

DISTRICT OF ONTARIO
DIVISION NO. 9 - Toronto
COURT File No. CV-14-10401-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC. PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY*
ACT

AND IN THE MATTER OF THE PLAN OF REORGANIZATION PURSUANT TO THE
BUSINESS CORPORATION ACT (ONTARIO)

PROPOSAL AND PLAN OF REORGANIZATION

WHEREAS on January 13, 2014, Colossus Minerals Inc. (the “**Company**”) initiated proceedings under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) by filing a notice of intention to make a proposal pursuant to section 50.4 of the BIA;

AND WHEREAS on January 16, 2014, the Court issued an order (the “**DIP Approval Order**”) that, among other things, approved the DIP Facility and the sale and investment solicitation process (the “**SISP**”) to be administered by the Company and its Financial Advisor under the supervision of the Proposal Trustee pursuant to the terms of the SISP;

AND WHEREAS it is intended that if no “Successful Bid” is received by the Company in accordance with the terms of the SISP, a meeting of creditors of the Company will be held to consider and vote on a proposal to creditors;

AND WHEREAS it is intended should a Successful Bid be obtained in accordance with the terms of the SISP, such meeting of creditors would be adjourned;

NOW THEREFORE the Company hereby submits the following proposal under BIA and plan of reorganization under the *Business Corporations Act* of Ontario (“**OBCA**”) to its creditors (the “**Proposal**”).

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Proposal, unless otherwise stated or the context should otherwise require, the capitalized terms and phrases used but not defined herein have the following meanings:

- (a) **“Administration Charge”** has the meaning given to it in the DIP Approval Order;
- (b) **“Administrative Fees and Expenses”** means the fees, expenses and disbursements incurred by or on behalf of the Proposal Trustee, the solicitors for the Proposal Trustee and the solicitors of the Company, both before and after the filing by the Company of this Proposal, relating to this Proposal;
- (c) **“Affected Claims”** means all Claims, other than the Unaffected Claims;
- (d) **“Affected Creditors”** means all Persons having Affected Claims;
- (e) **“Approval Order”** means an order of the Court approving this Proposal, which order shall include provisions permitted by section 186 of the *OBCA* as may be necessary or appropriate to give effect to this Proposal, including those described in Section 3.1 of this Proposal as it may be amended or restated from time to time;
- (f) **“Articles of Reorganization”** means the articles of reorganization effecting the reorganization of the Company’s share capital in accordance with Section 3.1 hereof;
- (g) **“Atlas Guarantee”** means the guarantee given by the Company to Atlas Copco Customer Finance AB guaranteeing the obligations of Colossus Brazil under the equipment finance agreement between Colossus Brazil and Atlas Copco Customer Finance AB, as amended from time to time;
- (h) **“BIA”** has the meaning given to it in the recitals;
- (i) **“BIA Proceeding”** means the proceeding commenced by the Company under the BIA on the Filing Date;
- (j) **“Business Day”** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto;
- (k) **“CDS”** means CDS Clearing and Depositary Services Inc. or any successor thereof;
- (l) **“Claim”** means all Severance Claims, all Repudiation Claims, all Landlord Claims, any claim in respect of the Atlas Guarantee, the Sandstorm Claim, the Noteholders Claim, all Equity Claims, and any other right or claim of any Person, against the Company or any of its directors (in their capacity as directors of the Company) in connection with any indebtedness, liability or obligation which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Filing Date, or which could have been claims provable in bankruptcy had the Company become bankrupt on the Filing Date, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety,

by subrogation or otherwise incurred and whether or not such a right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise, with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future. For greater certainty, Claims do not include Unaffected Claims; .

- (m) “**Colossus Brazil**” means the Company’s wholly-owned subsidiary, the Brazilian corporation Colossus Mineração Ltda.;
- (n) “**Company**” has the meaning given to it in the recitals;
- (o) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (p) “**Court Approval Date**” means the date on which the Court issues the Approval Order;
- (q) “**Creditors’ Meeting**” means the meeting of Unsecured Creditors to be held on February 25, 2014 for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting;
- (r) “**Crown Claims**” means all amounts owing to Canada Revenue Agency that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation as at the Filing Date;
- (s) “**DIP Approval Order**” means the January 16, 2014 order of the Court, among other things, approving the DIP Credit Facility, as it may be amended, restated or supplemented from time to time ;
- (t) “**DIP Agent**” means Sandstorm, in its capacity as administrative and collateral agent for the DIP Lenders under the DIP Credit Agreement;
- (u) “**DIP Convertible Note**” means the convertible note to be issued to the DIP Lenders on the maturity of the DIP Credit Facility in accordance with the DIP Credit Agreement;
- (v) “**DIP Credit Agreement**” means the DIP credit agreement dated January 30, 2014 among the Company, Sandstorm as administrative and collateral agent and the lenders from time to time party thereto, as it may be amended, supplemented or restated from time to time;
- (w) “**DIP Facility**” means the debtor-in-possession credit facility provided to the Company by the DIP Lenders pursuant to the DIP Credit Agreement;
- (x) “**DIP Lenders**” means Sandstorm and lenders from time to time party to the DIP Credit Agreement;
- (y) “**director**” has the meaning given to it in the BIA;

