

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE WILTON-SIEGEL

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THURSDAY, THE 16th
DAY OF JANUARY, 2014

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION OF COLOSSUS
MINERALS INC., OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

ORDER

THIS APPLICATION, made by Colossus Minerals Inc. (the “**Company**”) pursuant to the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of John Frostiak sworn January 13, 2014 (the “**Frostiak Affidavit**”), the Report of Duff & Phelps Canada Restructuring Inc. in its capacity as the Proposal Trustee (the “**Proposal Trustee**”), filed, and on reading the Company’s cash-flow statement, appended as Exhibit “A” to the Report of the Proposal Trustee, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice and on hearing the submissions of the Company’s Counsel (as hereinafter defined), counsel for the Proposal Trustee and counsel for the DIP Agent (as hereinafter defined), no one else appearing, and on being satisfied that the terms of the DIP Term Sheet (as hereinafter defined) are reasonable and required by the Company,

) Counsel For the ad hoc group of noteholders and certain lenders *AWL*

SERVICE

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

FINANCIAL ADVISOR AND SALE PROCESS

2. **THIS COURT ORDERS** that the Company is authorized to carry out and perform its obligations under (a) its engagement letter with Dundee Capital Markets, a division of Dundee Securities Ltd. (the “**Financial Advisor**”), as financial advisor for the Company dated November 27, 2013, attached as Exhibit N to the Frostiak Affidavit (the “**Engagement Letter**”) (including payment of the amounts due to be paid pursuant to the terms of the Engagement Letter, including but not limited to any success or transaction fee under the Engagement Letter), and (b) the Sale and Investment Solicitation Process attached hereto as Schedule “A”) (the “**Sale Process**”).

3. **THIS COURT ORDERS** that all claims of the Financial Advisor pursuant to the Engagement Letter are not claims that may be compromised pursuant to any proposal (“**Proposal**”) under the BIA, any plan of arrangement or compromise (“**Plan**”) filed by the Company under the *Companies’ Creditors Arrangement*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), or any other restructuring and no such Plan, Proposal or restructuring shall be approved that does not provide for the payment of all amounts due to the Financial Advisor pursuant to the terms of the Engagement Letter.

4. **THIS COURT ORDERS** that notwithstanding any order in these proceedings, the Company is authorized to make all payments required by the Engagement Letter, including all fees and expenses, if and when due.

POWERS OF PROPOSAL TRUSTEE

5. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized to take all steps required to implement the Definitive Documents (as hereinafter defined) and Sale Process, including, without limitation, to

- (a) assist the Company, to the extent required by the Company, in its dissemination, to the DIP Agent (as hereinafter defined) and its counsel on a weekly or bi-weekly basis of financial and other information as agreed to between the Company and the DIP Agent (as hereinafter defined);
- (b) assist the Company in its preparation of the rolling cash-flow forecasts contemplated by the Definitive Documentation (as hereinafter defined) (the “**Cash-Flow Statements**”) and reporting required by the DIP Agent, which information shall be reviewed with the Proposal Trustee and delivered to the DIP Agent and its counsel in accordance with the Definitive Documents or as otherwise agreed to by the DIP Agent;
- (c) report to this Court at such times and intervals as the Proposal Trustee may deem appropriate with respect to matters relating to the Charged Property (as hereinafter defined), and such other matters as may be relevant to the proceedings herein;
- (d) have full and complete access to the Charged Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Company, to the extent that is necessary to adequately assess the Company’s business and financial affairs or to perform its duties arising under this Order; and
- (e) perform such other duties as are required by this Order or by this Court from time to time.

6. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Proposal Trustee under the BIA or as an officer of this Court, the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Proposal Trustee under the BIA or any applicable legislation.

