA approached the MPA Formal Valuation in accordance with MI 61-101, which, in the case of the Consolidation, requires the valuator to make a determination as to the Fair Market Value of the common shares of the Corporation. For the purposes of the MPA Formal Valuation MPA considered "Fair Market Value" as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act.

*Valuation Methodologies*

MPA considered these principal methodologies in its approach to the MPA Formal Valuation:

(a) net asset value ("NAV");
(b) comparable companies analysis;
(c) precedent transactions analysis; and
(d) precedent takeover premium analysis.

NAV

The NAV approach separately considers each mining, exploration and financial asset, in respect of which individual values are estimated through the application of the methodology viewed as most appropriate in the circumstances, net of obligations and liabilities, including reclamation and closure costs. To value the mining assets of the Corporation, MPA relied primarily on a discounted cash flow ("DCF") analysis whereby it discounted the unlevered, after-tax, constant-dollar free cash flows of each asset, over the life of the asset at a prescribed discount rate to generate present values. Based on a number of assumptions, a real discount rate was estimated and used to calculate the present value of the cash flows. All forecasts of free cash flow were based on the Corporation operating estimates, using consensus research analyst gold price forecasts. Under the NAV approach, the value of each asset is summed to produce a total asset value, from which the financial assets and liabilities is added or subtracted.

The NAV method considers a variety of valuation techniques in the context of individual assets, is less biased with respect to a transaction's timing within a commodity pricing cycle due to its reliance principally on long term price forecasts, and explicitly addresses the unique characteristics of the assets in Zimbabwe from a long term operating and production perspective.

Comparable Companies Analysis

In the comparable companies approach, various financial metrics at which similar, publicly listed, gold mining and development companies trade are reviewed and used to estimate appropriate multiples of similar metrics for the Company. Location, production methods, stage of project development and size are key considerations for assessing comparability. The following financial metrics, which are discussed in the MPA Formal Valuation, were used: (i) enterprise value ("EV") per ounce of proven and probable reserves and measured, indicated and inferred resources ("EV/Total Resource"), (ii) EV to operating cash flow ("EV/Operating CF"), wherein the operating cash flow is calculated as the difference between the realized gold price and the cash operating costs, multiplied by the annual gold production, and (iii) common share price to NAV ("P/NAV"). EV is defined as the market value of common equity and preferred shares plus the book value of long-term debt and minority interest minus the book value of cash and cash equivalents.

MPA considered the multiples of P/NAV to be the most relevant metric. As another point of reference in the analysis, MPA also considered the values implied by EV/Operating CF. The multiple of EV/Total Resource was considered the least relevant due to inherent limitations from variations among the resource classifications and resource grades and MPA did not rely on this metric.

Precedent Transactions Analysis

The precedent transactions approach considers transaction multiples in the context of the purchase or sale of a comparable company or asset. The prices paid for similar gold mining and development companies and assets and their implied multiples provide a general measure of relative value. Factors such as asset size, location and grade, operating cost, mining techniques as well as the spot price of gold at the time of the transaction are also considered. MPA considered the multiples of P/NAV and EV/Total Resource to be the most relevant metrics in consideration of precedent transactions.
The companies and/or assets identified by MPA for the precedent transactions are generally in the exploration and development phase and as such do not have production and/or cash flow. Several of these companies did not have a published pre-feasibility study or feasibility study. In addition, the identified precedent transactions were generally completed in significantly different gold pricing environments.

Given the limitations noted above, MPA placed no reliance on precedent transactions in the MPA Formal Valuation.
Precedent Takeover Premium Analysis

MPA considered precedent takeover premiums in the MPA Formal Valuation. In this methodology, MPA considered premiums paid in the marketplace for change of control transactions for comparable companies in the mining sector. MPA considered premiums relative to trading prices immediately prior to announcement, as well as relative to volume weighted average trading prices over a variety of historical trailing periods. Because of the relatively high share price volatility of the Common Shares, MPA did not rely on this methodology as a primary valuation methodology in the MPA Formal Valuation. MPA did consider it, however, as a check upon the MPA Formal Valuation.

*Valuation Conclusion*

Based upon and subject to the foregoing and such other factors as they considered relevant, MPA was of the opinion as of October 8, 2013 that the fair market value of the Corporation's Common Shares was in the range of $0.10 to $0.15 per share.

***Interest of Certain Persons or Companies in the Consolidation***

Shareholders of the Corporation who hold at least 100,000 Common Shares will remain shareholders of the Corporation following the Consolidation. Accordingly, these shareholders may not be considered to be treated identically to the general body of shareholders under the Consolidation. Since certain related parties of the Corporation hold in excess of 100,000 Common Shares, and will continue as shareholders of the Corporation following the Consolidation, the Consolidation is considered to be a business combination for the purposes of the MI 61-101 and such related parties are considered to be "interested parties" in connection with the Consolidation. To the knowledge of the Corporation, the following persons are interested parties:

| Interested Party | Relationship to Corporation | Common Shares | % of Common Shares |
|---|---|---|---|
| Reflection Partners, L.P. Los Angeles, California | 10% shareholder | 12,949,191 | 28.4% |
| ECP Africa Fund II PCC Mauritius | 10% shareholder with board representation | 4,885,530 | 10.7% |
| Robert N. Weingarten | Executive Chairman and Director | 1,413,056 | 3.1% |
| Ian R. Saunders | President, CEO and Director | 885,739 | 1.9% |
| Divo Milan | Director | 682,363 | 1.5% |
| Graham R. Clow | Chief Financial Officer and Corporate Secretary | 51,620 | 0.1% |

***Shareholder Approvals***

In order to be effective, the Consolidation Resolution must be approved by:

(i) a simple majority of the votes cast by "minority" shareholders, as such term is defined in MI 61-101; and

(ii) a majority of not less than two-thirds of the votes cast by shareholders present or represented by proxy at the Meeting and entitled to vote on the Consolidation Resolution.

MI 61-101 requires that, in addition to any other required shareholder approval, in order to complete a "business combination" (as defined in MI 61-101), the approval of a majority of the votes cast by "minority" holders of the affected securities be obtained. In relation to the Consolidation, the "minority" holders will be all holders of Common Shares other than those identified as interested parties above, resulting in the exclusion of an aggregate 20,867,499 Common Shares, corresponding to approximately 45.8% of the total outstanding Common Shares.

The form of proxy accompanying this Circular provides a means for a shareholder to vote for or against the Consolidation Resolution. The individuals named in the enclosed form of proxy intend to vote the Common Shares represented by such proxy **FOR** the Consolidation Resolution, unless the shareholder who has given such proxy has directed that the Common Shares be voted against such resolution.

***Recommendation of the Board***

After receiving the MPA Formal Valuation, the Board approved the Consolidation on October 16, 2013. The Board considered and evaluated information, analysis presented by the management of the Corporation and MPA, including but not limited to:

- Nature of the business and operations including:
    - alternate strategy options, none of which has been successfully executed or shown greater potential to address the Corporation's operating and investment issues than the going-private transaction;
    - the size and historical growth of the Corporation's business, and the capital requirements of the business;
    - the ongoing operational, business and political risks facing the Corporation;
    - the financial risks involved in continuing the Corporation as a public company;
    - operating as a private company may be more conducive to the successful implementation of a major restructuring that may be necessary to stabilise and preserve the Corporation's operations and develop its assets in Zimbabwe;
    - significant improvements to cash flows may be realised through the elimination of the substantial annual cash expenditures related to regulatory requirements and reporting standards applicable to a public company;
    - the cost of the Canadian corporate office may be eliminated and the number of directors may be reduced following the Consolidation; and
    - as a private company the Corporation will no longer be required to provide forward-looking disclosure to the public markets regarding indigenisation and the business and economic environment in Zimbabwe, all of which are subject to significant change and uncertainty and are difficult and time consuming to describe and quantify.
- Consideration for the redemption of post consolidation fractional shares, including:
    - the MPA Formal Valuation of the Common Shares
    - the value of the Consideration to be received on the redemption of fractional post consolidation shareholders;
    - the Consideration of $0.13 is within the range of values of the Common Shares determined by MPA; and

- recent market prices of the Common Shares.

- Financing issues, including:
  - the Corporation currently projects that, absent any dramatic change to its operations or capital structure, it will exhaust its existing cash resources in early to mid-2014 and at that time it will not have sufficient operational liquidity to continue to function as a public company including meeting its continuous disclosure obligations;
  - the likely inability of the Corporation to raise significant capital through the public markets in the foreseeable future;
  - private sources of capital may be willing to consider significant strategic investments in the Corporation if it were a private company; and
  - although the Corporation received approval for its Plan of Indigenisation from the Government of Zimbabwe on October 9, 2013, such approval will not, in itself, provide the necessary liquidity, operating or capital requirements for the Corporation. The approval is the first step in a long and time consuming process to raise operational and investment capital, the success of which process is not certain.
- Issues relating to shareholders holding less than 100,000 Common Shares:
  - under the Consolidation, shareholders will have dissent rights;
  - the small total number of Common Shares held by shareholders holding less than 100,000 Common Shares (amounting to under 10% of the issued Common Shares);
  - the lack of liquidity in the market hampering trading of the Common Shares;
  - public shareholders will be able to liquidate their positions at a fixed price without causing fluctuations in the market price of the Common Shares;
  - the proposed redemption price per Common Share is consistent with the current price quoted on the Toronto Stock Exchange; and
  - the likelihood that the Consolidation will be completed, given required conditions have been met and other approvals received that are specified by MI 61-101 and the CBCA.

On the basis of the above deliberations, the Board of Directors concluded that the risk of implementing a share consolidation transaction to thereby achieve non-reporting status in Canada was significantly lower than the risks associated with either maintaining the Corporation's current status or following other strategy options considered by the Board. Accordingly, the Board unanimously resolved that the Consolidation is in the best interests of the Corporation and fair to the holders of Common Shares and recommends that the shareholders vote **FOR** the Consolidation Resolution.

***Consolidation Resolution***

Shareholders at the Meeting will be asked to consider and, if thought appropriate, to authorize and approve the Consolidation Resolution to approve the Consolidation. The following is the text of the Consolidation Resolution which will be put forward at the Meeting for approval by the shareholders of the Corporation:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Articles of New Dawn Mining Corp. (the "**Corporation**"') be amended to effect a consolidation (the "**Consolidation**"') of the issued and outstanding common shares of the Corporation (the "Common Shares") on the basis of 1 post-consolidation common share of the Corporation for each 100,000 pre-consolidation Common Shares; provided, however, that:

   (a) holders of Common Shares on the date (the "**Consolidation Effective Date**") that the certificate of amendment is issued to give effect to the Consolidation shall not be entitled to receive a certificate for any fractional Common Share following the Consolidation, and such holders shall not be entitled to exercise

any of the rights of shareholders in respect of any fractional Common Share other than the right to receive a cash payment equal to $0.13 for each pre-consolidation Common Share held on such date and which would otherwise be changed into a fractional post-consolidation Common Share, such payment (the "**Consideration**") to be made without interest as soon as practicable after the Consolidation Effective Date upon presentation and surrender to the depositary designated by the Corporation for cancellation of the certificate(s) representing such Common Shares;

(b) the Corporation shall have the right at any time to deposit the Consideration for Common Shares registered in the names of shareholders (including, without limitation, shareholders who have dissented ("**Dissenting Shareholders**") in accordance with Section 190 of the CBCA who have not at the date of such deposit presented and surrendered to the Depositary certificates representing all of their Common Shares which were not changed into one or more full post-consolidation Common Shares in a special account with a Canadian chartered bank or other Canadian trust company or financial institution to be paid without interest to or to the order of the respective holders of such Common Shares upon presentation and surrender by them to the Depositary of their share certificates to be so presented and surrendered; provided that: (i) the sending to the Corporation by Dissenting Shareholders of certificates representing all of their respective Common Shares pursuant to Section 190 of the CBCA shall not constitute the presentation and surrender thereof to the Corporation for the purposes of such Section; and (ii) any interest allowed on any such deposit shall belong to the Corporation;

(c) any Consideration in the form of a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remains unclaimed (including monies held on deposit in a special account as provided for in paragraph 1(b) above) for a period of six years after the Consolidation Effective Date shall, subject to any escheatment and unclaimed property laws, be forfeited to the Corporation.

2. The Articles of the Corporation be amended to change the authorized share capital of the Corporation to an unlimited number of Special Shares and up to 2,000 Common Shares.

3. Any one director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts and things as he may determine to be necessary or advisable to give effect to this special resolution (including, without limitation, the delivery of articles of amendment in the prescribed form to the Director appointed under the CBCA), the execution of any such document or the doing of any such other act or thing being conclusive of such determination.

4. Notwithstanding the foregoing, the directors may revoke this special resolution before it is acted upon without further approval of the shareholders."

## 2. Continuance to the Cayman Islands

The special resolution described under the heading "*Continuance Resolution*" below (the "**Continuance Resolution**") is required to effect the proposed continuance as described below (the "**Continuance**") and will be presented for consideration at the Meeting.

### *Purpose of the Continuance*

The Corporation's operating subsidiaries are already held through Cayman Islands incorporated exempted companies, and the transfer to the Cayman Islands would provide a cohesive legal and financial infrastructure, flexible enough to deal with the requirements of the Corporation, and simplify potentially complex taxation issues. Canadian tax legislation requires costly, complex and otherwise unnecessary forward planning to avoid creating tax obligations, despite that fact that, as a consolidated group, the Corporation has no assets or operations in Canada (other than its corporate offices).

Further, if the Consolidation is approved and implemented, the Cayman Islands is more favourable for the continued operation of the Corporation in pursuing additional financing to preserve and develop its operating assets in Zimbabwe, and the Canadian corporate office will be closed.

***Principal Effects of the Continuance***

The Continuance of the Corporation to the Cayman Islands would result in the Corporation being a Cayman Islands exempted company with limited liability under the *Companies Law of the Cayman Islands* (as amended) (the "**Companies Law**"). The Continuance would result in shareholders holding ordinary shares ("**Cayman Shares**") in a Cayman Islands exempted company with limited liability (the "**Continued Corporation**"). The number of Common Shares a shareholder owns (or has rights to acquire) and the percentage ownership such shareholder has of the Continued Corporation would not change as a result of the Continuance. A shareholder would hold that number of Cayman Shares in the Continued Corporation that is equal to the number of Common Shares each such shareholder holds immediately prior to the effective time of Continuance (as described below).