- (z) **"Directors' Charge"** has the meaning given to it in the DIP Approval Order;
- (aa) **"Effective Time"** means 12:01 a.m. (Toronto time) on the Proposal Implementation Date;
- (bb) **"Engagement Letter"** means the engagement letter between the Company and the Financial Advisor dated November 27, 2013;
- (cc) **"Equity Claims"** means any Claim constituting an equity claim under section 2 of the BIA;
- (dd) **"Existing Common Shares"** means all of the issued and outstanding shares in the capital of the Company at the Effective Time, being 175,547,151 common shares;
- (ee) **"Existing Securities"** means all issued and outstanding options, warrants, convertible securities, exchangeable securities and any other rights to acquire any of the foregoing, in respect of the Company, including those set out in Schedule "B" to this Proposal, but for greater certainty excluding the DIP Convertible Note;
- (ff) **"Existing Shareholders"** means, collectively, holders of the Existing Securities immediately prior to the Effective Time;
- (gg) **"Filing Date"** means January 13, 2014, the date on which the Company filed a Notice of Intention to Make a Proposal with the Official Receiver in accordance with the BIA;
- (hh) **"Financial Advisor"** means Dundee Capital Markets, a division of Dundee Securities Ltd., acting as financial advisor for the Company;
- (ii) **"Financial Advisor Claims"** means any claims by the Financial Advisor pursuant to the Engagement letter;
- (jj) **"Fractional Interests"** has the meaning given to such term in Section 6.10 of this Proposal;
- (kk) **"Gold Linked Notes"** means the unsecured gold-linked notes in the aggregate original principal amount of Cdn\$86,250,000 issued pursuant to the terms of a trust indenture between the Company and Equity Financial Trust Corporation dated November 8, 2011;
- (ll) **"Governmental Authority"** means any governmental, regulatory or administrative authority, department, agency, commission, board, panel, tribunal, Crown corporation, Crown ministry or court or other law, rule or regulation-making or enforcing entity having or purporting to have jurisdiction on behalf of any nation, or province, territory or state or other subdivision thereof or any municipality, district or other subdivision thereof;

- (mm) “**Implementation**” means the completion and implementation of the transactions contemplated by this Proposal, including, the issuance and distribution of the New Common Shares and New Warrants to Proven Creditors in the manner contemplated herein;
- (nn) “**Implementation Certificate**” has the meaning given to it in Subsection 5.2(k) of this Proposal;
- (oo) “**including**” means “including, without limitation”, and “**includes**” means “includes without limitation”;
- (pp) “**Landlord Claim**” means any claim of a landlord arising from a disclaimer of the landlord’s lease by the Company in accordance with Section 2.5 of this Proposal;
- (qq) “**New Common Shares**” means the common shares of the Company to be issued to the Noteholders pursuant to Section 6.3 of this Proposal and the common shares of the Company to be issued to the Proven Creditors other than Noteholders pursuant to Section 6.4 which shares shall be on terms identical to the Existing Common Shares;
- (rr) “**New Warrants**” means the purchase warrants to acquire common shares in the share capital of the Company, with the terms and attributes set out in Schedule “A” to this Proposal, to be distributed in accordance with Sections 6.3 and 6.4 of this Proposal;
- (ss) “**Note Indenture**” means the note indenture dated November 8, 2011 that was entered into between the Company and the Note Indenture Trustee in connection with the issuance of the Gold Linked Notes as it may be amended, restated or supplemented from time to time;
- (tt) “**Note Indenture Trustee**” means Equity Financial Trustee Company, as trustee under the Note Indenture;
- (uu) “**Noteholders**” means the holders of the Gold Linked Notes, and “**Noteholder**” means anyone of them;
- (vv) “**Noteholders Claims**” means the unsecured claims of the Noteholders in respect of the Gold Linked Notes;
- (ww) “**NSR Agreement**” means the net smelter royalty agreement to be entered into between the Company, Colossus Brazil and Sandstorm pursuant to the NSR Term Sheet;
- (xx) “**NSR Term Sheet**” means the net smelter return royalty term sheet dated January 6, 2014 among the Company, Colossus Brazil and Sandstorm;
- (yy) “**OBCA**” has the meaning given to it in the recitals;