ADMINISTRATION CHARGE

7. **THIS COURT ORDERS** that the Proposal Trustee, counsel for the Proposal Trustee and Fasken Martineau DuMoulin LLP as the counsel to the Company in connection with these BIA proceedings (the “**Company’s Counsel**”) shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements), in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel for the Proposal Trustee and the Company’s Counsel (for work performed in connection with these BIA proceedings) on a weekly basis.

8. **THIS COURT ORDERS** that the Proposal Trustee, counsel for the Proposal Trustee and the Company’s Counsel shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on all assets, rights, undertakings and properties of the Company, of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the “**Charged Property**”), which Administration Charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 19 and 21 hereof.

DIRECTORS’ AND OFFICERS’ INDEMNIFICATION AND CHARGE

9. **THIS COURT ORDERS** that the Company shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Company after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

10. **THIS COURT ORDERS** that the directors and officers of the Company shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Charged Property, which charge shall not exceed an aggregate amount of \$200,000, as security for the indemnity provided in paragraph 9 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 19 and 21 herein.

11. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 9 of this Order.

DIP FINANCING

12. **THIS COURT ORDERS** that the execution by the Company of the DIP Term Sheet (as hereinafter defined) and the Support Agreement (as defined in the Frostiak Affidavit) is hereby approved, *nunc pro tunc*, and the Company is hereby authorized and empowered to perform its obligations under the DIP Term Sheet and the Support Agreement (subject to obtaining such Court and other approvals as may be required in connection with any step or transaction contemplated therein) and to obtain and borrow under the DIP Term Sheet among the Company, as borrower, and Sandstorm Gold Inc., as administrative agent (the "**DIP Agent**"), and as lender, and certain other lenders party thereto (collectively, the "**DIP Lenders**") in order to finance the Company's working capital requirements (including those of its operating facilities), the Sale Process and other general corporate purposes and capital expenditures, provided that borrowing under such credit facility shall not exceed US\$10,000,000.

13. **THIS COURT ORDERS** that such credit facility shall be on substantially the terms and subject to the conditions set forth in the DIP term sheet agreement dated January 13, 2014 and attached as Exhibit J to the Frostiak Affidavit (the "**DIP Term Sheet**"), together with such modifications as may be agreed upon by the Company and the DIP Lenders and consented to by the Proposal Trustee.

14. **THIS COURT ORDERS** that the Company and the DIP Agent and DIP Lenders are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (such documents, together with the DIP Term Sheet, collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Agent pursuant to the terms thereof together with such modifications as may be agreed upon by the Company and the DIP Lenders and consented to by the Proposal Trustee, and the Company is

hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Agent and DIP Lenders under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

15. **THIS COURT ORDERS** that the DIP Agent, as collateral agent and acting on behalf of the DIP Lenders shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lenders’ Court Charge**”) on the Charged Property, which DIP Lenders’ Court Charge shall not secure an obligation that exists before this Order is made. The DIP Lenders’ Court Charge and any contractual security interests granted by the Company pursuant to the Definitive Documents (collectively with the DIP Lenders’ Court Charge, the “**DIP Lenders’ Charge**”) shall attach to the Charged Property and shall secure all obligations under the Definitive Documents. The DIP Lenders’ Charge shall have the priority set out in paragraphs 19 and 21 hereof.

16. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Agent may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lenders’ Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lenders’ Charge (a) the DIP Agent and DIP Lenders may cease making advances to the Company, and (b) the DIP Agent and DIP Lenders may (i) set off and/or consolidate any amounts owing by the DIP Lenders to the Company against the obligations of the Company to the DIP Lenders under the Definitive Documents and may make demand, accelerate payment and give other notices, and (ii) upon four (4) days’ notice to the Company and the Proposal Trustee, exercise any and all of their rights and remedies against the Company or the Charged Property under or pursuant to the Definitive Documents or the *Personal Property Security Act* of Ontario or any other applicable jurisdiction, the *Uniform Commercial Code* of the applicable jurisdiction and/or *Mortgages Act* (Ontario) and equivalent legislation in the applicable jurisdiction, including, without limitations, to apply to this Court for the appointment of a receiver, receiver and

manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

- (c) the foregoing rights and remedies of the DIP Agent and DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Charged Property.