For a summary of the principal Canadian federal income tax considerations to holders of common shares of the Corporation relative to the Corporation continuing from the CBCA to the Companies Law and ceasing to be resident in Canada for purposes of the Tax Act see "Certain Canadian Federal Income Tax Consequences".

***Implementation of the Continuance***

If the Consolidation Resolution is approved, the Consolidation will occur prior to the Continuance. In this event, holders of less than 100,000 Common Shares will cease to be shareholders of the Corporation prior to the Continuance. If the Consolidation is not approved or is not implemented, all shareholders will continue to be shareholders of the Corporation and will receive Cayman Shares. See the discussion under the headings "Description of the Continued Corporation's New Share Capital" and "Comparison of Shareholder Rights" below. The voluntary delisting of the Common Shares from the Toronto Stock Exchange will be completed prior to the Continuance.

If approval of the shareholders is obtained, the Continuance process will commence subsequent to the Meeting at such time as the Board may determine. The Continuance Resolution approving the Continuance also authorizes the directors, if thought appropriate, to revoke the Continuance Resolution and abandon the Continuance process without further approval of the shareholders.

If the Continuance Resolution is approved by the shareholders and the process is not abandoned by the directors, the Continuance shall become effective upon the registration by way of continuance of the Corporation in the Cayman Islands by the Registrar of Companies of the Cayman Islands (the "**Continuance Effective Time**"). Shareholders at that time will be notified of the date of registration by way of continuation of the Corporation in the Cayman Islands, and registered shareholders will receive a letter of transmittal advising them as to how to exchange their certificates representing pre-Continuance shares for certificates representing post-Continuance shares if they wish to do so. Shareholders will not be required to obtain new share certificates but may do so if they wish.

***Conditions to the Consummation of the Continuance***

The Continuance will not be completed unless, among other things, the following conditions are satisfied:

- the Continuance is approved by the requisite vote of shareholders at the Meeting; and
- all other regulatory approvals are obtained allowing the Continuance to be completed.

***Vote Required and Recommendation of the Board***

Pursuant to the CBCA, a continuance of the Corporation to a different jurisdiction must be authorized by a special resolution of shareholders, which requires the approval of at least two-thirds (⅔) of the votes cast at the Meeting in person or by proxy.

The directors of the Corporation have unanimously approved the Continuance and recommend that shareholders vote **FOR** the Continuance Resolution. Management strongly endorses the proposed Continuance and recommends that shareholders vote **FOR** the Continuance Resolution. The directors and senior officers of the Corporation, who collectively hold Common Shares representing approximately 6.65% of the issued and outstanding Common Shares as of the date hereof, have indicated to management that they intend to vote **FOR** the Continuance Resolution.

Unless the shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be voted against the Continuance Resolution, the persons named in the enclosed form of proxy will vote FOR the Continuance Resolution.

***Description of the Continued Corporation's New Share Capital***

Following the completion of the Continuance, the rights of shareholders of the Continued Corporation would be governed by the Continued Corporation's new memorandum of association (the "**Memorandum**") and the proposed new articles of association (the "**Articles of Association**"), and by the applicable laws of the Cayman Islands (principally, the Companies Law) ("**Cayman Law**"). The forms of Memorandum and the Articles of Association (collectively, the "**Cayman Articles**"), subject to such amendments as may be necessary or desirable upon the advice of counsel or to comply with the requirements of appropriate regulatory authorities, are attached as Schedule "B". Shareholders of the Corporation are encouraged to review those documents and the Cayman Law carefully, with the assistance of their advisors.

The following is an overview of the attributes attaching to the Cayman Shares and is subject to the Cayman Articles and Cayman Law. Management believes that these attributes are, in most material respects, similar to the attributes of Common Shares of the Corporation that the shareholders currently enjoy. For material differences see "Comparison of Shareholder Rights". Although the Corporation has intended to describe and compare all material attributes, there can be no assurance that the Corporation has been able to identify all material attributes nor that any or all shareholders would agree that the Corporation has properly identified the material attributes. The Corporation recommends that the shareholders review the attributes with their advisors.

*Authorized Share Capital*

The Cayman Articles would provide that the Continued Corporation's new share capital is US$40,000, divided into 2,000 ordinary shares of par value US$10.00 each and 2,000 special shares of par value US$10.00 each. The Corporation expects that the terms of the special shares will be consistent with those authorized at the Corporation's annual and special meeting held on March 7, 2012.

Following the implementation of the Continuance, it is expected that the Corporation's share capital may be further amended.

*Voting*

The holders of the Cayman Shares would be entitled to one vote per share on all matters to be voted upon. There would be no limitations imposed by Cayman Law or the Cayman Articles on the rights of non-resident shareholders to hold or vote their Cayman Shares.

The rights attached to any separate class or series of shares, unless otherwise provided by the terms of the shares of that class or series, may be varied or abrogated only with the consent in writing of the holders of not less than two-thirds (⅔) of the issued shares of that class or series or by a special resolution passed at a separate general meeting of holders of the shares of that class or series ("**Modification of Rights**"). The necessary quorum for that meeting is the presence of two or more shareholders present in person or by proxy. Each holder of shares of the class or series present, in person or by proxy, will have one vote for each share of the class or series of which it is the holder. Outstanding shares will not be deemed to be varied by the creation or issue of further shares that rank in any respect prior to or equivalent with those shares.

Under Cayman Law, some matters, like altering the Cayman Articles, changing the name of the Continued Corporation, voluntarily winding up of the company or resolving to be registered by way of continuance in a jurisdiction outside the Cayman Islands, require the approval of shareholders by a special resolution. A special resolution is a resolution (i) passed by the holders of not less than two-thirds (⅔) of the shares voted at a general meeting (or such greater number as may be specified by the Articles of Association); or (ii) approved in writing by all shareholders of a company entitled to vote at a general meeting of the company.

*Quorum for General Meetings*

The presence of at least two shareholders, in person or by proxy, entitled to vote at a meeting is a quorum for the transaction of business.

*Dividend Rights*

Subject to any rights and restrictions of any other class or series of shares, the board of directors may, from time to time, declare dividends on the issued shares and authorize payment of the dividends out of the Continued Corporation's lawfully available funds (otherwise subject to the provisions of the Companies Law). The board of directors may declare that any dividend be paid wholly or partly by the distribution of shares and/or specific assets of the Continued Corporation.

*Rights Upon Liquidation*

In the event of the liquidation of the Continued Corporation, after the full amounts that holders of any issued shares ranking senior to the Cayman Shares plus creditors as to distribution on liquidation or winding up are entitled to receive have been paid or set aside for payment, the holders of Cayman Shares would be entitled to receive, pro rata, any remaining assets of the Continued Corporation available for distribution to the holders of Cayman Shares.

*No Liability for Further Calls or Assessments*

The Cayman Shares to be issued in the Continuance would be issued as fully paid and non-assessable.

*No Pre-emptive Rights on Issue or Transfers*

Holders of Cayman Shares would have no pre-emptive or preferential right to purchase any securities of the Continued Corporation.

*Redemption and Conversion*

The Cayman Shares would not be convertible into shares of any other class or series or be subject to redemption either by the Continued Corporation or the holder of the Cayman Shares.

*Repurchase*

Under the Articles of Association (subject to the provisions of the Companies Law), the Continued Corporation may purchase any issued Cayman Shares in the circumstances and on the terms as are agreed by the Continued Corporation and the holder of such shares. Subject to applicable laws, the Continued Corporation may, from time to time, with the agreement of a holder, purchase all or part of the holder's Cayman Shares whether or not the Continued Corporation has made a similar offer to all or any other of the holders of Cayman Shares.

*Other Classes or Series of Shares*

The board of directors will be authorized, without obtaining any vote or consent of the holders of any class or series of shares unless expressly provided by the terms of issue of that class or series (subject to any Modification of Rights), to provide from time to time for the issuance of other classes or series of shares and to establish the characteristics of each class or series, including the number of shares, designations, relative voting rights, dividend rights, liquidation and other rights, redemption, repurchase or exchange rights and any other preferences and relative, participating, optional or other rights and limitations not inconsistent with applicable law.

*Compulsory Acquisition of Shares Held by Minority Holders*

Similar to the CBCA, there are certain circumstances under Cayman Law where an acquiring party may be able to compulsorily acquire the shares of minority holders. Under Cayman Law, an acquiring party may be able to compulsorily acquire the Cayman Shares of minority holders in one of three ways:

By a procedure under Cayman Law known as a "scheme of arrangement", a Cayman court may, on the application of a company, a creditor of the company or a shareholder of the company, order a meeting of the creditors of the company or of any class of creditors affected by the scheme, and/or a meeting of all shareholders of the company or of any class of shareholders affected by the scheme, and if a majority in number of the creditors or shareholders, as the case may be, present at the meeting held to consider the arrangement, representing at least 75% in value of the creditors or class of creditors, or members or class of members, as the case may be, agree to the scheme, the scheme, if sanctioned by the court, shall bind the company, all relevant creditors, and all relevant shareholders. It is possible that the effect of such a scheme may be that the Continued Corporation would be dissolved, its assets transferred to the acquiring company and shares of the acquiring company be issued to the holders of Cayman Shares of the Continued Corporation.

By acquiring pursuant to a tender offer 90% of the Cayman Shares not already owned by the acquiring party (the "offeror"). If an offeror has, within four months after the making of an offer for all the Cayman Shares not owned by the offeror, obtained the approval of not less than 90% of all the shares to which the offer relates, the offeror may, at any time within two months after the end of that four month period, require any non-tendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, non-tendering shareholders will be compelled to sell their shares, unless within one month from the date on which the notice to compulsorily acquire was given to the non-tendering shareholder, the non-tendering shareholder is able to convince the court to order otherwise.

Cayman Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (1) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (2) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies into the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by a special resolution of the shareholders of the relevant Cayman Islands constituent company voting together as one class. The plan must be filed with the Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a statement of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

*Transfer Agent*

The transfer agent and registrar for the Cayman Shares is expected to be Equity Financial Trust Company at 200 University Avenue, Suite 300, Toronto, Ontario, Canada M5H 4H1 or at such other location as the board of directors may from time to time determine.

*Board of Directors*

The Articles of Association provide that the board of directors of the Continued Corporation would consist of not less than three nor more than nine persons. The Articles of Association provide that the Continued Corporation may by ordinary resolution appoint any person to be a director or may by ordinary resolution remove any director. The board of directors may appoint any person to be a director, either to fill a vacancy or as an additional director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles of Association as the maximum number of directors. Initially, after the completion of the Continuance, the number of directors comprising the board is expected to be four.

***Comparison of Shareholder Rights***

The Corporation is incorporated under the CBCA and, accordingly, is governed by the CBCA and the Corporation's articles of continuance (the "**Articles**") and the by-laws of the Corporation, which are available on SEDAR at www.sedar.com.

Under Cayman Law, the Memorandum and the Articles of Association would be the governing instruments of the Continued Corporation. They are broadly equivalent to the Corporation's Articles and by-laws, respectively. If the Continuance is consummated, holders of common shares in the Canadian corporation (other than Dissenting Shareholders) at the Continuance Effective Time will have their common shares automatically converted, with no further action by the shareholder, into an equivalent number of Cayman Shares. Other securities of the Corporation and other rights entitling the holder thereof to acquire securities of the Corporation shall automatically convert at the Continuance Effective Time so as to entitle such holders to acquire an equal number of Cayman Shares or other securities, as the case may be.

While the rights and privileges of shareholders of a Cayman Islands company are, in many instances, comparable to those of shareholders of a CBCA corporation, there are certain differences. The following summary is not complete and does not cover all of the differences between Cayman Law and CBCA affecting corporations and their shareholders or all the differences between the Corporation's Articles and by-laws and Articles and the Continued Corporation's Memorandum and Articles of Association. Management believes this summary is accurate. It is, however, qualified in its entirety by the complete text of the relevant provisions of the Companies Law and other Cayman Law, the CBCA, the Corporation's Articles and by-laws and the Continued Corporation's Memorandum and Articles of Association. For a further description of the rights of the holders of Cayman Shares see "Description of the Continued Corporation's New Share Capital".

*Vote Required for Certain Transactions*

Under the CBCA, certain fundamental changes, such as certain amalgamations, continuances and sales, leases or otherwise disposes of all or substantially all a company's undertaking, and other extraordinary corporate actions such as liquidations, and (if ordered by a court) arrangements, are required to be approved by special resolution. A special resolution is a resolution (i) passed at a meeting by not less than two-thirds (⅔) of the votes cast by the shareholders who voted in respect of the resolution, or (ii) approved in writing by all shareholders entitled to vote on the matter.

The Companies Law also provides for mergers and consolidations, in certain circumstances, and in such case would require, depending on the circumstances, consent of seventy-five percent (75%) in value of the shareholders voting together as one class, or a special resolution of shareholders.

In addition, Cayman companies may be acquired by other corporations by the direct acquisition of the share capital of the Cayman company or by direct asset acquisition. Cayman Law provides that when an offer is made for ordinary shares of a Cayman Islands company and, within four months of the offer, the holders of not less than 90% of those shares accepting, the offeror may, for two months after that four-month period, require the remaining ordinary shareholders to transfer their ordinary shares on the same terms as the original offer.

*Amendment to Governing Documents*

Any substantive change to the corporate charter of a company under the CBCA, such as an alteration of the restrictions, if any, of the business carried on by the Corporation, a change in the name of the company or an increase or reduction of the authorized capital of the company requires a special resolution passed by not less than two-thirds (⅔) of the votes cast by shareholders voting in person or by proxy at a general meeting of the company, unless another type of majority is specified in its Articles. Other fundamental changes such as an alteration of the special rights and restrictions attached to issued shares, also require a special resolution passed by not less than two-thirds (⅔) of the votes cast by the holders of shares of each class entitled to vote at a general meeting of the company. The holders of all classes of shares adversely affected by an alteration of special rights and restrictions must vote by separate class votes.

Under Cayman Law, the Memorandum and Articles of Association may only be amended by a special resolution, which requires the approval of not less than two-thirds (⅔) of the votes cast at a meeting (or such greater number as may be specified by the Articles of Association) or approval in writing by all shareholders entitled to vote on the matter. The Continued Corporation's board of directors may not effect amendments to the Memorandum and Articles of Association on its own. See "Description of the Continued Corporation's New Share Capital." The procedures for the amendment of the governing documents of the Continued Corporation under Cayman Law would be substantially similar to the procedures for the amendment of the Corporation's governing documents under the CBCA.