- (zz) “**Official Receiver**” means the officer appointed pursuant to subsection 12(2) of the BIA in the City of Toronto, Ontario, to perform the duties and responsibilities more fully set out in the BIA.
- (aaa) “**Order**” means any order of the Court made in connection with the BIA Proceeding;
- (bbb) “**Participant Holders**” has the meaning given to it in Section 2.7 of this Proposal;
- (ccc) “**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, any Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (ddd) “**Preferred Creditors**” means those creditors of the Company whose claims are entitled to be paid in priority to the claims of other Unsecured Creditors as provided under section 136 of the BIA;
- (eee) “**Proposal Implementation Date**” means the date on which Implementation occurs;
- (fff) “**Proposal Trustee**” means Duff & Phelps Canada Restructuring Inc. or its duly appointed successor;
- (ggg) “**Proposal Trustee’s Website**” means the following website:
<http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>;
- (hhh) “**Proven Claim**” means in respect of a creditor, the amount of a Claim as finally determined in accordance with the provisions of the BIA;
- (iii) “**Proven Creditor**” means an Unsecured Creditor holding a Proven Claim to the extent of its Proven Claim;
- (jjj) “**Reduced Claim Amount**” means, in respect of an Unsecured Creditor, the amount as calculated by the Proposal Trustee equal to such Unsecured Creditor’s Proven Claim as multiplied by 0.30, as rounded up or down to the nearest whole \$1.00 (with fractions equal to \$0.50 and more being rounded up);
- (kkk) “**Repudiation Claim**” means any Claim that arises as a result of a disclaimer or repudiation of a contract, arrangement, agreement, lease (other than a lease of real property) or indenture by the Company in accordance with section 65.11 of the BIA;
- (lll) “**Required Majority**” means an affirmative vote of a majority in number and two-thirds in value of all Proven Claims in the Unsecured Creditor Class entitled to vote, who are present and voting at the Creditors’ Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA;

- (mmm) “**Sandstorm**” means Sandstorm Gold Inc.;
- (nnn) “**Sandstorm Agreement**” means the agreement among Sandstorm, the Company and Colossus Brazil dated September 18, 2012 for the purchase by Sandstorm of life-of-mine refined precious metals;
- (ooo) “**Sandstorm Claim**” means the US\$65,000,000 unsecured claim of Sandstorm arising under the Sandstorm Agreement as proven in accordance with the provisions of the BIA, which for greater certainty excludes the Sandstorm Secured Claim;
- (ppp) “**Sandstorm Secured Claim**” means the US\$10,000,000 first ranking charge, liens and security interests of Sandstorm in and to quotas held by the Company representing 99.99% of the capital stock of Colossus Brazil pursuant to the terms of the Sandstorm Agreement;
- (qqq) “**Secured Claim**” means any Claim which are secured by a mortgage, charge lien, hypothec or other security validly charging or encumbering any of the property or assets of the Company as of the Filing Date, but excluding any Claims in respect of the DIP Credit Facility and Claims secured by the Administration Charge and the Directors’ Charge;
- (rrr) “**Secured Creditors**” means any Person having a Secured Claim to the extent of its Secured Claim, other than Sandstorm in respect of the Sandstorm Secured Claim;
- (sss) “**Severance Claims**” means any and all claims to which the Company is or will be subject for damages, wrongful dismissal, severance entitlements or termination entitlements arising from or under (a) the *Employment Standards Act* (Ontario) or any other applicable statute, (b) common law, and/or (c) any express or implied agreement; which claims are as a result of the termination or notice of termination given by the Company, on or before the time of the Creditors’ Meeting, of any Person’s employment (whether such Person is identified in such agreement as an employee, independent contractor, consultant or otherwise);
- (ttt) “**SISP**” has the meaning given to it in the recitals;
- (uuu) “**Superintendent’s Levy**” means the levy payable to the Superintendent of Bankruptcy pursuant to section 60(4) and section 147 of the BIA;
- (vvv) “**Unaffected Claim**” means:
- (i) any Claim by the Proposal Trustee, counsel for the Proposal Trustee or counsel to the Company for Administrative Fees and Expenses, including those secured by the Administration Charge;
 - (ii) any Claim by the DIP Agent or any of the DIP Lenders in respect of the DIP Credit Facility, which amounts outstanding thereunder shall be converted

into the DIP Convertible Note on the maturity thereof in accordance with the terms of the DIP Credit Agreement;

- (iii) any Claim by any director or officer of the Company under paragraph 9 of the DIP Approval Order, including those secured by the Directors' Charge;
 - (iv) any Claim against directors of the Company that (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors; or (b) are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors;
 - (v) any Claim for amounts owing by the Company on account of goods, property or services actually provided to and received by the Company at the Company's request after the Filing Date or for taxes, duties or similar amounts owed in respect of the business carried on by the Company after the Filing Date, which monies shall be paid in full by the Company in accordance with the terms previously agreed upon with the suppliers of such goods, property or services or as required under applicable law in respect of such taxes, duties or similar amounts;
 - (vi) Crown Claims;
 - (vii) any Financial Advisor Claims pursuant to the terms of the Engagement Letter;
 - (viii) the Claims of Persons arising from the repudiation or disclaimer of an agreement where notice of repudiation or disclaimer was not given more than ten (10) days prior to the Creditors' Meeting for the Unsecured Creditor Class; and
 - (ix) the Sandstorm Secured Claim and any other Claim of a Secured Creditor, in each case only to the extent of the value of the security.
- (www) **"Unaffected Creditor"** means a creditor having an Unaffected Claim to the extent of its Unaffected Claim;
- (xxx) **"Undeliverable Distributions"** mean distributions to Proven Creditors that are returned as undeliverable;
- (yyy) **"Unsecured Claim"** means any Claim other than a Secured Claim, including, a Severance Claim, Repudiation Claim, Landlord Claim, the Sandstorm Claim and a Noteholder Claim;
- (zzz) **"Unsecured Creditor"** means any creditor having an Unsecured Claim to the extent of its Unsecured Claim; and
- (aaaa) **"Unsecured Creditor Class"** means the class of creditors comprised of Unsecured Creditors.