17. **THIS COURT ORDERS AND DECLARES** that all claims of the DIP Agent and DIP Lenders pursuant to the Definitive Documents are not claims that may be compromised pursuant to any Proposal filed by the Company or any Plan filed by the Company under the CCAA without the consent of the DIP Agent and, except as contemplated in the Definitive Documents, the DIP Agent and DIP Lenders shall be treated as unaffected in any Proposal or Plan or other restructuring with respect to any obligations outstanding to the DIP Agent or DIP Lenders under or in respect of the Definitive Documents.

18. **THIS COURT ORDERS** that except to the extent contemplated by the Definitive Documents, the Company shall not file a Plan or Proposal in these proceedings or proceed with any other restructuring that does not provide for the indefeasible payment in full in cash of the obligations outstanding under the Definitive Documents as a pre-condition to the implementation of any such Plan or Proposal or any other restructuring without the prior written consent of the DIP Agent.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

19. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the DIP Lenders' Charge, as among them, shall be as follows, subject to paragraph 21 of this Order:

First – Administration Charge (to the maximum amount of \$300,000);

Second – Directors' Charge (to the maximum amount of \$200,000); and

Third – DIP Lenders' Charge.

20. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the Directors' Charge or the DIP Lenders' Charge (collectively, the “Charges”) shall

not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

21. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Charged Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, other than validly perfected security interests in favour of Dell Financial Services Canada Limited (PPSA File Number 682439715) and GE VFS Canada Limited Partnership (PPSA File Number 678698307) and other validly perfected purchase money security interests (collectively, “**Encumbrances**”) in favour of any Person, notwithstanding the order of perfection or attachment.

22. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Charged Property that rank in priority to, or *pari passu* with, any of the Administration Charge, the Directors’ Charge or the DIP Lenders’ Charge, unless the Company also obtains the prior written consent of the Proposal Trustee, the DIP Lenders and the beneficiaries of the Administration Charge and the Directors’ Charge, or further Order of this Court.

23. **THIS COURT ORDERS** that the Administration Charge, the Directors’ Charge, the Definitive Documents and the DIP Lenders’ Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) and/or the DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an

“Agreement”) which binds the Company or the DIP Lenders, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by the Company or the DIP Lenders of any Agreement to which any one of them is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Company pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

24. **THIS COURT ORDERS** that any of the Charges created by this Order over leases of real property in Canada shall only be a charge in the Company’s interest in such real property leases.

EXTENSION OF TIME TO FILE PROPOSAL

25. **THIS COURT ORDERS** that the time within which a proposal must be filed with the Official Receiver under section 62(1) of the BIA be and is hereby extended to March 7, 2014.

FOREIGN PROCEEDINGS

26. **THIS COURT ORDERS** that the Proposal Trustee is hereby authorized and empowered to act as the foreign representative in respect of the within proceedings for the purposes of having these proceedings recognized in a jurisdiction outside Canada.

27. **THIS COURT ORDERS** that the Proposal Trustee is hereby authorized as the foreign representative of the Company and of the within proceedings, to apply for foreign recognition of these proceedings, as necessary, in any jurisdiction outside of Canada, and to take such

actions necessary or appropriate in furtherance of the recognition of these proceedings or the prosecution of any sale transaction (including the proposed Sale Process) in any such jurisdiction.

28. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, Brazil or in any other foreign jurisdiction, to give effect to this Order and to assist the parties and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the parties and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding.

SUBSTITUTED SERVICE AND CASE WEBSITE

29. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which may be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil procedure this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>.

GENERAL

30. **THIS COURT ORDERS** that the Company or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

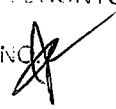
31. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company or the Charged Property.