*Dissent Rights*

The CBCA provides that shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the company proposes to:

- alter the restrictions on the powers of the company or on the business it is permitted to carry on;
- adopt an amalgamation agreement or approve an amalgamation;
- approve an arrangement if the terms of the arrangement provide dissent rights;
- authorize the sale of all or substantially all of the company's undertaking;
- authorize the continuance of the company into another jurisdiction;
- take any other action if the resolution by its terms gives a right to dissent; or
- carry out a going private transaction.

Save in the case of proposed merger or consolidation of a Cayman Islands company (pursuant to which a Dissenting Shareholder is entitled to payment of the fair value of their shares), there is no specific right of dissent for shareholders under the Cayman Law. However, in connection with the compulsory transfer of shares to a 90% shareholder of a Cayman Islands corporation as described under the section entitled, "Description of the Continued Corporation's New Share Capital - Compulsory Acquisition of Shares Held by Minority Holders", a minority shareholder may apply to the court within one month of receiving notice of the compulsory transfer objecting to that transfer. In these circumstances, the burden is on the minority shareholder to show that the court should exercise its discretion to prevent the compulsory transfer. The Continued Corporation has been advised that the court is unlikely to grant any relief in the absence of bad faith, fraud, unequal treatment of shareholders or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders. Also, see the section entitled "Derivative Action", which discusses certain other minority rights.

*Oppression Remedy*

Under the CBCA, a shareholder of a corporation has the right to apply to court if:

- any act or omission of the corporation or any of its affiliates effects a result,
- the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or
- the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner,

that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer. On such an application, the court may make such order as it sees fit, including an order to prohibit any act proposed by the company.

The statutory laws of the Cayman Islands do not provide for a similar remedy. Courts may provide a remedy in the circumstances described under "Dissenting Shareholders' Rights"; there may also be a right under common law for a shareholder to apply to court to have, among other things, a Cayman Islands company wound up on grounds that it would be just and equitable to do so. Also, see the section entitled "Derivative Action", which discusses certain other minority rights.

*Derivative Action*

Under the CBCA, a shareholder or director of a corporation may, with leave of the court, prosecute a legal proceeding in the name and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such a right, duty or obligation.

The Cayman Islands courts have recognized derivative suits by shareholders in some limited circumstances. The Cayman Islands courts ordinarily would be expected to follow English precedent, which would permit a minority shareholder to commence an action against or a derivative action in the name of the company only:

- where the act complained of is alleged to be beyond the corporate power of the company or illegal;
- where the act complained of is alleged to constitute a fraud against the minority perpetrated by those in control of the company;
- where the act requires approval by a greater percentage of the company's shareholders than actually approved it; or
- where there is an absolute necessity to waive the general rule that a shareholder may not bring such an action in order that there not be a denial of justice or a violation of the company's memorandum of association.

*Duties of Directors and Officers*

Under the CBCA, in exercising their powers and discharging their duties, directors and officers must act honestly and in good faith, with a view to the best interests of the corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. No provision in the corporation's notice of articles, articles, resolutions or contracts can relieve a director or officer of these duties.

Fiduciary obligations of directors under Cayman law are substantially the same as under the CBCA. The Companies Law does not directly address the issue of the limitation of a director's liability. However, Cayman public policy will not allow the limitation of a director's liability for his own fraud, wilful neglect or willful default. In addition, the Cayman Islands courts would be expected to follow English precedent in respect of fiduciary duties of the directors and officers of a company.

*Appointment and Removal of Directors*

Under the CBCA the shareholders may appoint or remove directors. However, the board of directors may appoint a director to fill a vacancy or, if the corporation's articles provide, appoint additional directors until the next annual meeting of shareholders; provided that, the number of additional directors may not exceed one third of the number of directors elected by shareholders at the last annual meeting.

Under Cayman Law and the Articles of Association of the Continued Corporation, the board of directors may appoint any person as an additional director provided that the appointment does not cause the number of directors to exceed the number fixed by or in accordance with the Articles of Association as the maximum number of directors. In addition, a director may be removed from office by notice addressed to him at his last known address and signed by all of his co-directors (not being less than two in number).

*Indemnification of Officers and Directors*

The CBCA allows a corporation to indemnify a director or former director or officer or former officer of a corporation or its affiliates against all liability and expenses reasonably incurred by him in a proceeding to which he is made party by reason of being or having been a director or officer if he acted honestly and in good faith with a view to the best interests of the corporation and, in cases where an action is or was substantially successful on the merits of his defence of the action or proceeding against him in his capacity as a director or officer.

Under Cayman Law, a company's articles of association may provide for the indemnification of its directors, officers, employees and agents, except to the extent that such provision may be held by the Cayman Islands courts to be contrary to public policy. For instance, a provision purporting to provide indemnification against the consequences of committing a crime may be deemed contrary to public policy. In addition, an officer or director may not be indemnified for his own fraud, willful neglect or willful default. The Cayman Articles provide for the indemnification of directors and officers and advancement of expenses to defend claims against directors to the fullest extent allowed by law.

*Delivery of Financial Statements*

The CBCA requires the directors of a corporation to place before the shareholders at every annual meeting comparative annual financial statements, together with a report of the auditor, if any, and such further financial information required by the corporation's constating documents.

Under Cayman Law, a company is required to keep records of financial transactions. However, there is no statutory requirement for an exempted company with limited liability to hold an annual meeting or provide financial statements to the shareholders.

***Continuance Resolution***

Shareholders at the Meeting will be asked to consider and, if thought appropriate, to authorize and approve the Continuance Resolution to approve the Continuance. The following is the text of the Continuance Resolution which will be put forward at the Meeting for approval by the shareholders of the Corporation:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Corporation is hereby authorized to apply to the Director appointed under the CBCA for authorization to continue the Corporation from Canada to the Cayman Islands as an exempted company incorporated with limited liability.

2. Subject to the Corporation's continuation to the Cayman Islands, the memorandum and articles of association, attached hereto as Schedule "B" with such amendments thereto as may be necessary or desirable, are hereby approved and adopted as the memorandum and articles of association of the Corporation.

3. Subject to the Corporation's continuation to the Cayman Islands, the conversion of all of the issued and outstanding common shares without par value in the capital of the Corporation to ordinary shares with par value of US$10.00 per share is hereby authorized and approved.

4. Any one director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts and things as he may determine to be necessary or advisable to give effect to this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive of such determination.

5. Notwithstanding the foregoing, the directors may revoke this special resolution before it is acted upon without further approval of the shareholders."

## CANADIAN TAX CONSIDERATIONS

The following summary fairly describes the principal Canadian considerations under the Income Tax Act (Canada) (the "**ITA**") relating to the transactions involving the Consolidation of the Common Shares and the Continuance of the Corporation to the Cayman Islands, as these consideration apply to shareholders who are individuals (excluding a trust) and who: (i) hold the Common Shares as capital property; (ii) deal at arm's length with the Corporation; (iii) are not affiliated with the Corporation; and (iv) for whom the Corporation will not become a foreign affiliate within the meaning of the ITA. A shareholder will generally be considered to hold the Common Shares as capital property unless the shareholder holds the Common Shares in the course of carrying on a business, acquired the Common Shares in a transaction that is an adventure in the nature of trade, or holds the Common Shares as "mark-to-market" property for the purposes of the ITA. Shareholders should consult their own tax advisors if they have questions as to whether they in fact hold the shares as capital property. Moreover, shareholders who do not hold the shares as capital property should consult their own tax advisors regarding the consequences of the Continuance.

This summary assumes that at no time will more than 50% of the interests in the Corporation be held by one or more "financial institutions" as defined in Section 142.2 of the ITA.

This summary is based upon the current provisions of the ITA, the regulations thereunder (the "**Regulations**"), and counsel's understanding of the current administrative practices and policies of the Canada Revenue Agency (the "**CRA**"). This summary also takes into account all specific proposals to amend the ITA and the Regulations (the "Proposed Amendments") announced by the Minister of Finance (Canada) prior to the date hereof and assumes that all Proposed Amendments will be enacted in their current form. However, there can be no assurance that the Proposed Amendments will be enacted in the form proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA.

The following summary is based on the facts set out in this Circular and on additional information provided by management of the Corporation.

All amounts relevant to the computation of income under the ITA must be reported in Canadian dollars. Any amount that is expressed or denominated in a currency other than Canadian dollars, including adjusted cost base, proceeds of disposition, and dividends must be converted into Canadian dollars based on the currency exchange rate prevailing on the date each amount arises.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any shareholder. Accordingly, shareholders should consult their own tax advisers for advice as to the income tax consequences having regard to their own particular circumstances.**

### *Tax Consequences of Consolidation*

*Residents of Canada*

The following portion of the summary is applicable to a shareholder that is resident or deemed to be resident in Canada (a "**Resident Holder**") for purposes of the ITA.

The Corporation's Resident Holders who continue to hold the Common Shares after the Consolidation will not be considered to have disposed of their shares by reason only of the Consolidation. Accordingly, the Consolidation will not cause these Resident Holders to realize a capital gain or loss on the Common Shares that they continue to hold.

A Resident Holder whose Common Shares are consolidated pursuant to the Consolidation and who receives the Consideration will be deemed to have received a taxable dividend equal to the amount by which the Consideration exceeds the paid-up capital (as calculated for purposes of the ITA) of the Common Shares that are cancelled. Management of the Corporation does not anticipate that the Consideration paid to a Resident Shareholder will exceed the paid up capital of the Common Shares. If a Resident Holder were to receive a deemed dividend, such deemed dividend would be included in computing the Resident Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. The receipt of the deemed dividend could give rise to liability for alternative minimum tax.

Further, a Resident Holder whose Common Shares are consolidated pursuant to the Consolidation and who receive the Consideration will have disposed of the Resident Holder's fractional interest in a post-consolidation Common Share and a capital gain (or capital loss) may result. For the purpose of calculating the Resident Holder's capital gain (or capital loss) with respect to this disposition, the proceeds of disposition will be equal to the amount by which the Consideration received from the Corporation exceeds the amount of the deemed dividend, if any. A capital gain (or a capital loss) will be realized equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Common Shares.

A Resident Holder will be required to include in income one-half of the amount of any capital gain (a "taxable capital gain'') resulting from the disposition of a fractional interest in a post-consolidation Common Share, and will be required to deduct one-half of the amount of any capital loss (an "allowable capital loss'') resulting from the disposition of a fractional interest in a post-consolidation Common Share against taxable capital gains realized by that Resident Holder in the year of disposition. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following year against taxable capital gains realized in such years to the extent and under the circumstances described in the ITA. Capital gains may give rise to alternative minimum tax under the ITA.

*Alternative Minimum Tax on Resident Holders*

A Resident Holder who is an individual is subject to alternative minimum tax under the ITA. This tax is computed by reference to adjusted taxable income. Eighty per cent of capital gains (net of capital losses) and the actual amount of taxable dividends (not including any gross-up) are included in determining the adjusted taxable income of an individual. Any additional tax payable by an individual under the alternative minimum tax provisions may be carried forward and applied against certain tax otherwise payable in any of the seven immediately following taxation years, to the extent specified by the ITA.

*Non-Residents of Canada*

The following portion of the summary is applicable to an individual who is neither resident nor deemed to be resident in Canada for purposes of the ITA, who do not use or hold, and is not deemed to use or hold, the Common Shares in connection with carrying on a business in Canada, and whose Common Shares do not constitute "taxable Canadian property" for the purposes of the ITA (each such shareholder being a "Non-Resident Holder"). Common Shares of a Non-Resident Holder will not constitute "taxable Canadian property" unless at any time during the period of 60 months immediately preceding the date of Consolidation more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real property situated in Canada, Canadian resource properties, timber resource properties and options in respect of any such properties. Management of the Corporation has advised that that the Common Shares should not constitute "taxable Canadian property".

The Corporation's Non-Resident Holders who continue to hold the Common Shares after the Consolidation will not be considered to have disposed of their shares by reason only of the Consolidation. Accordingly, the Consolidation will not cause these Non-Resident Holders to realize a capital gain or loss on the Common Shares that they continue to hold.

A Non-Resident Holder whose Common Shares are consolidated and who receives the Consideration from the Corporation will be deemed to have received a taxable dividend equal to the amount by which the Consideration exceeds

the paid-up capital (as calculated for purposes of the ITA) of the Common Shares that are cancelled. Such a Non-Resident Holder will be subject to non-resident withholding tax under the Tax Act at the rate of 25% of the amount of the deemed dividend, subject to reduction under the provisions of an applicable income tax treaty between Canada and the country of resident of the Non-Resident Holder. Management of the Corporation does not anticipate that the Consideration paid to a Non-Resident Holder will exceed the paid-up capital of the Common Shares.

A Non-Resident Holder will not be subject to any Canadian capital gains tax with respect to the cancellation of Common Shares in connection with the Consolidation.

***Tax Consequences of Continuance - Application to the Corporation***

In order to cease to be resident in Canada, in addition to effecting the Continuance, the Corporation must ensure that its central management and control is no longer exercised in Canada. This summary assumes that, following the Continuance, the Corporation will cease to be resident in Canada for purposes of the ITA.

On the Continuance, the Corporation will be deemed to be resident in the Cayman Islands, and to no longer be resident in Canada. Under the ITA, the change in its residence from Canada to the Cayman Islands will cause its tax year to end immediately before the Continuance, and a new tax year to begin at the time of the Continuance.

The Corporation will be deemed to have disposed of all of its property immediately before the Continuance for proceeds of disposition equal to the fair market value of its property at that time. This deemed disposition may cause the Corporation to incur a Canadian tax liability as a result of the deemed capital gain. The management of the Corporation, together with its professional advisors, will determine the fair market value of the Corporation's property for these purposes. Management of the Corporation does not anticipate that the Corporation's deemed year end or the deemed disposition of the Corporation's assets at fair market value will result in any material Canadian income tax payable. However, the CRA may not accept the Corporation's determination of fair market value of its property. In the event that the CRA's determination stands, the tax consequences to the Corporation resulting from the deemed disposition may differ significantly from those currently anticipated by management of the corporation.