1.1 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

1.2 Time

All times expressed in this Proposal are local time Toronto, Ontario, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

1.3 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

1.4 Successors and Assigns

The Proposal shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person or party named or referred to in the Proposal.

1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

ARTICLE 2 CLASSIFICATION OF AFFECTED CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

2.1 Classes of Creditors

There shall be one class of Affected Creditors for the purposes of considering and voting on this Proposal comprised of all Unsecured Creditors to the extent of their Unsecured Claims.

2.2 Proxies and Voting Letters

Proxies as provided for in the BIA indicating a Person authorized to act for the Unsecured Creditor, may be submitted to the Proposal Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Proposal Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast its vote in favour or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Proposal Trustee and the BIA. For greater certainty, Unaffected Creditors shall not be entitled to vote the value of their Unaffected Claim.

2.3 Quorum and Conduct of Creditors' Meeting

A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy, or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Proposal Trustee to such date, time and place as determined by the Proposal Trustee. For greater certainty, the Creditors' Meeting may be adjourned one or more times.

2.4 Location of Creditors' Meeting

The Creditors' Meeting shall take place at 2:00 p.m. (Toronto time) on February 25, 2014 at 333 Bay Street, Suite 2400, Toronto, Ontario.

2.5 Landlord Claims

In the case of any lease of real property disclaimed by the Company pursuant to section 65.2 of the BIA, the landlord affected by the disclaimer may file a proof of claim for an amount equal to the lesser of the amounts described in subsections 65.2(4)(b)(i) and (ii) of the BIA. A Landlord Claim shall be treated as an Unsecured Claim under this Proposal, even if the effective date of the disclaimer is after the Creditors' Meeting, the Court Approval Date or the Proposal Implementation Date and even if the landlord objects to the disclaimer, in which case such landlord may file a proof of claim on a contingent basis.

2.6 Repudiation of Contracts, etc.

The Company may repudiate or give notice of disclaimer of any contract, arrangement, agreement, lease (other than leases of real property, the disclaimer of which are dealt with Section 2.5 hereof) or indenture to which it is a party pursuant to section 65.11 of the BIA and provided such notice of disclaimer is given, at least ten (10) days prior to the Creditors' Meeting, the Repudiation Claim of each Person resulting or arising from the disclaimer of such contracts, arrangements, agreements, leases and indentures shall be an Unsecured Claim for the purposes of this Proposal, even if the effective date of the disclaimer is after the Creditors' Meeting, the Court Approval Date or the Proposal Implementation Date and even if the Person affected by the disclaimer objects to the disclaimer, in which case such Person may file a proof of claim on a contingent basis.

2.7 Proofs of Claim and Treatment of Disputed Claims

In order to vote on the Proposal, each beneficial Noteholder will be required to submit a completed proxy and voting letter which must be received by the Proposal Trustee by no later than the commencement of the Creditors' Meeting.

The total amount of all Noteholders Claims will be determined based on a proof of claim form to be submitted by the Indenture Trustee. A proof of claim is not required to be submitted by any beneficial Noteholder in respect of its Noteholders Claim.

Holders or custodians (“**Participant Holders**”) of Notes on behalf of beneficial Noteholders will be provided with proposal materials for distribution to their corresponding beneficial Noteholders. The Proposal Trustee will require that Participant Holders complete and sign the applicable part of the voting and proxy letter for Noteholders (Section D) and to mail it along with the other Proposal materials to each applicable beneficial Noteholder. **The beneficial Noteholder will be responsible to complete the balance of the proxy and voting letter and submit it directly to the Proposal Trustee.** Each beneficial Noteholder will be entitled to a single vote at the Creditors’ Meeting in the full amount of its Noteholders Claim.

Each Unsecured Creditor other than a Noteholder in respect of its Noteholders Claim will be required to submit a proof of claim to the Proposal Trustee. Each Unsecured Creditor other than a Noteholder voting pursuant to a Noteholders claim shall be entitled to a single vote valued in the full amount of its Proven Claim with respect to the vote of the Unsecured Creditor Class. In order to the vote at the Creditors’ Meeting, the proof of claim must be submitted prior to the commencement of the Creditors’ Meeting.

The provisions of section 135 of the BIA will apply to all Proofs of Claim submitted by Unsecured Creditors, including in respect of disputed Claims.

2.8 Approval by Affected Creditors

In order to be approved, this Proposal must receive the affirmative votes of the Required Majority.

2.9 Modification to Proposal

Subject to the consent of the DIP Agent and the Proposal Trustee, the Company reserves the right at any time prior to the Creditors’ Meeting to file any modification of, amendment or supplement to the Proposal by way of a supplementary proposal and plan of reorganization. Any such amended or supplementary proposal shall forthwith be posted on the Proposal Trustee’s Website, sent to the service list in the BIA Proceeding and filed with the Official Receiver as soon as practicable, in which case any such amended or supplementary proposal or proposals shall, for all purposes, be and be deemed to be a part of and incorporated into the Proposal. At the Creditors’ Meeting, the Company and/or the Proposal Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments prior to the votes being taken to approve the Proposal. Subject to the provisions of the BIA and the Rules promulgated thereunder, after the Creditors’ Meeting (and both prior to and subsequent to the Approval Order) and subject to the consent of the DIP Agent and the Proposal Trustee, the Company may at any time and from time to time vary, amend, modify or supplement the Proposal.