32. **THIS COURT ORDERS** that each of the DIP Agent and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and for assistance in carrying out the terms of this Order and any other Order issued in these proceedings.

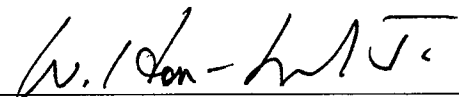
33. **THIS COURT ORDERS** that any interested party (including the Company, DIP Agent the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided however that the DIP Agent and DIP Lenders shall be entitled to rely on this Order as issued for all advances made under the Definitive Documents up to and including the date this Order may be varied or amended.

34. **THIS COURT ORDERS** that, notwithstanding the immediately preceding paragraph, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the Definitive Documents, unless notice of a motion is served on the DIP Agent, the Company and the Proposal Trustee, returnable no later than January 27, 2014.

35. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

ENVEYED BY MAIL TO TORONTO
ON / REÇU À:
LE / DANS LE REGISTRE NO. 

JAN 16 2014



Schedule “A”

Sale and Investor Solicitation Process

Defined Terms

1. All capitalized terms used but not otherwise defined herein have the meaning given to them in the Order granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on January 16, 2014 (the “**Approval Order**”) in respect of the Company’s proceedings commenced under the BIA on January 13, 2014.

SISP Procedures

2. The Sale and Investor Solicitation Process (“**SISP**”) procedures set forth herein describe, among other things:
 - > the manner in which the Company’s property will be made available for sale and the manner in which the opportunity for an investment in the Company’s business can be obtained;
 - > the manner in which a Prospective Bidder (as defined below) may gain access to or continue to have access to due diligence materials;
 - > the manner in which bidders and bids become Qualified Bidders (as defined below) and Qualified Offers (as defined below), respectively;
 - > the receipt and negotiation of offers received;
 - > the ultimate selection of a Successful Bidder (as defined below); and
 - > the Court’s approval thereof.
3. The SISP shall be conducted by the SISP Team (as defined below) in consultation and coordination with the DIP Agent.
4. The SISP will be carried out by the Company, with the assistance of the Financial Advisor under the supervision of the Proposal Trustee (collectively, the “**SISP Team**”). Where this SISP designates a matter the responsibility or obligation of the SISP Team, the SISP Team members shall decide amongst themselves the most effective and efficient manner to

discharge the responsibilities and obligations of the SISP Team.

5. The SISP Team will compile a listing of prospective purchasers and investors. The SISP Team will use all reasonable commercial efforts to contact all parties identified in the list as well as any additional parties that the SISP Team believes could be a potential purchaser or potential investor.
6. The SISP Team will conduct a SISP whereby prospective purchasers and investors will have the opportunity to submit a bid for some or all of the Company's property or make an investment in the Company. An investment in the Company may involve, among other things, a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company.
7. The SISP Team will determine whether the SISP should include newspaper, trade publication, internet or other advertising directed at prospective purchasers and investors.
8. As soon as possible after the date of the Approval Order, the SISP Team will send prospective purchasers and investors a solicitation letter summarizing the acquisition and/or investment opportunity (the "**Teaser Letter**"). The Teaser Letter will include a form of confidentiality agreement ("**CA**") or provide instructions to the prospective purchaser or prospective investor on how they may obtain a CA. The prospective purchasers and prospective investors will be required to sign a CA in order to gain access to confidential information (including access to an electronic data room) and to perform due diligence (each prospective purchaser and investor who signs a CA, referred to herein as a "**Prospective Bidder**"). Those parties who have already executed a confidentiality agreement with the Company in a form satisfactory to the Proposal Trustee (such agreement, also a "**CA**" for the purposes hereof) may be excused from executing a new CA if the Proposal Trustee concludes it is not necessary to do so. All CAs shall inure to the benefit of any purchaser of the Company's business.
9. Any sale of the Company's property and any investment in the Company will be made on an "as is, where is" basis, without surviving representations or warranties of any kind, nature except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder.