Furthermore, the Corporation will be subject to a separate corporate emigration tax imposed by the ITA on a corporation departing from Canada. The emigration tax will be imposed at the rate of 25% of the amount by which the fair market value of all of its property immediately before the Continuance exceeds the aggregate of its liabilities at that time (other than taxes payable in connection with this emigration) and the amount of paid-up capital on all of its issued and outstanding shares after accounting for reduction for the paid-up capital attributable to the payment of the Consideration to the shareholders. Management of the Corporation, together with its professional advisors, will determine the fair market value of the Corporation's property for these purposes. Based on management's review of its assets, liabilities, paid-up capital and other tax balances, management is of the view that the paid-up capital of the Corporation's shares and its liabilities exceed the fair market value of its property and therefore management does not anticipate that any material tax will be payable on the Continuance. This conclusion is based in part on determinations of factual matters, including determinations regarding the fair market value of its assets and tax attributes.

The Corporation has not applied to the CRA for a ruling as to the amount of Canadian taxes payable as a result of the Continuance and does not intend to apply for such a ruling given the factual nature of the determinations involved. There can be no assurance that the CRA will accept the valuations or management's estimate of the amount of Canadian taxes that will be payable upon the Continuance. Accordingly, there is no assurance that the CRA will conclude after the effective time of the Continuance that no additional Canadian taxes are due as a result of the Continuance or that the amount of such additional Canadian taxes will not be significant.

Due to the change in residence upon the Continuance, the Corporation will no longer be subject to taxation in Canada on its worldwide income. However, if the Corporation carries on business in Canada, the Corporation may be subject to Canadian tax on its Canadian-source business profits.

*Resident Holders*

The Corporation's Resident Holders who remain holding the Common Shares after the Continuance will not be considered to have disposed of their shares by reason only of the Continuance. Accordingly, the Continuance will not cause the Resident Holders to realize a capital gain or loss on the Common Shares and there will be no effect on the adjusted cost base of the individual's Common Shares.

Following the Continuance, any dividends received by a Resident Holder will be included in computing the individual's income for tax purposes and will no longer be eligible for the gross-up and dividend tax credit treatment generally applicable to dividends on shares of taxable Canadian corporations.

*Foreign Property Information Reporting*

A shareholder that is a "specified Canadian entity" for a taxation year and whose total cost amount of "specified foreign property" at any time in the year exceeds CDN$100,000 (as such terms are defined under the ITA) will be required to file an information return for the year to disclose certain prescribed information. Subject to certain exceptions, a Resident Holder will generally be a specified Canadian entity. Subsequent to the Continuance, the Common Shares should be classified within the definition of "specified foreign property". Resident Holders should consult their own tax advisors as to whether they must comply with these reporting requirements.

*Non-resident Holders*

Following the Continuance, Non-Resident Holders will not be subject to Canadian taxation on any disposition of the Common Shares nor on any dividends paid on the Common Shares.

***Dissenting Shareholders - Resident Holders***

Although the matter is not free from doubt, it is reasonable to conclude based on administrative positions published by the CRA that the amounts paid to a Resident Holder who dissents (a "**Dissenting Resident Holder**") to either the Consolidation or the Continuance should be treated as receiving proceeds of disposition for the Common Shares. Accordingly, the Dissenting Resident Holder would recognize a capital gain (or loss) to the extent that the amount received as proceeds for the disposition of the individual's Common Shares net of any reasonable costs of disposition exceeds (or is less) than the individual's adjusted cost base of the Common Shares. The tax treatment of capital gains (or capital losses) realized by a Dissenting Resident Holder on a disposition of Common Shares is the same as is discussed above under the heading "Tax Consequences of Consolidation - Residents of Canada".

Interest awarded by a court to a Dissenting Resident Holder will be included in the individual's income for purposes of the ITA.

***Dissenting Shareholders – Non-Resident Holders***

Although the matter is not free from doubt, it is reasonable to conclude based on administrative positions published by the CRA that the amount paid to a Non-Resident Holder who dissents (a "**Dissenting Non-Resident Holder**") to either the Consolidation or the Continuance should be treated as proceeds of disposition for the individual's Common Shares. Based on this conclusion, no tax under the ITA needs to be withheld or remitted on a payment made to a Dissenting Non-resident Holder.

Interest received by a Dissenting Non-Resident Holder consequent upon the exercise of the dissent rights will be not subject to withholding tax under the ITA.

Dissenting Non-Resident Holders should consult their own tax advisers as to the tax consequences to them of exercising their dissent rights.

***Eligibility for Investment***

Following the Continuance, the Common Shares will not be listed on any stock exchange as defined in the ITA and the Corporation will not be public corporation for purposes of the ITA. As such, its Common Shares will not be a qualified investment for certain deferred income plans under the ITA, namely trusts governed by deferred profit sharing plans, registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability saving plans and tax-free savings accounts. The tax consequences to such a deferred income plan of holding the Common Shares as non-qualified investments are complex, and persons holding Common Shares in such a plan are urged to consult with their own tax advisors regarding the potential consequences.

## RIGHTS OF DISSENT

**The following description of the rights of Dissenting Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its Common Shares, and is qualified in its entirety by the reference to the full text of section 190 of the CBCA, which is attached to this Circular as Schedule "C". Pursuant to section 190(1)(f) of the CBCA, the Consolidation Resolution gives rise to the right to dissent because the Consolidation is a "going private transaction" for the purposes of the CBCA. The Continuance Resolution gives rise to the right to dissent pursuant to section 190(1)(d) of the CBCA.**

A Dissenting Shareholder who intends to exercise the right to dissent should carefully consider and comply with the provisions of section 190 of the CBCA. Failure to comply with the provisions of that section and to adhere to the procedures established therein may result in the loss of all rights thereunder.

If you wish to dissent in respect of the Consolidation or Continuance and do so in compliance with Section 190 of the CBCA, you will be entitled to be paid the fair value of the Common Shares you hold if the Consolidation and/ or Continuance occurs. Fair value is determined as of the close of business on the day before the Consolidation or Continuance is approved by shareholders.

If you wish to dissent, you must send us your written objection to the Consolidation or Continuance at or before the Meeting. If you vote in favor of the Consolidation or Continuance, you in effect lose your rights to dissent. If you abstain or vote against the Consolidation or Continuance, you preserve your dissent rights if you comply with Section 190 of the CBCA. However, it is not sufficient to vote against the Consolidation or Continuance or to abstain. You must also provide a separate dissent notice at or before the Meeting. If you grant a proxy and intend to dissent, the proxy must instruct the proxy holder to vote against the Consolidation or Continuance in order to prevent the proxy holder from voting such shares in favor of the Consolidation or Continuance and thereby voiding your right to dissent.

Under the CBCA, you have no right of partial dissent. Accordingly, you may only dissent as to all your Common Shares.

Under Section 190 of the CBCA, you may dissent only for Common Shares that are registered in your name. In many cases, people beneficially own shares that are registered either:

- in the name of an intermediary, such as a bank, trust company, securities dealer, broker, trustee, administrator of self-administered registered retirement savings plans, registered retirement income funds, registered educational savings plans and similar plans and their nominees; or
- in the name of a clearing agency in which the intermediary participates, such as CDS Clearing and Depository Services Limited or CDS & Co.

If you want to dissent and your shares are registered in someone else's name, you must contact your intermediary and either:

- instruct your intermediary to exercise the dissenters' rights on your behalf (which, if the Common Shares are registered in the name of a clearing agency, will require that the Common Shares first be re-registered in your intermediary's name); or
- instruct your intermediary to re-register the Common Shares in your name, in which case you will have to exercise your dissenters' rights directly.

In other words, if your Common Shares are registered in someone else's name, you will not be able to exercise your dissent rights directly unless the shares are re-registered in your name. A Dissenting Shareholder may only make a claim under Section 190 of the CBCA with respect to all of the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

We are required to notify each shareholder who has filed a dissent notice when and if the Consolidation or Continuance has been approved. This notice must be sent within 10 days after shareholder approval. We will not send a notice to any shareholder who voted to approve the Consolidation of Continuance or who has withdrawn his dissent notice.

Within 20 days after receiving the above notice from us, or if you do not receive such notice, within 20 days after learning that the continuance has been approved, you must send the Corporation a payment demand containing:

- your name and address;
- the number of shares you own; and
- a demand for payment of the fair value of your shares.

Within 30 days after sending a payment demand, you must send to the Corporation directly at our corporate address, 116 Simcoe Street, Suite 301, Toronto, Ontario, Canada M5H 4E2 or through the Corporation's transfer agent, Equity Financial Trust Company, the certificates representing your shares. If you fail to send the Corporation a dissent notice, a payment demand or your share certificates within the appropriate time frame, you forfeit your right to dissent and your right to be paid the fair value of your Common Shares. The Corporation's transfer agent will endorse on your share certificates a notice that you are a Dissenting Shareholder and will return the share certificates to you.

Once you send a payment demand to the Corporation, you cease to have any rights as a shareholder. Your only remaining right is the right to be paid the fair value of your shares. Your rights as a shareholder will be reinstated if:

- you withdraw your payment demand prior to an offer being made by the Corporation;
- the Corporation fail to make you an offer of payment and you withdraw the dissent notice; or
- the continuance does not happen.

Within 7 days of the later of the effective date of the Consolidation or Continuance or the date the Corporation receives your payment demand, the Corporation must send you a written offer to pay for your Common Shares. This must include a written offer to pay you an amount considered by the Corporation's Board of Directors to be the fair value of your Common Shares accompanied by a statement showing how that value was determined. The offer must include a statement showing the manner used to calculate the fair value. Each offer to pay shareholders must be on the same terms. The Corporation must pay you for your shares within 10 days after you accept the Corporation's offer. Any such offer lapses if the Corporation does not receive your acceptance within 30 days after the offer to pay has been made to you.

If the Corporation fails to make an offer to pay for your shares, or if you fail to accept the offer within the specified period, the Corporation may, within 50 days after the effective date of the Consolidation or Continuance, apply to a court to fix a fair value for your shares. If the Corporation fails to apply to a court, you may apply to a court for the same purpose within a further period of 20 days. You are not required to give security for costs in such a case.

All Dissenting Shareholders whose Common Shares have not been purchased will be joined as parties and bound by the decision of the court. The Corporation is required to notify each affected dissenting shareholder of the date, place and

consequences of the application and of his right to appear and be heard in person or by counsel. The court may determine whether any person who is a Dissenting Shareholder should be joined as a party.

The court will then fix a fair value for the shares of all Dissenting Shareholders who have not accepted a payment offer from the Corporation. The final order of a court will be rendered against the Corporation for the amount of the fair value of the shares of all Dissenting Shareholders. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder and appoint an appraiser to assist in the determination of a fair value for the shares.

**THIS IS ONLY A SUMMARY OF THE DISSENTING SHAREHOLDER PROVISIONS OF THE CBCA. THEY ARE TECHNICAL AND COMPLEX. IT IS SUGGESTED THAT IF YOU WANT TO AVAIL YOURSELF OF YOUR RIGHTS THAT YOU SEEK YOUR OWN LEGAL ADVICE. FAILURE TO COMPLY STRICTLY WITH THE PROVISIONS OF THE CBCA MAY PREJUDICE YOUR RIGHT OF DISSENT. SECTION 190 OF THE CBCA IS ATTACHED HEREIN AS SCHEDULE "C" AND IS INCORPORATED HEREIN BY REFERENCE.**

## INDEBTEDNESS OF OFFICERS AND DIRECTORS TO THE CORPORATION

No officer or director of the Corporation was indebted to the Corporation at any time since the beginning of the Corporation's fiscal year ending December 31, 2013.

## INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Corporation has any interest in material transactions involving the Corporation since the beginning of the Corporation's fiscal year ending December 31, 2013 or in any proposed transaction which has materially affected or would materially affect the Corporation.

## ADDITIONAL INFORMATION

Copies of this Management Information Circular, the annual and interim financial statements of the Corporation and the associated Management's Discussion and Analysis, may be obtained free of charge upon request from the Corporate Secretary of the Corporation at 116 Simcoe Street, Suite 301, Toronto, Ontario, Canada M5H 4E2. All of these documents are electronically filed on SEDAR at www.sedar.com under the Corporation's name and are also available on the Corporation's website at www.newdawnmining.com.

## BOARD APPROVAL

The contents and distribution of this Management Information Circular have been approved by the Board of Directors of the Corporation.

**DATED** as of the 21st day of October, 2013.

**BY ORDER OF THE BOARD**

(signed) Graham R. Clow CPA CA
Chief Financial Officer and Corporate Secretary

**SCHEDULE "A" TO THE MANAGEMENT INFORMATION CIRCULAR OF NEW DAWN MINING CORP.**

**MPA FORMAL VALUATION**

[See the attached letter addressed to the Board of Directors of the Corporation from MPA Morrison Park Advisors, dated October 18, 2013]

October 18, 2013

The Board of Directors
**New Dawn Mining Corp**
116 Simcoe St., Suite 301
Toronto, Ontario
M5H 4E2

Dear Sirs:

Morrison Park Advisors ("**MPA**") understands that New Dawn Mining Corp (the "**Company**" or "**New Dawn**") has scheduled a special meeting of its Shareholders (the "**Special Meeting**") for November 19, 2013 to consider and, if thought advisable, approve special resolutions authorizing the Company to effect the consolidation of the common shares of the Company on the basis of one post- consolidation share for each 100,000 common shares currently held, with a fractional share cash-out provision and the continuance of the Company to the jurisdiction of the Cayman Islands (collectively the "**Proposed Transaction**").

We also understand that the Proposed Transaction is subject to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") and that, accordingly, it is required for the board of directors and any committee of the board of directors established to consider the Proposed Transaction (collectively, the "**Board**") to receive a formal valuation (the "**Valuation**") (as defined in MI 61-101) of the Company's common shares (the "**Common Shares**") and that the formal valuation and a summary of such formal valuation will be included in the management information circular (the "**Circular**") to be sent by the Company to its shareholders in connection with the Special Meeting to be held to approve the Proposed Transaction.

Additionally, we understand that all of the material terms of and risks associated with the Proposed Transaction will be described in the Circular which will be prepared by the Company in compliance with applicable laws, regulations, policies and rules and will be mailed to shareholders of New Dawn in connection with the Special Meeting.

All dollar amounts herein are expressed in Canadian dollars, unless stated otherwise.

## ENGAGEMENT OF MPA

MPA was first contacted by New Dawn on September 5, 2013. By letter agreement dated September 9, 2013 (the "**Engagement Agreement**"), the Board retained MPA to prepare and deliver to the Board a formal valuation of the Common Shares in accordance with the requirements of MI 61-101.