**ARTICLE 3
REORGANIZATION**

3.1 Reorganization

The Approval Order, in addition to approving this Proposal, shall authorize and approve the filing of the Articles of Reorganization which Articles of Reorganization shall, among other things, amend the Articles of the Company, to the extent necessary:

- (a) to consolidate the Existing Common Shares on the basis of 200 to 1;
- (b) to provide for the cancellation of all Existing Securities, excluding the Existing Common Shares;
- (c) to permit the issuance of the New Common Shares to be distributed to Proven Creditors pursuant to this Proposal;
- (d) to permit the issuance of the New Warrants to be distributed to Proven Creditors pursuant to this Proposal; and
- (e) to appoint directors in place of or in addition to all or any of the directors then in office.

ARTICLE 4 TREATMENT OF CREDITORS' CLAIMS

4.1 Voting by Unsecured Creditors

Each Proven Creditor shall be entitled to vote on this Proposal at the Creditors' Meeting, to the extent of its Proven Claim for voting purposes. Notwithstanding the foregoing, Unsecured Creditors having Equity Claims shall not be entitled to vote in respect of such Equity Claims at the Creditors' Meeting.

4.2 Compromise to Unsecured Creditors

On the Proposal Implementation Date, in exchange for the full and final satisfaction, compromise, settlement, release and discharge of each Unsecured Claim:

- (a) each Proven Creditor, shall receive:
 - (A) for every one (1) Canadian dollar of the Reduced Claim Amount for such Proven Creditor as calculated by the Proposal Trustee, one (1) New Common Share; and
 - (B) for every two (2) Canadian dollars of the Reduced Claim Amount for such Proven Creditor as calculated by the Proposal Trustee, one (1) New Warrant.

4.3 Existing Shareholders.

In connection with or as a result of the Implementation of this Proposal, Existing Shareholders shall not be entitled to any payment or other compensation on account of their Equity Claims under this Proposal

4.4 Preferred Creditors

The Proven Claims of all Preferred Creditors, if any, shall be paid without interest, in priority to the Claims of other Unsecured Creditors in accordance with section 136 of the BIA, including the Proven Claims of all employees or former employees for all amounts provable as described in subsection 60(1.3) of the BIA which, if any, shall be paid immediately after the Court Approval Date.

4.5 Crown Claims

All Crown Claims that were outstanding at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a province, within six months after the Court Approval Date.

4.6 Repayment of Administrative Fees and Expenses

Administrative Fees and Expenses incurred and invoiced prior to the Proposal Implementation Date shall be paid in the ordinary course of business out of the Company's cash. Any Administrative Fees and Expenses that have not been invoiced or paid at the Proposal Implementation Date shall be an Unaffected Claim.

4.7 Extinguishment of Claims

On the Proposal Implementation Date in accordance with its terms and in the sequence set forth in this Proposal and in accordance with the provisions of the Approval Order, the treatment of Affected Claims shall be final and binding on the Company, all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Company and the directors shall thereupon have no further obligation whatsoever in respect of the Affected Claims; *provided that* nothing herein releases the Company or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Proposal and *provided further* that such discharge and release of the Company shall be without prejudice to the right of an Affected Creditor in respect of a disputed Claim to prove such disputed Claim in accordance with the BIA so that such disputed Claim may become an allowed Unsecured Claim entitled to receive consideration herein.

4.8 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised and released under this Proposal or who has

any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under this Proposal shall be entitled to any greater rights as against the Company than the Person whose Claim is compromised under the Proposal.

ARTICLE 5 CONDITIONS

5.1 Confirmation of Proposal

Provided that the Proposal is approved by the Required Majority, the Proposal Trustee shall apply for the Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order.

5.2 Conditions Precedent to Implementation of the Proposal

This Proposal will take effect on the Proposal Implementation Date. The Implementation of this Proposal on the Proposal Implementation Date is subject to the satisfaction of the following conditions precedent:

- (a) the Proposal is approved by the Required Majority;
- (b) the Approval Order, in form and substance satisfactory to the Company and the DIP Agent, has been issued, has not been stayed and no appeal therefrom is outstanding;
- (c) the terms of the New Warrants shall be satisfactory to the Company and the DIP Agent;
- (d) the DIP Convertible Notes shall have been delivered to the DIP Agent in escrow to be released to the DIP Agent on the Proposal Implementation Date for distribution by the DIP Lenders in accordance with the DIP Credit Agreement;
- (e) the Company and Colossus Brazil shall have entered into the NSR Agreement with Sandstorm, in form and substance satisfactory to Sandstorm and the Company, and all conditions precedent under the NSR Agreement shall have been satisfied or waived in accordance with the terms thereof, other than the condition relating to the Implementation of this Proposal;
- (f) the Sandstorm Agreement shall have been terminated by the parties thereto and the guarantee granted by Colossus to Sandstorm of the obligations of Colossus Brazil under the Sandstorm Agreement and the Sandstorm Secured Claim shall have been terminated, discharged and released;
- (g) the charges created by the DIP Approval Order or any other Order shall have been discharged as at the Effective Time;