Non-Binding LOIs

10. In order for a Prospective Bidder to participate in the SISP, the Financial Advisor must

receive (at the address set out in the Teaser Letter) from such Prospective Bidder a non-binding letter of intent ("LOI") on or before 5:00 p.m. Toronto Time on February 14, 2014 ("LOI Deadline"), which LOI shall include:

- (a) in respect of a proposed purchase of the Company's property, a reasonably detailed listing and description of the property to be included in the proposed sale, and in the case of an investment in the Company's business, a reasonably detailed description of the manner in which the investment is to be made;
 - (b) an indication of the proposed purchase price or financial terms of such sale or investment;
 - (c) an acknowledgment that the sale or investment, as applicable, will be made on an "as is, where is basis";
 - (d) an estimate of the number of employees of the Company who will become employees of the Prospective Bidder (in the case of a proposed purchase of the Company's property) or shall remain as employees of the Company (in the case of an investment in the Company's business) and, in each case, provisions setting out the terms and conditions of employment for continuing employees;
 - (e) a description of any liabilities to be assumed by the Prospective Bidder;
 - (f) any anticipated regulatory and other approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;
 - (g) a timeline to closing, which is to occur on or before March 14, 2014 with critical milestones; and
 - (h) such other information reasonably requested by the SISP Team.
11. In addition, in order to be considered by the Company, financial information reasonably requested by the SISP Team to demonstrate that the Prospective Bidder has the financial resources to consummate the transition contemplated by the LOI, must be provided. If the Prospective Bidder intends to acquire the property of the Company or provide an investment through a special purpose vehicle, the equity holders or sponsors of such special purpose vehicle must guarantee the special purpose vehicle's obligations.

12. The SISP Team in consultation with DIP Agent, will review and evaluate the LOIs based on, among other things, the ability of a Prospective Bidder to complete due diligence on a timely basis as well as other purchaser or investor selection criteria that may be developed by the SISP Team in consultation with the DIP Agent. For greater certainty, the SISP Team shall be entitled, following the LOI Deadline, to seek to clarify the terms of an LOI received prior to the LOI Deadline.

Identification of Qualified Bidder(s)

13. The Company, with the assistance of the Financial Advisor and the Proposal Trustee, shall consider each of the LOIs and determine, with the written consent of the DIP Agent, whether to pursue a transaction on the terms set out in the applicable LOI. Any Prospective Bidder(s) with whom the Company seeks to pursue a transaction on the terms set out in the applicable LOI shall be deemed to be a qualified bidder(s) (the “**Qualified Bidder**”). Prospective Bidders will be advised by the SISP Team on or before February 17, 2014, if they have been selected as a Qualified Bidder, and will thereafter be provided an opportunity to complete due diligence and submit a binding offer to purchase the property of the Company or invest in the Company.

Submissions of Offers

14. Under the offer procedure (the “**Offer Procedure**”) all offers for purchase and/or investment must be submitted in writing by a Qualified Bidder to the Financial Advisor at the address set out in the Teaser Letter and received on or before 5:00 p.m. Toronto Time on February 21, 2014 (the “**Offer Deadline**”).

Qualified Offers

15. An offer will be considered a “**Qualified Offer**” only if (i) it is submitted by a Qualified Bidder on or before the Offer Deadline, (ii) the requirements of paragraph 15 above are satisfied to the satisfaction of the Company and the Proposal Trustee, and (iii) the offer complies with the following requirements:
 - (a) it includes a letter stating that the bidder’s offer is irrevocable and open for acceptance until at least 11:59 p.m. Toronto Time on the business day after the Closing Date;
 - (b) it includes proof of financial ability to close the transaction (as may be requested by

the SISP Team), and shall not be conditional upon financing;