The Engagement Agreement provides for the payment of a fee to MPA upon i) execution of our Engagement Agreement, ii) substantial completion or delivery of a preliminary report concerning our financial analysis of the Company, and iii) substantial completion or delivery of our Valuation.

None of the fees payable to us under the Engagement Agreement is contingent upon the conclusions reached by us in the Valuation, or upon the completion of the Proposed Transaction.

In addition, the Company has agreed to reimburse MPA for its reasonable expenses and to indemnify MPA in respect of certain liabilities that might arise out of its engagement. The fees payable to MPA pursuant to the Engagement Agreement are not financially material to MPA. No understandings or agreements exist between MPA and New Dawn with respect to future financial advisory or investment banking business.

## CREDENTIALS OF MPA

MPA is an independent, partner-owned, Canadian investment banking advisory firm which specializes in providing financial advisory services to corporations and governments. MPA is an exclusive member of IMAP, the world's largest alliance of independent M&A advisory firms. MPA and its professionals have extensive experience in preparing valuations and fairness opinions and in transactions similar to the Proposed Transaction.

The opinions expressed herein are the opinions of MPA, and the form and content hereof have been approved for release by a committee of its directors and officers, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

## RELATIONSHIPS WITH INTERESTED PARTIES

We confirm that none of MPA:

i) is an "issuer insider", "associated entity" nor an "affiliated entity" of New Dawn, or any "interested party" as each such terms are used in MI 61-101;

ii) is acting as a financial advisor to New Dawn in connection with the Proposed Transaction;

iii) is a manager or co-manager of any soliciting dealer group formed in connection with the Proposed Transaction nor will we, as a member of any such group, perform services beyond the customary soliciting dealers' functions nor will we receive more than the per share or per shareholder fee payable to other members of the group; or

iv) has a financial incentive with respect to the conclusions reached in the Valuation or the outcome of the Proposed Transaction or has a material financial interest in the completion of the Proposed Transaction.

## SCOPE OF REVIEW

In connection with our preparation of the Valuation, we have reviewed and, where we deemed appropriate, relied upon, among other things, the following:

i) certain internal financial, operational, corporate and other information concerning the Company, including financial models, prepared or provided by the management of New Dawn;

ii) the independent technical report dated December 20, 2012 prepared to the standard of National Instrument 43-101 ("**Technical Report**") by Medusa Geo-Consulting LLC ("**Medusa**") for New Dawn on the mineral resources for the Turk and Angeles Mines, Zimbabwe, Africa;

iii) the independent Technical Report dated December 20, 2012 prepared by Medusa for New Dawn on the mineral resources for the Old Nic Mine, Zimbabwe, Africa;

iv) the independent Technical Report dated December 20, 2012 prepared by Medusa for New Dawn on the mineral resources for the Golden Quarry and Camperdown Mines, Zimbabwe, Africa;

v) the independent Technical Report dated December 20, 2012 prepared by Medusa for New Dawn on the mineral resources for the Dalny Mine, Zimbabwe, Africa;

vi) the independent Technical Report dated December 20, 2012 prepared by Medusa for New Dawn on the mineral resources for the Venice Mines, Zimbabwe, Africa;

vii) the independent Technical Report dated June 30, 2010 prepared by Medusa for New Dawn on the acquisition of Central African Gold Plc, Zimbabwe, Africa;

viii) supplemental information supplied by New Dawn, including other technical reports, other third part reports and analyses;

ix) discussions with New Dawn and its respective representatives concerning the Proposed Transaction;

x) the Company's annual reports, including the comparative audited financial statements and management's discussion and analysis, for the fiscal years ended September 30, 2012, 2011 and 2010;

xi) the Company's interim unaudited financial statements and management's discussion and analysis for the quarters ended December 31, 2012, March 31, 2013, and June 30, 2013;

xii) the Company's annual information form dated September 30, 2012;

xiii) a draft of the Company's management information circular concerning the Proposed Transaction and related exhibits;

xiv) certain internal financial, operational, corporate and other information prepared or provided by the management of New Dawn;

xv) relevant financial information and selected financial metrics with respect to precedent transactions deemed relevant by us;

xvi) selected public market trading statistics and relevant business and financial information of New Dawn and other comparable publicly traded entities;

xvii) selected reports published by equity research analysts and industry sources regarding New Dawn and other comparable publicly-traded entities;

xviii) certain industry reports pertaining to the gold mining industry generally and Zimbabwe specifically; and

xix) certificates addressed to us, dated as of the date hereof, from the Chief Executive Officer and Chief Financial Officer of the Company as to the completeness and accuracy of the information provided to us by the Company; and such other information, analyses, investigations and discussions as we considered necessary or appropriate in the circumstances.

In addition, we have participated in discussions with members of the Company's senior management regarding the Proposed Transaction, the Company's projects, the Company's past and current business operations, the Company's mining and other assets, and the Company's financial condition and prospects.

We have also participated in discussions with members of the Board regarding the Proposed Transaction, the Valuation and related matters.

To the best of our knowledge, MPA has not been denied access by the Company to any information we have requested.

## PRIOR VALUATIONS

New Dawn has represented to MPA that no prior valuations, as defined in MI 61-101, of New Dawn have been prepared in the past 24 months.

## ASSUMPTIONS AND LIMITATIONS

The Valuation is subject to the assumptions, qualifications and limitations below.

We have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its affiliates or advisors, or otherwise obtained by us pursuant to our engagement, and our Valuation is conditional upon such completeness, accuracy and fair presentation. Without limiting the generality of the foregoing, our descriptions in this Valuation of the Company, and its respective assets, businesses and operations are derived from information that we have obtained from the Company or its affiliates or advisors or from publicly available sources. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of the Company in connection with preparing the Valuation and we have assumed the accuracy and fair presentation of, and relied upon, audited financial statements and reports of the auditors thereon, as well as unaudited interim financial statements for the Company.

With respect to the historical financial data, operating and financial forecasts and budgets provided to us and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgments of management of the Company, having regard to the business, plans, taxation levels, financial condition and prospects for the Company.

We have also assumed that the Proposed Transaction will be completed substantially in accordance with the terms thereof and in the manner described in the Circular and that the Circular will disclose all material facts relating to the Proposed Transaction and will satisfy all applicable legal requirements.

The Company has represented to us, in a certificate of two senior officers of the Company, dated the date hereof, among other things, that the information, data and other material (financial or otherwise) provided to us by or on behalf of the Company, including the written information and discussions concerning the Company referred to above under the heading "Scope of Review" (collectively, the "**Information**"), are complete and correct at the date the Information was provided to us and that, since the date of the Information, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on this Valuation.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Proposed Transaction or the sufficiency of the Valuation for your purposes.

This Valuation is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they were represented to us in our discussions with management of the Company and its affiliates and advisors. In our analyses and in connection with the preparation of this Valuation, we made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

This Valuation is being provided to the Board for its exclusive use only in considering the Proposed Transaction and may not be relied upon by any person, other than the members of the Board of Directors, or used for any other purpose, without the prior written consent of MPA in each specific instance.

This Valuation is not intended to be and does not constitute a recommendation to the Board as to whether they should approve the Proposed Transaction, nor as a recommendation to any shareholder as to how to vote or act at the Special Meeting or as an opinion concerning the trading price or value of any securities of New Dawn following the announcement or completion of the Proposed Transaction.

MPA believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Valuation. The preparation of a valuation is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The conclusions of our Valuation are given as of the date hereof and, although we reserve the right to change or withdraw the Valuation if we learn that any of the information that we relied upon in preparing the Valuation was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Valuation, to advise any person of any change that may come to our attention or to update the Valuation after the date hereof.

## OVERVIEW OF NEW DAWN

***The following discussion does not purport to be a complete description of the Company and should not be relied upon as such. Other material information may be found in the public filings made by the Company as part of its continuous disclosure obligations. The discussion below is intended to highlight some of the most relevant factors pertaining to the Company which MPA considered in the Valuation, amongst other things.***

### Company Description

New Dawn operates in Zimbabwe through three gold camps. The Bulawayo Gold Camp consists of the 100% owned Turk and Angelus Mine and 100% owned Old Nic Mine. The Gweru Gold Camp consists of the 100% owned Camperdown Mine and 84.7% owned Golden Quarry Mine. The Kadoma Gold Camp holds the 84.7% owned Dalny Mine and the 84.7% owned Venice Mine. New Dawn also holds a portfolio of prospective exploration acreage in Zimbabwe. The mines which are currently operating include the Turk and Angelus Mine, the Camperdown Mine, the Golden Quarry Mine and the Old Nic Mine. The Dalny Mine and Venice Mine are on care and maintenance. The Old Nic mine is operating at a loss, however management estimates the operating losses to be near, or equivalent, to the financial and social costs of placing the Old Nic Mine on care and maintenance.

### Overview of the Mining Assets

*Turk – Angelus Mine*

The Turk – Angelus Mine is located 56 kilometres ("**km**") north east of Bulawayo, Zimbabwe, and has the potential capacity to produce 35,000 to 50,000 ounces of gold annually. At maximum output, the life of mine is approximately 20 years, which is supported by an independently audited resource estimate with gold grades between 4 to 6 grams per tonne ("**g/t**". The Turk – Angelus Mine is currently operating at approximately 15,000 ounces of annualized gold production.

*The Old Nic Mine*

The Old Nic Mine, which is one of the oldest gold mines in Matabeleland, is located in the eastern part of Bulawayo, Zimbabwe. Historical production was approximately 290,000 ounces of gold from 0.98 million ("**M**") tonnes of ore treated at a grade of 9.44 g/t. The Old Nic Mine is currently producing approximately 3,000 ounces of gold on an annualized basis. The opportunity to expand the output and the life of mine may be available through exploration drilling using modern exploration techniques.

*Camperdown Mine*

The Camperdown Mine is located 30 km southeast of Gweru, Zimbabwe. The mine consists of nine claims that previously produced ore material from dual open-pit and underground mining operations. The Camperdown Mine has the potential to develop new gold resources and, if successful, represents an opportunity to meet a large portion of New Dawn's mid and long-term gold production targets.

*Golden Quarry Mine*

Located within the Gweru-Shurugwi Greenstone Belt, similar to the Greenstone belts found in both Canada, and Australia, this belt had produced 6.5% of Zimbabwe's total gold production through 1984. Mineralization at the Golden Quarry Mine occurs in a brecciated stockwork of quartz and quartz-carbonate veins and veinlets within a wide alteration zone. The Golden Quarry Mine is now producing gold and is expected to contribute meaningful gold production to New Dawn's total annualized gold output while also providing significant exploration potential.

*The Dalny Mine*

The Dalny Mine is located 175 km southeast of Harare, the capital of Zimbabwe. The mine consists of more than 3,500 claims and boasts a strike length of over 15 km long. Historical production up to 2006 was 2.44 M ounces of gold from 10.2M tonnes of ore treated at a grade of 7.42 g/t. The Dalny Mine is now on care and maintenance.

The opportunity for development of a number of open-pit, medium grade, bulk mining operations within the greater Dalny shear zone is present.

*The Venice Mine*

The Venice Mine is located 28 km south of Kadoma, Zimbabwe. The mine is comprised of over 2,500 claims with numerous exploration targets. Historical production up to 2002 was 318,000 ounces of gold from 2.5 M tonnes of ore treated at a grade of 3.77 g/t. The Venice mine is currently on term care and maintenance; however, a significant exploration opportunity exists on a number of high priority targets.

**Indigenization in Zimbabwe**

The Government of Zimbabwe is in the process of implementing an indigenisation policy wherein all domestic businesses are required to be 51% beneficially owned and controlled by indigenous Zimbabweans.

**Trading Range and Volume of Shares**

New Dawn's common shares are listed on the Toronto Stock Exchange ("**TSX**") under the symbol ND. The following table sets forth, for the periods indicated, the reported high and low closing prices and the aggregate volume of trading of New Dawn's common shares:

| 2013 | High | Low | Volume |
|---|---|---|---|
| January | 0.95 | 0.85 | 488,029 |
| February | 0.83 | 0.60 | 87,014 |
| March | 0.94 | 0.66 | 361,075 |
| April | 1.00 | 0.76 | 138,460 |
| May | 0.84 | 0.68 | 106,735 |
| June | 0.62 | 0.34 | 75,009 |
| July | 0.39 | 0.30 | 155,755 |
| August | 0.35 | 0.21 | 140,086 |
| September | 0.27 | 0.10 | 2,131,918 |
| October (to 17th) | 0.16 | 0.06 | 165,370 |

| 2012 | High | Low | Volume |
|---|---|---|---|
| January | 1.10 | 0.98 | 19,730 |
| February | 1.24 | 0.96 | 2,244,354 |
| March | 1.08 | 0.75 | 274,766 |
| April | 1.10 | 0.85 | 85,699 |
| May | 0.99 | 0.80 | 50,749 |
| June | 0.88 | 0.69 | 29,521 |
| July | 1.05 | 0.69 | 86,549 |
| August | 0.93 | 0.80 | 98,326 |
| September | 0.90 | 0.74 | 36,444 |
| October | 1.05 | 0.80 | 104,480 |
| November | 1.10 | 0.90 | 102,754 |
| December | 0.99 | 0.82 | 41,559 |

## Mineral Reserves and Mineral Resources

The following tables show the mineral reserves and mineral resources as reported in the Company's Technical Reports.