- (h) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Authority, no application shall have been made to any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority, in consequence of or in connection with the Proposal that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Proposal or any part thereof or requires or purports to require a variation of the Proposal;
- (i) the Company shall have delivered to the DIP Agent a certificate of an officer of the Company (without personal liability) certifying that to the knowledge of the officer, as of the Implementation Date, there have been no material breaches of the Support Agreement by the Company that have not been consented to or waived by the DIP Agent;
- (j) the DIP Agent shall be satisfied that all securities of the Company, when issued and delivered, are duly authorized, validly issued and fully paid and non-assessable and the issuance thereof is exempt from all prospectus and registration requirements;
- (k) the Articles of Reorganization, in form and substance satisfactory to the DIP Agent, effecting the reorganization of the Company's share capital in accordance with the Proposal shall have been filed in accordance with the Approval Order;
- (l) all other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed, in each case, in form and substance satisfactory to the DIP Agent; and
- (m) the Company and the DIP Agent shall have delivered a certificate to the Proposal Trustee that the conditions precedent to the Implementation of the Proposal have been satisfied or waived (the "**Implementation Certificate**").

Upon written confirmation of receipt by the Proposal Trustee of the Implementation Certificate, the Implementation of the Proposal shall have been deemed to have occurred and all actions deemed to occur upon Implementation of the Proposal shall occur without the delivery or execution of any further documentation, agreement or instrument.

ARTICLE 6

DISTRIBUTIONS UNDER THE PROPOSAL

6.1 Superintendent's Levy

All New Common Shares and New Warrants to be distributed under this Proposal shall be delivered by the Company to the Proposal Trustee for distribution by the Proposal Trustee to Proven Creditors in accordance with this Proposal and, notwithstanding any other provisions hereunder, any distributions made pursuant to the terms hereof shall be

made net of the Superintendent's Levy required to be made, pursuant to sections 147 and 60(4) of the BIA.

6.2 Stated Capital

The aggregate stated capital for purposes of the OBCA for the New Common Shares and New Warrants issued pursuant to this Proposal will be as determined by the board of directors of the Company.

6.3 Distributions to Noteholders

- (a) This Section 6.3 sets forth the distribution mechanics with respect to the New Common Shares and the New Warrants that are to be distributed to the Noteholders pursuant to the Proposal.
- (b) The delivery of the New Common Shares and the New Warrants to the Noteholders will be made through the facilities of CDS to CDS participants, who, in turn, shall make delivery of interests in such New Common Shares and New Warrants to the beneficial holders of such Gold Linked Notes pursuant to standing instructions and customary practices; provided that, if either the New Common Shares or New Warrants are not CDS eligible, delivery of any such ineligible indirect Noteholder distributions will be made to the Note Indenture Trustee who, in turn, will make delivery of the applicable New Common Shares and New Warrants to each of the Noteholders through the direct registration system of Equity Financial Trust Company (or such other transfer agent as the Company may appoint). Distributions to Noteholders by the Proposal Trustee shall be made as soon as practicable after the Effective Time.
- (c) The Company and the Proposal Trustee shall have satisfied their responsibilities in respect of the distribution of New Common Shares and New Warrants to the Noteholders once such New Common Shares and New Warrants have been delivered to CDS or the Note Indenture Trustee, as applicable. The Company and the Proposal Trustee will have no liability or obligation in respect of deliveries from CDS, or its nominee, to CDS participants or from CDS participants to beneficial holders of the Gold Linked Notes or from the Note Indenture Trustee to beneficial holders of the Gold Linked Notes.

6.4 Distribution to Proven Creditors (other than Noteholders)

- (a) This Section 6.4 sets forth the distribution mechanics with respect to the New Common Shares and the New Warrants that are to be distributed to Proven Creditors other than Noteholders pursuant to the Proposal.
- (b) The Proposal Trustee will distribute New Common Shares and New Warrants to Proven Creditors other than Noteholders in accordance with this Proposal and each Proven Creditor that is receiving securities shall receive one (1) New

Common Share for every one (1) Canadian dollar of its Reduced Claim Amount and one (1) New Warrant for every two (2) dollars of its Reduced Claim Amount.

- (c) The distribution of New Common Shares and New Warrants shall be made by the Proposal Trustee to the Proven Creditors as soon as practicable after the Effective Time.
- (d) Unsecured Creditors holding a disputed Claim will not receive a distribution until the disputed Claim is resolved in accordance with this Proposal and the BIA. Unaffected Creditors will not be entitled to receive any distributions under this Proposal with respect to their Unaffected Claims and Unaffected Claims shall not be compromised under this Proposal.

6.5 Undeliverable Distributions

Undeliverable Distributions shall be dealt with and treated in the manner provided for in the BIA and the Directives promulgated pursuant thereto.