- (c) in the case of a proposed purchase of the Company's property, it includes the following: an acknowledgement and representation that the bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement;
 - (d) in the case of an investment in the Company's business, it includes the following: an acknowledgement and representation that the bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the businesses of the Company or the completeness of any information provided in connection therewith, except as expressly stated in the investment agreement;
 - (e) it will not contain any material conditions to closing other than Court approval or other statutorily required consents or approvals;
 - (f) it is, in the reasonable opinion of the SISP Team, likely to close on or prior to March 14, 2014 (as may be extended by the Company with the prior written approval of the DIP Agent, the "**Closing Date**"); and
 - (g) it does not request or entitle the Qualified Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment.
16. Each Qualified Offer will be considered by the Company with the assistance of the Financial Advisor and the Proposal Trustee. The SISP Team may seek clarifications to any Qualified Offers following the Offer Deadline, and the Proposal Trustee may grant extensions to any deadline set out herein if consented to by the DIP Agent in writing or ordered by the Court.

Post-Offer Procedure

17. If one or more Qualified Offers are received in accordance with the Offer Procedure, the Company, in consultation with the Proposal Trustee and subject to the prior written approval of the DIP Agent, may choose to:
 - (a) accept one Qualified Offer (the **"Successful Bid"** and the Qualified Bidder making the Successful Bid being the **"Successful Bidder"**) and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder; or
 - (b) continue negotiations with a selected number of Qualified Bidders (collectively, the **"Selected Bidders"**) with a view to finalizing an agreement with one of the Selected Bidders.
18. The Company shall be under no obligation to accept the highest or best offer and the selection of the Successful Bid and/or the Selected Bidders shall be entirely in the discretion of the Company, after consultation with the Proposal Trustee and the written approval of the DIP Agent.
19. The Company shall be under no obligation to accept any offer if, after consultation with the Proposal Trustee and prior written approval of the DIP Agent, the Company determines that no suitable offers have been received and rejects all such offers.

Other Terms

20. The Company will apply to the Court (the **"Approval Motion"**), on at least four days' notice to the Service List in these proceedings, for an order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid.
21. Before the Company serves and files the application for the Approval Motion, the Successful Bidder will provide a deposit of at least 10% of the purchase price in the case of an acquisition of the property of the Company or 10% of the investment amount in the case of an investment in the Company (the **"Deposit"**). The Deposit will be paid to and held in escrow by the Proposal Trustee and otherwise will be treated as set out in the Successful Bid.

22. If the Deposit is forfeited to the Company, it shall be forfeited as liquidated damages and not as a penalty. The Company shall apply and use any forfeited Deposit in the manner agreed upon by the Company and the Proposal Trustee and as approved in writing by the DIP Agent.
23. The Approval Motion will be held on a date to be scheduled by the Court, upon request by the Company. At the initial return date of the Approval Motion, with the written approval of the DIP Agent, the Company or the Proposal Trustee may request an adjournment of the Approval Motion. If such adjournment is granted by the Court, no further notice or announcement of any such adjournment will be required.
24. All Qualified Offers (other than the Successful Bid) will be deemed rejected on the date of approval of the Successful Bid by the Court.
25. For the avoidance of doubt, the approvals required pursuant to the terms hereof (including the prior approval of the DIP Agent) are in addition to, and not in substitution for, any other approvals required by the BIA or any other statute or as otherwise required at law in order to implement a Successful Bid.
26. There will be no amendments to this SISP without the consent of the Company, the DIP Agent and the Proposal Trustee or, in the absence of such consent, the approval of the Court.

This SISP does not, and will not be interpreted to, create any contractual or other legal relationship among the Company, the Financial Advisor or the Proposal Trustee or between any of them and any bidder, other than as specifically set forth in a definitive agreement that any such bidder may enter into with the Company. At any time during the SISP, the Proposal Trustee may, upon reasonable prior notice to the Company, apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION OF COLOSSUS MINERALS INC., OF THE CITY OF TORONTO IN
THE PROVINCE OF ONTARIO

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

Proceedings commenced in Toronto

ORDER

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