*Mineral Reserves*

100% Basis

| | Proven | Probable | Proven and Probable |
|---|---|---|---|
| **TURK – ANGELUS** | | | |
| **(Underground)** | | | |
| Tonnes (000) | 603 | 736 | 1,339 |
| Grade (g/t) | 4.1 | 3.9 | 4.0 |
| Ounces (000) | 80 | 92 | 172 |
| **(Dumps & Slimes)** | | | |
| Tonnes | 561 | - | 561 |
| Grade | 1.0 | - | 1.0 |
| Ounces | 18 | - | 18 |
| **OLD NIC** | | | |
| **(Underground)** | | | |
| Tonnes | 35 | 45 | 80 |
| Grade | 5.4 | 4.6 | 4.9 |
| Ounces | 6 | 7 | 13 |
| **(Dumps & Slimes)** | | | |
| Tonnes | 36 | - | 36 |
| Grade | 1.0 | - | 1.0 |
| Ounces | 1 | - | 1 |
| **GOLDEN QUARRY** | | | |
| **(Underground)** | | | |
| Tonnes | 150 | 70 | 220 |
| Grade | 3.3 | 3.1 | 3.2 |
| Ounces | 16 | 7 | 23 |
| **CAMPERDOWN** | | | |
| **(Underground)** | | | |
| Tonnes | 317 | 86 | 403 |
| Grade | 2.7 | 2.7 | 2.7 |
| Ounces | 28 | 8 | 36 |
| **CAMPERDOWN** | | | |
| **(Open Pit)** | | | |
| Tonnes | 268 | 56 | 324 |
| Grade | 2.4 | 2.5 | 2.4 |
| Ounces | 20 | 4 | 25 |
| **DALNY MINE** | | | |
| **(Underground)** | | | |
| Tonnes | 203 | 214 | 418 |
| Grade | 4.8 | 4.4 | 4.6 |
| Ounces | 32 | 30 | 62 |
| **(Dumps & Slimes)** | | | |
| Tonnes | 6,767 | - | 6,767 |
| Grade | 0.7 | - | 0.7 |
| Ounces | 146 | - | 146 |

*Mineral Resources*

100% Basis (Inclusive of Mineral Reserves)

| | Measured | Indicated | M&I | Inferred |
|---|---|---|---|---|
| **TURK – ANGELUS** | | | | |
| **(Underground)** | | | | |
| Tonnes (000) | 599 | 4,582 | 5,181 | 2,676 |
| Grade (g/t) | 4.6 | 5.1 | 5.1 | 4.8 |
| Ounces (000) | 89 | 753 | 842 | 410 |
| **(Dumps & Slimes)** | | | | |
| Tonnes | 3,052 | - | 3,052 | - |
| Grade | 0.6 | - | 0.6 | - |
| Ounces | 55 | - | 55 | - |
| **OLD NIC** | | | | |
| **(Underground)** | | | | |
| Tonnes | 127 | 65 | 192 | 51 |
| Grade | 4.7 | 4.4 | 4.6 | 4.1 |
| Ounces | 19 | 9 | 28 | 7 |
| **(Dumps & Slimes)** | | | | |
| Tonnes | 751 | - | 751 | - |
| Grade | 0.5 | - | 0.5 | - |
| Ounces | 12 | - | 12 | - |
| **GOLDEN QUARRY** | | | | |
| **(Underground)** | | | | |
| Tonnes | 1,026 | 92 | 1,119 | 27 |
| Grade | 2.5 | 2.4 | 2.5 | 2.2 |
| Ounces | 81 | 7 | 88 | 2 |
| **(Dumps & Slimes)** | | | | |
| Tonnes | 3,813 | 1,270 | 5,083 | - |
| Grade | 0.9 | 0.5 | 0.8 | - |
| Ounces | 109 | 19 | 128 | - |
| **CAMPERDOWN** | | | | |
| **(Underground)** | | | | |
| Tonnes | 1,029 | 1,072 | 2,101 | 985 |
| Grade | 2.4 | 2.4 | 2.4 | 2.4 |
| Ounces | 81 | 83 | 164 | 77 |
| **(Open Pit)** | | | | |
| Tonnes | 1,503 | 1,549 | 3,053 | - |
| Grade | 1.9 | 2.2 | 2.1 | - |
| Ounces | 92 | 112 | 204 | - |
| **(Dumps & Slimes)** | | | | |
| Tonnes | - | 659 | 659 | - |
| Grade | - | 1.3 | 1.3 | - |
| Ounces | - | 28 | 28 | - |
| **DALNY MINE** | | | | |
| **(Underground)** | | | | |
| Tonnes | 936 | 677 | 1,613 | 162 |
| Grade | 6.4 | 4.8 | 5.7 | 5.6 |
| Ounces | 192 | 104 | 296 | 29 |
| **(Dumps & Slimes)** | | | | |
| Tonnes | 6,973 | - | 6,973 | - |
| Grade | 0.7 | - | 0.7 | - |
| Ounces | 165 | - | 165 | - |

100% Basis (Inclusive of Mineral Reserves)

| | Measured | Indicated | M&I | Inferred |
|---|---|---|---|---|
| **VENICE MINE** | | | | |
| **(Underground)** | | | | |
| Tonnes | 456 | 940 | 1,396 | 469 |
| Grade | 5.0 | 5.0 | 5.0 | 5.4 |
| Ounces | 74 | 153 | 226 | 81 |
| **(Dumps & Slimes)** | | | | |
| Tonnes | 2,065 | 92 | 2,157 | - |
| Grade | 0.8 | 0.7 | 0.8 | - |
| Ounces | 51 | 2 | 53 | - |

## VALUATION

### General Approach to Valuation

MPA approached the Valuation in accordance with MI 61-101, which, in the case of the Proposed Transaction, requires the valuator to make a determination as to the Fair Market Value of the common shares of the Company. For the purposes of the Valuation MPA considered "Fair Market Value" as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay a prudent and informed seller, each acting at arm's length with the other and under no compulsion to . In accordance with MI 61-101, MPA made no downward adjustments to the Valuation to reflect the liquidity of the Shares, the effect of the Proposed Transaction on the Common Shares or the fact that the Common Shares held by individual shareholders do not form part of a controlling interest. A valuation prepared on the foregoing basis is referred to as an "en bloc" valuation.

### Valuation Methodologies

MPA considered these principal methodologies in our approach to the Valuation:

i) net asset value ("**NAV**");
ii) comparable companies analysis;
iii) precedent transactions analysis; and
iv) precedent takeover premium analysis.

### NAV

The NAV approach separately considers each mining, exploration and financial asset, for which individual values are estimated through the application of the methodology viewed as most appropriate in the circumstances, net of obligations and liabilities, including reclamation and closure costs. To value the assets of the Company, MPA relied primarily on a discounted cash flow ("**DCF**") analysis whereby it discounted the unlevered, after-tax, constant-dollar free cash flows of each operating asset, over the life of the asset at a prescribed discount rate to generate present values. Based on a number of assumptions, the real discount rate was estimated and used to calculate the present value of the cash flows. All forecasts of free cash flow were based on Company operating estimates for the assets, using consensus research analyst gold price forecasts, contracted or expected discounts to gold price forecasts and MPA's assessment thereof in the exercise of its professional judgement. Under the NAV approach, the value of each asset is summed to produce a total asset value, from which the attributable financial assets and liabilities is added or subtracted.

The NAV method considers a variety of valuation techniques in the context of individual assets, is less biased with respect to a transaction's timing within a commodity pricing cycle due to its reliance principally on long term price forecasts, and explicitly addresses the unique characteristics of the assets in Zimbabwe from a long-term operating and production perspective.

**Comparable Companies Analysis**

In the comparable companies approach, various financial metrics at which similar, publicly listed, gold mining and development companies trade are reviewed and used to estimate appropriate multiples of similar metrics for the Company. Location, production methods, stage of project development and size are key considerations for assessing comparability. The following financial metrics, which are discussed later in this report, were used: i) enterprise value ("**EV**") per ounce of proven and probable reserves and measured, indicated and inferred resources ("**EV/Total Resource**"), ii) EV to operating cash flow ("**EV/Operating CF**"), wherein the operating cash flow is calculated as the difference between the realized gold price and the cash operating costs, multiplied by the annual gold production, and iii) common share price to NAV ("**P/NAV**"). EV is defined as the market value of common equity and preferred shares plus the book value of long-term debt and minority interest minus the book value of cash and cash equivalents.

MPA considered the multiples of P/NAV to be the most relevant metric. As another point of reference in our analysis, MPA also considered the values implied by EV/Operating CF. The multiple of EV/Total Resource is considered the least relevant due to inherent limitations from variations among the resource classifications and resource grades and MPA did not rely on this metric.

**Precedent Transactions Analysis**

The precedent transactions approach considers transaction multiples in the context of the purchase or sale of a comparable company or asset. The prices paid for similar gold mining and development companies and assets and their implied multiples provide a general measure of relative value. Factors such as asset size, location and grade, operating cost, mining techniques as well as the spot price of gold at the time of the transaction are also considered. MPA considered the multiples of P/NAV and EV/Total Resource to be the most relevant metrics in consideration of precedent transactions.

The companies and/or assets identified by MPA for the precedent transactions are generally in the exploration and development phase and as such do not have production and/or cash flow. Several of these companies did not have a published PFS or FS. Consequently, there was no sufficiently available public information to arrive at a NAV for these companies thereby limiting the use of the P/NAV approach.

In addition, the identified precedent transactions were generally completed in significantly different gold pricing environments.

Given the limitations noted above, MPA placed no reliance on precedent transactions in the Valuation.

**Precedent Takeover Premium Analysis**

MPA considered precedent takeover premiums in the Valuation. In this methodology, MPA considered premiums paid in the marketplace for change of control transactions for comparable companies in the mining sector. MPA considered premiums relative to trading prices immediately prior to announcement, as well as relative to volume weighted average trading prices over a variety of historical trailing periods. Because of the relatively high share price volatility of the Common Shares, MPA did not rely on this methodology as a primary valuation methodology in the Valuation. MPA did consider it, however, as a check upon the Valuation.

## APPLICATION OF VALUATION METHODOLOGIES

**NAV Analysis**

*General Assumptions*

New Dawn's operating mines include; i) the Turk-Angelus Mine, ii) the Camperdown Mine, iii) the Golden Quarry Mine, iv) the Turk-Angelus Dumps and Slimes, and v) the Dalny Dumps and Slimes. The Company's other mining assets include the Dalny Mine and Venice Mine which are on care and maintenance, the Old Nic Mine which does not generate positive cash flows under the gold pricing assumptions used in the Valuation and certain early stage exploration mineral claims in Zimbabwe.

As a basis for the development of future cash flows of the Company's operating mines, MPA developed its own projections based primarily on information provided by management, the Technical Reports and MPA's own knowledge and experience in financial modeling of mining companies. MPA reviewed these projections with management of New Dawn.

To value the mining assets, MPA also relied on New Dawn's independent Technical Reports dated December 20, 2012, certain of Management's financial models, and annual and quarterly financial statements.

MPA estimated corporate and administrative overhead in Zimbabwe necessary to administer the company's assets in Zimbabwe.

The Zimbabwe assets of New Dawn are subject to Zimbabwe's indigenization process providing for indigenous ownership of 51%, thereby potentially consigning New Dawn to a non-controlling interest of 49%. As a result, New Dawn had proposed a structure that would meet the requirements of indigenous ownership while providing the Company with an effective net economic interest of 85%. The structure as proposed by New Dawn was approved by the Zimbabwe government in October 2013. The DCF analysis thereby calculates the DCF value based on an effective ownership by New Dawn of 85%.

*Commodity Price Assumptions*

Forecast commodity prices are a critical determinant of the outcome of the NAV approach. Commodity prices are difficult to forecast accurately and different views can have a material impact on resulting DCF values. MPA relied on approximately thirty mining industry research analyst commodity price forecasts for gold to arrive at a commodity price assumption of $1,375 per ounce. MPA applied this commodity

price assumption uniformly to each of the financial models. Sensitivity analysis was performed to consider the impact of changes to the commodity price assumption on the estimate of NAV.

*Financial Forecast Summary*

Selected key line items of the financial forecasts for New Dawn's operating mines are set out below:

| New Dawn Financial Summary | | | | | | | |
|---|---|---|---|---|---|---|---|
| Year Ending September 30 | | 2014 | 2015 | 2016 | 2017 | 2018 | LOM [(1)] |
| Spot Gold Price | US$/oz | 1,375 | 1,375 | 1,375 | 1,375 | 1,375 | |
| **Cash Flow** | | | | | | | |
| Revenue | $ 000 | 41,261 | 47,521 | 47,590 | 42,981 | 42,228 | 827,575 |
| EBITDA | $ 000 | 6,457 | 6,833 | 6,897 | 4,734 | 4,378 | 81,694 |
| Cash Taxes | $ 000 | 1,146 | 1,480 | 1,496 | 955 | 866 | 16,746 |
| **Free Cash Flow** | **$ 000** | **4,732** | **4,774** | **4,821** | **3,200** | **2,933** | **53,097** |

[(1)] *LOM = Life of Mine*

*Discount Rates*

Discount rates are applied to a stream of future free cash flows to factor in the time value of money and arrive at a net present value of the future cash flow stream at a point in time. The free cash flows were discounted to September 30, 2013. For the purposes of our Valuation, we applied a discount rate of 24% to 25% to the future free cash flows. MPA determined the discount rates above based on consideration of the theoretical calculation of a real weighted average cost of capital ("**WACC**") as described below, and a review of the discount rates employed by research analysts to value gold producers. The theoretical WACC is comprised of three components: the cost of equity, the cost of debt and the optimal capital structure.

We estimated the cost of equity for our calculation using the Capital Asset Pricing Model ("**CAPM**"). CAPM generates a cost of equity by adding a risk-free rate of return to a premium that represents the financial and non-diversifiable business risk of the security in question. This premium is the product of a security's beta (a statistical measure which reflects the extent to which a security's returns co-vary with those of a broader market index) multiplied by a broader market risk premium (equal to the amount by which the market as a whole has yielded returns in excess of the risk-free rate).

MPA carried out a series of calculations and consulted certain third-party sources in estimating a beta based on the adjusted mean beta of the comparable companies. In addition, the following assumptions formed part of MPA's calculation of the theoretical WACC:

(a) Cost of debt was calculated based on the real risk-free rate and an estimated borrowing spread to reflect credit risk at the assumed optimal capital structure for companies in Zimbabwe;

(b) Zimbabwe corporate statutory tax rate of 25.0%;

(c) Real risk-free rate of 3.4%, based on the midpoint of the current U.S. 10-year and 30-year treasury bond yields less the forecasted long-term inflation rate of 1.5%;

(d) Optimal capital structure was determined based on a review of the capital structures of comparable companies; and

(e) A risk premium of 12% to 14% which, in our judgement, reflects the equity risk premium of operating in a country like Zimbabwe.