6.6 Final Distributions

As soon as reasonably possible after the acceptance of this Proposal by the Required Majority, the Proposal Trustee shall give notice pursuant to section 149(1) of the BIA to every Person with an Affected Claim of which the Proposal Trustee has notice or knowledge but whose Affected Claim has not been proved that if such Person does not prove its Claim within a period of thirty (30) days after the giving of the notice, the Proposal Trustee will proceed to declare a final creditor distribution without regard to such Person's Claim; the distribution referred to in said notice shall be deemed a final creditor distribution and any Person so notified who does not prove its Claim within the said thirty (30) days shall be barred from making a Claim in this Proposal or sharing in any creditor distribution hereunder, subject to any exceptions set out in subsections 149(2), (3) and (4) of the BIA.

6.7 Cancellation of Certificates and Notes

Upon Implementation of the Proposal, all debentures, notes (including the Gold Linked Notes), certificates, agreements, invoices and other instruments evidencing Affected Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Proposal and will be cancelled and will be null and void. Notwithstanding the foregoing, the Note Indenture shall remain in effect for the purpose of and to the extent necessary to: (i) allow the Note Indenture Trustee to make distributions to the Noteholders; and (ii) maintain all of the protections the Note Indenture Trustee enjoys as against the Noteholders, including lien rights, if any, with respect to any distributions under this Proposal, until all distributions are made to Noteholders hereunder.

6.8 Currency

Unless specifically provided for in the Proposal or the Approval Order, for the purposes of distributions under the Proposal, a Claim shall be denominated in Canadian dollars and all payments and distributions to the Affected Creditors on account of their Claims shall be made in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect at the Filing Date.

6.9 Interest

Interest shall not accrue or be paid on Affected Claims on or after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

6.10 Fractional Interests

No fractional interests of New Common Shares or New Warrants ("**Fractional Interests**") will be issued under this Proposal. Recipients of New Common Shares and New Warrants will have their entitlements adjusted downwards to the nearest whole number of New Common Shares or New Warrants, as applicable, to eliminate any such Fractional Interests and no compensation will be given for the Fractional Interest.

6.11 Allocation of Distributions

All distributions made pursuant to the Proposal shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Affected Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Affected Claim.

ARTICLE 7

PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED CLAIMS

7.1 No Distribution Pending Allowance

An Affected Creditor holding a disputed Claim will not be entitled to receive a distribution under the Proposal in respect of such disputed Claim or any portion thereof unless and until, and then only to the extent that, such disputed Claim is allowed pursuant to the BIA.

7.2 Distributions after Disputed Distribution Claims Resolved

Once a disputed Claim with respect to a Noteholder is resolved, a distribution will be made to that Noteholder as to its Proven Claim in accordance with Section 6.3 of this Proposal. Once a disputed Claim with respect to an Unsecured Creditor that is not a Noteholder is resolved, a distribution will be made to that Proven Creditor as to its Proven Claim in accordance with Section 6.4 of this Proposal.

ARTICLE 8
IMPLEMENTATION OF THE PROPOSAL AND EFFECT OF THE PROPOSAL

8.1 Proposal Implementation

On the Proposal Implementation Date, this Proposal will become effective and be binding on and enure to the benefit of the Company and all Affected Creditors in accordance with the terms of this Proposal, irrespective of whether the Affected Creditor submits a proof of claim under this Proposal.

8.2 Effect of the Proposal Generally

The payment, compromise or satisfaction of any Affected Claims under this Proposal, if approved by the Court, shall be binding upon each Affected Creditor and his, her or its heirs, executors, administrators and other legal representatives, successors and assigns, as the case may be, for all purposes and this Proposal will constitute (a) a full, final and absolute settlement of all rights of the Affected Creditors against the Company and the directors of the Company (in their capacity as directors of the Company) in respect of the Affected Claims; and (b) an absolute release and discharge of all indebtedness, liabilities and obligations of or in respect of the Affected Claims against the Company and the directors of the Company (in their capacity as directors of the Company) and all Liens granted by the Company in respect thereof, including any interest or costs accruing thereon (whether before or after the Filing Date).

8.3 Consents and Releases

Upon Implementation of the Proposal, all Affected Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. In particular, each Affected Creditor shall be deemed to have executed and delivered to the Company and the directors of the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety.

8.4 Waivers of Defaults

Upon Implementation of the Proposal, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, by any of the provisions in the Proposal or steps contemplated in the Proposal, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Company and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Company from performing its obligations under the Proposal or be a waiver of defaults by the

Company under the Proposal and the related documents. For great certainty, nothing in this Section shall waive any obligations of the Company in respect of any of the Unaffected Claims.

8.5 Deeming Provision

In this Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

8.6 Preferences and Transfers at Undervalue

Section 95 through and including section 101 of the BIA do not apply to this Proposal.

8.7 Proposal Releases

Upon Implementation, all Claims of the Affected Creditors and all claims of the Affected Creditors existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Proposal Implementation Date relating to, arising out of or in connection with the Company or its assets, business or affairs, whenever and however conducted, this Proposal or the BIA Proceeding, other than Unaffected Claims, and the right to enforce the Company's obligations under this Proposal shall be deemed to be fully and finally satisfied, settled and discharged and (a) no Affected Creditor shall have any further right, remedy or claim against the Company in respect of all or any portion of the Affected Creditor's Claim, and (b) no Affected Creditor shall have any further right, remedy or claim against the officers, directors, partners, shareholders, agents, contractors, employees or professional or legal advisors of the Company in respect of all or any portion of any Claim. Nothing herein shall release any Unaffected Claim.