The calculation of the theoretical WACC is summarized below:

| WACC Analysis | | | |
|---|---|---|---|
| | **Low** | **High** | **Comments/Sources** |
| **Cost of Debt** | | | |
| Pre-tax Cost of Debt | 12.30% | 12.30% | Average coupon rate of comparable companies |
| Tax Rate | 25.00% | 25.00% | Statutory tax rate of Zimbabwe |
| **After-tax Cost of Debt** | **9.23%** | **9.23%** | |
| | | | |
| **Cost of Common Equity** | | | |
| Risk-free rate | 3.39% | 3.39% | Average of yield on 10-yr to 30-yr US Treasury bonds |
| Inflation | 1.50% | 1.50% | Bloomberg |
| Risk Premium | 12.00% | 14.00% | Bloomberg |
| Unlevered Beta | 0.89 | 0.89 | Company beta from Bloomberg as of Jun 2008 to Sep 2013 |
| Debt/(Debt + Equity) | 9.00% | 9.00% | Comparable companies |
| Relevered Beta | 0.96 | 0.96 | Measures systematic risk relative to overall market |
| Size Premium | 11.65% | 11.65% | Ibbotson SBBI Report 2013 Valuation Yearbook |
| **Cost of Common Equity** | **25.01%** | **26.92%** | |
| | | | |
| **WACC from above** | **23.59%** | **25.33%** | |

Based on the foregoing analysis, MPA's analysis determined that the appropriate WACC for New Dawn to be in the range of 24% to 25%.

*DCF Summary*

The following table summarizes the results of the DCF analysis:

| | **Value Range** | | | |
|---|---|---|---|---|
| | $000 | $000 | $/share | $/share |
| | **Low** | **High** | **Low** | **High** |
| Operating Mining Assets | 11,661 | 12,026 | 0.256 | 0.264 |

*DCF Sensitivity Analysis*

MPA considered the sensitivity of the DCF analysis to certain key inputs. Changes in commodity prices and discount rates were found to have the largest impact on the DCF.

| Gold Price Sensitivity | | | | |
|---|---|---|---|---|
| | DCF @ 24% | | DCF @ 25% | |
| Change in Gold Price | $/share change in DCF | Percentage change in DCF | $/share change in DCF | Percentage change in DCF |
| 5% Increase | 0.118 | 45% | 0.114 | 45% |
| 5% Decrease | -0.114 | -43% | -0.109 | -43% |

| Discount Rate Sensitivity | | | | |
|---|---|---|---|---|
| | DCF @ 24% | | DCF @ 25% | |
| Change in Discount Rate | $/share change in DCF | Percentage change in DCF | $/share change in DCF | Percentage change in DCF |
| 5% Increase | -0.036 | -14% | -0.034 | -13% |
| 5% Decrease | 0.049 | 19% | 0.046 | 18% |

*Other Mining Assets*

The other mining assets that are, or considered as, operating on care and maintenance, do not generate positive cash flow under the gold pricing assumptions as used in the Valuation. However, MPA considered that such assets would still have value given the potential that they could generate positive cash flow in the future in a different gold pricing environment. To reflect this potential value, MPA considered the care and maintenance mining assets using an option valuation approach. Under this approach, these assets were valued as call options using the Black Scholes option valuation model. The multiple of DCF to Total Mineral Resource for the operating mines was used as the basis (i.e., the implied strike price) in calculating the option value of the other mining assets. The DCF to Total Mineral Resource multiples from the operating mines were modelled as five year call options and the resulting option multiple in the range of $1.00 - $3.50 per ounce of total mineral resource was applied to the total mineral resources of the other mining assets to arrive at an option value for the other mining assets.

The Company also has gold and non-gold claims in Zimbabwe which do not have mineral resources and are held for exploration purposes. The value of these early stage exploration properties is difficult to quantify as the mineral potential is untested and undefined and the Company has not budgeted any material expenditures in respect thereof. The future impact of the exploration properties is uncertain and MPA did not attribute any value to them in the Valuation.

| | Value Range | | | |
|---|---|---|---|---|
| | $000 | $000 | $/share | $/share |
| | **Low** | **High** | **Low** | **High** |
| Other Mining Assets | 571 | 1,997 | 0.013 | 0.044 |

*Financial Assets and Liabilities*

The attributable financial assets and liabilities of New Dawn were valued at their book values.

The Company has a significant level of negative working capital and is effectively using supplier credit as a source of capital. Substantial negative non-cash working capital has generally been viewed as a significant source of default risk. Based on the foregoing, we have considered for valuation purposes the negative working capital to be a near term obligation of the Company and regard it as a debt-like instrument. We have made adjustments to the Company's working capital to account for the different classes which include gold metal, work in process and supplies. The supplies in inventory were segregated into "current" and "long-term" supplies with each assigned a value at a discount to their cost.

*Ongoing General and Administrative Costs*

MPA valued corporate general and administrative ("**G&A**") overhead in Zimbabwe, which was considered by MPA as an ongoing expense required by an en bloc buyer to maintain and administer the assets in Zimbabwe. This G&A expense was discounted at the Company's WACC over a 10 year period on an after-tax basis. MPA did not include certain G&A expenses in this analysis, such as costs incurred with respect to the Company's status as a public company and certain other costs that an en bloc purchaser may be able to eliminate.

*Results of the NAV approach*

The following table summarizes the results of the NAV analysis:

| | Value Range | | | |
|---|---|---|---|---|
| | $000 | $000 | $/share | $/share |
| | **Low** | **High** | **Low** | **High** |
| Operating Mining Assets | 11,661 | 12,026 | 0.256 | 0.264 |
| Other Mining Assets | 571 | 1,997 | 0.013 | 0.044 |
| Financial Assets and Liabilities | -6,991 | -6,991 | -0.153 | -0.153 |
| Ongoing G&A | -357 | -357 | -0.008 | -0.008 |
| **Total** | **4,883** | **6,674** | **0.107** | **0.146** |

*Numbers may not add due to rounding.*

**Comparable Companies Analysis**

MPA reviewed 11 gold producing companies considered comparable on a relative basis to New Dawn.

The comparable companies approach delivers a value to acquire an incremental share or minority position in a company. However, in order to acquire all of the shares outstanding, a buyer would have to pay a premium to the trading price. To reflect the premium paid for a change of control, MPA applied a premium to the implied value of New Dawn based upon selected precedent transactions in the mining sector. The historical transaction premia were calculated as the bid price divided by the volume weighted average share price one trading day, 10 trading days and 20 trading days prior to the announcement of the transaction. The change of control premium selected for this analysis was 15%.

| Company Name | Market Cap [1] Plus Premium | Enterprise Value [2] Plus Premium | EV / Total Resource [3] | EV / Operating Cash Flow [4] LTM [5] | 2013E [6] |
|---|---|---|---|---|---|
| | $M | $M | $/oz | x | x |
| Anaconda Mining | 17.6 | 18.0 | 69 | 2.0 | 2.8 |
| Atna Resources | 29.3 | 35.1 | 6 | 2.0 | n/a |
| Aura Minerals | 23.6 | 63.9 | 4 | 0.9 | 1.5 |
| Caledonia Mining | 42.6 | 20.1 | 26 | 0.6 | 1.0 |
| Claude Resources | 45.5 | 61.0 | 15 | 2.0 | 3.1 |
| Elgin Mining | 25.8 | 19.1 | 9 | 1.0 | 1.4 |
| QMX Gold | 1.5 | 17.2 | 15 | 11.9 | 10.6 |
| Richmont Mines | 62.4 | 37.8 | 9 | 1.3 | 1.8 |
| San Gold | 72.3 | 88.0 | 25 | 1.4 | 2.1 |
| Scorpio Gold | 28.0 | 39.4 | 202 | 1.5 | 1.7 |
| Wesdome Gold | 77.3 | 67.6 | 53 | 4.4 | 7.0 |
| Average | | | 39 | 2.6 | 3.3 |
| Average (excluding outliers) | | | 23 | 1.7 | 2.5 |
| Median | | | 15 | 1.5 | 1.9 |
| Median (excluding outliers) | | | 15 | 1.5 | 1.8 |

*[1] Share Price as at October 8, 2013 plus change-of-control premium.*
*[2] Includes cash and debt as of latest quarterly financial statements.*
*[3] Assumes that Caledonia has an effective 85% interest based on its Zimbabwe indigenization structure.*
*[4] Operating Cash Flow = Production x (Gold Price - Cash Costs).*
*[5] Operating cash flow based on Last Twelve Months (LTM) at realized gold price of each individual company.*
*[6] 2013 estimates based on individual company public disclosure and calculated at a gold price of $1,375/oz.*

Another valuation methodology that was considered in our analysis was the P/NAV approach. The P/NAV multiple incorporates several key parameters not included in the other trading multiples and is therefore often considered to be a more substantive indicator of relative value. As a proxy for calculating the NAV of comparable companies, MPA reviewed pre-production companies that have issued pre-feasibility studies ("**PFS**") or feasibility studies ("**FS**"). The PFS and FS use the DCF method when calculating the NPV of the respective asset. The PFS and FS reports are conducted on the primary asset of the selected comparable company. The following table outlines the relevant comparable companies and the derived P/NAV trading multiples.

| Company Name | Market Cap [1] Plus Premium | P / NAV [2] [3] [4] Pre-tax NAV | After-tax NAV |
|---|---|---|---|
| | $M | x | x |
| Vista Gold | 43.7 | 0.04 | 0.07 |
| Sunridge Gold | 40.3 | 0.05 | 0.10 |
| Belo Sun Mining | 125.4 | 0.21 | 0.32 |
| Asanko Gold | 239.6 | 0.88 | 1.35 |
| Goldrock Mines | 40.6 | 0.14 | 0.20 |
| Oromin Explorations | 58.5 | 0.18 | 0.23 |
| Aureus Mining | 126.1 | 0.34 | 0.43 |
| Volta Resources | 37.5 | 0.10 | 0.15 |
| Victoria Gold | 45.0 | 0.13 | 0.20 |
| Average | | 0.23 | 0.34 |
| Average (excluding outliers) | | 0.15 | 0.21 |

*[1] Share Price as at October 8, 2013 plus change-of-control premium.*
*[2] Net Asset Value (NAV) = Net Present Value (NPV) plus Cash less Debt (as at latest financial statements).*

*(3) NPV based on Company Feasibility or Pre Feasibility Study.*
*(4) Tax rate assumed at 35% where not available.*

The gold price and discount rate assumptions for the DCF of New Dawn's producing assets were adjusted to align these assumptions with the assumptions in the PFS and FS of the comparable companies.

*Results of the Comparable Companies Approach*

| | | Value Range | | | |
|---|---|---|---|---|---|
| | Base | $000 | $000 | $/share | $/share |
| | | **Low** | **High** | **Low** | **High** |
| EV / LTM Operating CF | $11.1 M | 4,086 | 9,624 | 0.090 | 0.211 |
| EV / 2013E Operating CF | $7.3 M | 3.976 | 7,632 | 0.087 | 0.167 |
| P / NAV | $30.4 M | 4,558 | 7,597 | 0.100 | 0.167 |
| **Selected Range** | | **4,395** | **7,807** | **0.096** | **0.171** |

**Precedent Transactions Analysis**

The precedent transactions approach involves identifying comparable transactions and selecting appropriate value multiples, then applying these multiples to the appropriate metrics for the Company. We note that the majority of the asset and corporate precedents we reviewed occurred in significantly different gold pricing environments. MPA identified a list of comparable corporate and asset transactions, where public information was available and examined a sample of such precedent transactions completed between July 2012 and August 2013 on an EV/Total Resource.

Given the limitations noted previously, MPA placed no reliance on precedent transactions in the Valuation.

## DISTINCTIVE MATERIAL BENEFIT TO NEW DAWN

MPA considered whether any distinctive material benefits would accrue to New Dawn as a consequence of the completion of the Proposed Transaction. MPA understands that New Dawn will benefit from improvement to cash flows realized through the elimination of the annual cash expenditures related to regulatory and listing compliance, including the filing of interim unaudited and annual audited financial statements and Canadian corporate governance required to meet the reporting standards applicable to a public company. The cost of the Canadian corporate office will be eliminated and the board of directors will be reduced in number, with a commensurate reduction in board fees and costs. The value of this benefit is considered in the NAV analysis.

## VALUATION CONCLUSION

In arriving at its opinion as to the fair market value of the Shares, MPA did not attribute any particular weight to a valuation methodology, but rather made qualitative judgments based upon its experience in rendering such opinions and on prevailing circumstances, including current market conditions, as to the significance and relevance of each valuation methodology and overall financial analyses.

| | Value Range | |
|---|---|---|
| | $/share | $/share |
| | **Low** | **High** |
| Net Asset Value Analysis | 0.107 | 0.146 |
| Comparable Companies Analysis | 0.096 | 0.171 |
| **Selected Range** | **0.10** | **0.15** |

Based upon and subject to the foregoing and such other factors as we considered relevant, MPA is of the opinion that, as of October 8, 2013, the Fair Market Value of the Common Shares is in the range of $0.10 to $0.15 per share.

**SCHEDULE "B" TO THE MANAGEMENT INFORMATION CIRCULAR OF NEW DAWN MINING CORP.**

**THE COMPANIES LAW (AS AMENDED)**

**COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED**

**MEMORANDUM AND ARTICLES OF ASSOCIATION**

**OF**

# NEW DAWN MINING CORP.

**(ADOPTED BY SPECIAL RESOLUTION DATED ● 2013)**

**THE COMPANIES LAW (AS AMENDED)**

**COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED**

**MEMORANDUM OF ASSOCIATION**

**OF**

# NEW DAWN MINING CORP.

**(ADOPTED BY SPECIAL RESOLUTION DATED • 2013)**

1. The name of the company is New Dawn Mining Corp. (the "**Company**").

2. The registered office of the Company will be situated at the offices of Genesis Trust & Corporate Services Ltd., 2nd Floor, Midtown Plaza, Elgin Avenue, PO Box 448, Grand Cayman KY1-1106, Cayman Islands or at such other location as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (as amended) of the Cayman Islands (the "**Law**").

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Law.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of the shareholders of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.

7. The capital of the Company is **US$40,000** divided into **2,000** ordinary shares of a nominal or par value of **US$10** each and **2,000** special shares of a nominal or par value of **US$10** each, provided always that subject to the Law and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company may exercise the power contained in Section 206 of the Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

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**OF**

# NEW DAWN MINING CORP.

**(ADOPTED BY SPECIAL RESOLUTION DATED ● 2013)**

## TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to New Dawn Mining Corp. (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

## INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**Articles**" means these articles of association of the Company, as amended or substituted from time to time.

"**Branch Register**" means any branch Register of such category or categories of Members as the Company may from time to time determine.

"**Class**" or "**Classes**" means any class or classes or sub-classes or series of Shares as may from time to time be issued by the Company.

"**Directors**" means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof.

"**Law**" means the Companies Law (as amended) of the Cayman Islands.

"**Memorandum of Association**" means the memorandum of association of the Company, as amended or substituted from time to time.

"**Office**" means the registered office of the Company as required by the Law.

"**Officers**" means the officers for the time being and from time to time of the Company.

"**Ordinary Resolution**" means a resolution:

(a) passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed.

"**paid up**" means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up.

"**Person**" means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires, other than in respect of a Director or Officer in which circumstances Person shall mean any person or entity permitted to act as such in accordance with the Law.

"**Principal Register**", where the Company has established one or more Branch Registers pursuant to the Law and these Articles, means the Register maintained by the Company pursuant to the Law and these Articles that is not designated by the Directors as a Branch Register.

"**Register**" means the register of Members of the Company required to be kept pursuant to the Law and includes any Branch Register(s) established by the Company in accordance with the Law.

"**Seal**" means the common seal of the Company (if adopted) including any facsimile thereof.

"**Secretary**" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company.

"**Share**" means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share.

"**Shareholder**" or "**Member**" means a Person who is registered as the holder of Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber

"**Share Premium Account**" means the share premium account established in accordance with these Articles and the Law.

"**signed**" means bearing a signature or representation of a signature affixed by mechanical means.

"**Special Resolution**" means a special resolution of the Company passed in accordance with the Law, being a resolution:

(a) passed by a majority of not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed.

"**Treasury Shares**" means Shares that were previously issued but were purchased, redeemed, surrendered or otherwise acquired by the Company and not cancelled.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a dollar or dollars or USD (or $) and to a cent or cents is reference to dollars and cents, being the currency of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case; and

(g) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one and partly another.

3. Subject to the preceding Articles, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## PRELIMINARY

4. The business of the Company may be commenced at any time after incorporation.

5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place or (subject to compliance with the Law and these Articles) places as the Directors may from time to time determine. In the absence of any such determination, the Register shall be kept at the Office. The Directors may keep, or cause to be kept, one or more Branch Registers as well as the Principal Register in accordance with the Law, provided always that a duplicate of such Branch Register(s) shall be maintained with the Principal Register in accordance with the Law.

## SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may:

(a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and

(b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. The Directors, or the Shareholders by Ordinary Resolution, may authorise the division of Shares into any number of Classes and sub-classes or series and the different Classes and sub-classes or series shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and

payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or the Shareholders by Ordinary Resolution.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

## MODIFICATION OF RIGHTS

12. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied or abrogated with the consent in writing of the holders of not less than two-thirds of the issued Shares of the relevant Class, or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of such Class by a majority of two-thirds of the votes cast at such a meeting. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration**,** but in any other case shall treat them as separate Classes.

13. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company, or the repurchase of some but not the whole Class of Shares or the granting of voting rights to a Class of Shares or the granting of liquidation preference rights to the special shares which rank ahead of the rights of the ordinary shares.

## CERTIFICATES

14. No Person shall be entitled to a certificate for any or all of his Shares, unless the Directors shall determine otherwise.

## FRACTIONAL SHARES

15. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

## LIEN

16. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share (whether or not fully paid) registered in the name of a Person indebted or

under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it.

17. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

18. For giving effect to any such sale the Directors may authorise some Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

19. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

## CALLS ON SHARES

20. The Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares.

21. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

22. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

23. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

24. The Directors may make arrangements on the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

25. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors.

## FORFEITURE OF SHARES

26. If a Shareholder fails to pay any call or instalment of a call in respect of any Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

27. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-

payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.

28. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

29. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

30. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

31. A statutory declaration in writing that the declarant is a Director, and that a Share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

32. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

33. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

## TRANSFER OF SHARES

34. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

35. Subject to the terms of issue thereof, the Directors may in their absolute discretion decline to register any transfer of Shares without assigning any reason therefor.

36. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine.

37. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

## TRANSMISSION OF SHARES

38. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased holder of the Share, shall be the only Person recognised by the Company as having any title to the Share.

39. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

40. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

## ALTERATION OF SHARE CAPITAL

41. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

42. The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

(b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;

(c) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and

(d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

43. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

## REDEMPTION, PURCHASE AND SURRENDER OF SHARES

44. Subject to the Law, the Company may:

(a) issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as the Directors may determine;

(b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner as the Directors may determine and agree with the Shareholder;

(c) make a payment in respect of the redemption or purchase of its own Shares in any manner authorised by the Law, including out of its capital; and

(d) accept the surrender for no consideration of any paid up Share (including any redeemable Share) on such terms and in such manner as the Directors may determine.

45. Any Share in respect of which notice of redemption has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption.

46. The redemption, purchase or surrender of any Share shall not be deemed to give rise to the redemption, purchase or surrender of any other Share.

47. The Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie.

## TREASURY SHARES

48. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be cancelled immediately or held as Treasury Shares in accordance with the Law. In the event that the Directors do not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.

49. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of a Treasury Share.

50. The Company shall be entered in the Register as the holder of the Treasury Shares provided that:

    (a) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;

    (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Law, save that an allotment of Shares as fully paid bonus shares in respect of a Treasury Share is permitted and Shares allotted as fully paid bonus shares in respect of a treasury share shall be treated as Treasury Shares.

51. Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

## GENERAL MEETINGS

52. The Directors may, whenever they think fit, convene a general meeting of the Company.

53. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason at any time prior to the time for holding such meeting or, if the meeting is adjourned, the time for holding such adjourned meeting. The Directors shall give Shareholders notice in writing of any cancellation or postponement. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

54. General meetings shall also be convened on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding at least ten percent of the paid up voting share capital of the Company deposited at the Office specifying the objects of the meeting by notice given no later than 21 days from the date of deposit of the requisition signed by the requisitionists, and if the Directors do not convene such meeting for a date not later than 45 days after the date of such deposit, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.

55. If at any time there are no Directors, any two Shareholders (or if there is only one Shareholder then that Shareholder) entitled to vote at general meetings of the Company may convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

## NOTICE OF GENERAL MEETINGS

56. At least seven clear days' notice in writing counting from the date service is deemed to take place as provided in these Articles specifying the place, the day and the hour of the meeting and the general nature of the business, shall be given in the manner hereinafter provided or in such other manner (if any) as may be prescribed by the Company by Ordinary Resolution to such Persons as are, under these Articles, entitled to receive such notices from the Company, but with the consent of all the Shareholders entitled to receive notice of some particular meeting and attend and vote thereat, that meeting may be convened by such shorter notice or without notice and in such manner as those Shareholders may think fit.

57. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

## PROCEEDINGS AT GENERAL MEETINGS

58. All business carried out at a general meeting shall be deemed special with the exception of sanctioning a dividend, the consideration of the accounts, balance sheets, any report of the Directors or of the Company's auditors, and the fixing of the remuneration of the Company's auditors. No special business shall be transacted at any general meeting without the consent of all Shareholders entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.

59. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, one or more Shareholders holding at least a majority of the paid up voting share capital of the Company present in person or by proxy and entitled to vote at that meeting shall form a quorum.

60. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholder or Shareholders present and entitled to vote shall form a quorum.

61. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

62. The chairman, if any, of the Directors shall preside as chairman at every general meeting of the Company.

63. If there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

64. The chairman may adjourn a meeting from time to time and from place to place either:

(a) with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting); or

(b) without the consent of such meeting if, in his sole opinion, he considers it necessary to do so to:

(i) secure the orderly conduct or proceedings of the meeting; or

(ii) give all persons present in person or by proxy and having the right to speak and / or vote at such meeting, the ability to do so,

but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for

fourteen days or more, notice of the adjourned meeting shall be given in the manner provided for the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

65. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or one or more Shareholders present in person or by proxy entitled to vote, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

66. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

67. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

68. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

## VOTES OF SHAREHOLDERS

69. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person and every Person representing a Shareholder by proxy shall, at a general meeting of the Company, each have one vote and on a poll every Shareholder and every Person representing a Shareholder by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder.

70. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

71. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.

72. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

73. On a poll votes may be given either personally or by proxy.

74. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an Officer or attorney duly authorised. A proxy need not be a Shareholder.

75. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

76. The instrument appointing a proxy shall be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting no later than the time for holding the meeting or, if the meeting is adjourned, the time for holding such adjourned meeting.

77. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

78. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

## CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

79. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

## DIRECTORS

80. The Company may by Ordinary Resolution appoint any Person to be a Director.

81. Subject to these Articles, a Director shall hold office until such time as he is removed from office by Ordinary Resolution.

82. The board of Directors may by from time to time, acting by a simple majority, fix the maximum and minimum number of Directors to be appointed but unless such numbers are fixed as aforesaid the minimum number of Directors shall be one and the maximum number of Directors shall be nine.

83. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

84. There shall be no shareholding qualification for Directors unless determined otherwise by Ordinary Resolution.

85. The Directors shall have power at any time and from time to time to appoint any Person to be a Director, either as a result of a casual vacancy or as an additional Director, subject to the maximum number (if any) imposed by Ordinary Resolution.

## ALTERNATE DIRECTOR

86. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be authorised to sign such written resolutions where they have been signed by the appointing Director, and to act in such Director's place at any meeting of the Directors. Every such alternate shall be entitled to attend and vote at meetings of the Directors as the alternate of the Director appointing him and where he is a Director to have a separate vote in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be an Officer solely as a result of his appointment as an alternate other than in respect of such times as the alternate acts as a Director. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

87. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

## POWERS AND DUTIES OF DIRECTORS

88. Subject to the Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

89. The Directors may from time to time appoint any Person, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases from any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

90. The Directors may appoint any Person to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

91. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

92. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an "**Attorney**" or "**Authorised Signatory**", respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

93. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

94. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Person to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Person.

95. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

96. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

## BORROWING POWERS OF DIRECTORS

97. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, or to otherwise provide for a security interest to be taken in such undertaking, property or uncalled capital, and to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

## THE SEAL

98. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

99. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

100. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

## DISQUALIFICATION OF DIRECTORS

101. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) is removed from office by Ordinary Resolution;

(e) is removed from office by notice addressed to him at his last known address and signed by all of his co-Directors (not being less than two in number); or

(f) is removed from office pursuant to any other provision of these Articles.

## PROCEEDINGS OF DIRECTORS

102. The Directors may meet together (either within or outside the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

103. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

104. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, if there be two or more Directors the quorum shall be two, and if there be one Director the quorum shall be one. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

105. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is to be regarded as interested in any contract or other arrangement which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

106. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

107. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

108. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:

(a) all appointments of Officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

109. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

110. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

111. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the

continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

112. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

113. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

114. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

115. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

## DIVIDENDS

116. Subject to any rights and restrictions for the time being attached to any Shares, or as otherwise provided for in the Law and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

117. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

118. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.

119. Any dividend may be paid in any manner as the Directors may determine. If paid by cheque it will be sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.

120. The Directors when paying dividends to the Shareholders in accordance with the foregoing provisions of these Articles may make such payment either in cash or in specie.

121. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares.

122. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.

123. No dividend shall bear interest against the Company.

## ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

124. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

125. The books of account shall be kept at the Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

126. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

127. The accounts relating to the Company's affairs shall only be audited if the Directors so determine, in which case the financial year end and the accounting principles will be determined by the Directors.

128. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

## CAPITALISATION OF RESERVES

129. Subject to the Law and these Articles, the Directors may:

(a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), whether or not available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(iii) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(iv) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(v) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(vi) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to any of the actions contemplated by this Article.

## SHARE PREMIUM ACCOUNT

130. The Directors shall in accordance with the Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

131. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.

## NOTICES

132. Any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it airmail or air courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

133. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

134. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five clear days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

135. Any notice or document delivered or sent in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

136. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

## INDEMNITY

137. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other Officer (but not including the Company's auditors) and the personal representatives of the same (each an "**Indemnified Person**") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

138. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or Officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction.

## NON-RECOGNITION OF TRUSTS

139. Subject to the proviso hereto, no Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register, provided that, notwithstanding the foregoing, the Company shall be entitled to recognise any such interests as shall be determined by the Directors.

## WINDING UP

140. If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims.

141. If the Company shall be wound up, the liquidator may, with the sanction of an Ordinary Resolution divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any assets whereon there is any liability.

## AMENDMENT OF ARTICLES OF ASSOCIATION

142. Subject to the Law and the rights attaching to the various Classes, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

## CLOSING OF REGISTER OR FIXING RECORD DATE

143. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case 40 days. If the Register shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.

144. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

145. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

## REGISTRATION BY WAY OF CONTINUATION

146. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

## MERGERS AND CONSOLIDATION

147. The Company may by Special Resolution resolve to merge or consolidate the Company in accordance with the Law.

## DISCLOSURE

148. The Directors, or any authorised service providers (including the Officers, the Secretary and the registered office agent of the Company), shall be entitled to disclose to any regulatory or judicial authority, or to any stock exchange on which the Shares may from time to time be listed, any information regarding the affairs of the Company including, without limitation, information contained in the Register and books of the Company.

**SCHEDULE "C" TO THE MANAGEMENT INFORMATION CIRCULAR OF NEW DAWN MINING CORP.**

## SECTION 190 OF THE CBCA

**Right to dissent**

190. (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(c) amalgamate otherwise than under section 184;

(d) be continued under section 188;

(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or

(f) carry out a going-private transaction or a squeeze-out transaction.

**Further right**

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

**If one class of shares**

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

**Payment for shares**

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

**No partial dissent**

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**Objection**

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

**Notice of resolution**

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

**Demand for payment**

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

**Share certificate**

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

**Forfeiture**

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

**Endorsing certificate**

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

**Suspension of rights**

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

(c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

**Offer to pay**

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

**Same terms**

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

**Payment**

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

**Corporation may apply to court**

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

**Shareholder application to court**

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

**Venue**

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

**No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

**Parties**

(19) On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

**Powers of court**

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

**Appraisers**

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

**Final order**

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

**Interest**

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

**Notice that subsection (26) applies**

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**Effect where subsection (26) applies**

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**Limitation**

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

*R.S., 1985, c. C-44, s. 190; 1994, c. 24, s. 23; 2001, c. 14, ss. 94, 134(F), 135(E); 2011, c. 21, s. 60(F).*