8.8 Release of Directors

Upon Implementation, the Affected Creditors shall be deemed to fully release and discharge and shall not pursue any claims or assessments against the Company's current or former directors for claims against any such current or former directors of the Company that arose prior to the Filing Date and that relate to the liabilities of the Company where such current or former directors are by law liable in their capacity as directors for the payment of such obligations. Nothing herein shall be interpreted as an acknowledgement of any liability or obligations of any of the current or former directors. For greater certainty, Unaffected Claims, including Unaffected Claims that relate to contractual rights of one or more creditors arising from contracts with one or more directors or based on allegations of misrepresentation made by directors or of wrongful or oppressive conduct by directors are not released.

ARTICLE 9 NOTICES

9.1 Notices

Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Proposal shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by email transmission, in each case to the applicable address set out below:

(a) If to the Company:

COLOSSUS MINERALS INC.
One University Avenue, Suite 401
Toronto, ON M5J 2P1

Attention: **John Frostiak & Dave Massola**
Email: mjfrostiak@bell.net; dave.massola@colossusminerals.com

With a copy to:

FASKEN MARTINEAU LLP
333 Bay Street, Suite 2400
Toronto, Ontario, M5H 2T6

Attention: **Stuart Brotman**
Email: sbrotman@fasken.com

(b) If to the Proposal Trustee:

DUFF & PHELPS CANADA RESTRUCTURING INC.
333 Bay Street
14th Floor
Toronto ON M5H 2R2

Attention: **Bobby Kofman**
Email: bobby.kofman@duffandphelps.com

With a copy to

CHAITONS LLP
5000 Yonge Street
10th Floor
Toronto, ON M2N 7E9

Attention: **George Benchetrit**
Email: george@chaitons.com

any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:30 p.m. (Toronto time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

ARTICLE 10 MISCELLANEOUS

10.1 Capacity of Proposal Trustee and Certificate of Completion

Duff & Phelps Canada Restructuring Inc. shall be the Proposal Trustee under this Proposal. Upon resolution of all disputed Claims, if any, and the making of the distributions by the Proposal Trustee to Proven Creditors as contemplated by this Proposal, the terms of the Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide to the Company and to the Official Receiver a certificate pursuant to section 65.3 of the BIA and the Proposal Trustee shall be entitled to be discharged.

10.2 Non-Consummation

Subject to the terms of the Support Agreement, the Company reserves the right to revoke or withdraw the Proposal at any time prior to the Court Approval Date. If the Company revokes or withdraws the Proposal, or if the Approval Order is not issued or if the Proposal Implementation Date does not occur, (a) the Proposal shall be null and void in all respects, (b) any settlement or compromise embodied in the Proposal, including the fixing or limiting to an amount certain any Claim, any document or agreement executed pursuant to the Proposal shall be deemed null and void, and (c) nothing contained in the Proposal, and no acts taken in preparation for consummation of the Proposal, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Company or any other Person; (ii) prejudice in any manner the rights of the Company or any other Person in any further proceedings involving the Company; or (iii) constitute an admission of any sort by the Company or any other Person.

10.3 Paramountcy

From and after the Effective Time, any conflict between:

- (a) the Proposal or the Approval Order; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for

sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Company as at the Proposal Implementation Date and the notice of articles, articles or bylaws of the Company at the Proposal Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Proposal and the Approval Order, which shall take precedence and priority.

10.4 Different Capacities

Persons who are affected by this Proposal may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Company and the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.5 Further Assurances

The Company, Sandstorm, the Proposal Trustee, the DIP Agent and the Affected Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

10.6 Governing Law

This Proposal will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Dated at Toronto, Ontario this 6th day of February, 2014.

COLOSSUS MINERALS INC.

Per: 

Name: JOHN FROSTMAN

Title: DIRECTOR

SCHEDULE "A"

**SCHEDULE A FORM OF WARRANT CERTIFICATE
WARRANT CERTIFICATE**

COLOSSUS MINERALS INC.

(Incorporated under the laws of the Province of Ontario)

[If applicable, include the following legend:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO COLOSSUS MINERALS INC. (THE "ISSUER") OR THE WARRANT AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS AN INTEREST HEREIN. THIS CERTIFICATE IS ISSUED PURSUANT TO A MASTER LETTER OF REPRESENTATION OF THE ISSUER TO CDS, AS SUCH LETTER MAY BE REPLACED OR AMENDED FROM TIME TO TIME.]

No. W-●

CUSIP: ●

●

WARRANTS entitling the Holder (as defined below) to acquire, subject to adjustment, one Common Share (as defined below) of Colossus Minerals Inc. (the "Company") for each Warrant (as defined below) represented hereby.

THIS WARRANT CERTIFICATE IS TO CERTIFY that, for value received,

●

(herein referred to as the "**Holder**")

is the registered holder of the number of Common Share purchase warrants of the Company (the "**Warrants**") stated above and, subject to adjustment as set forth in the Warrant Indenture (as defined below), is entitled to purchase one common share of the Company (a "**Warrant Share**") at a price of US\$1.00 (the "**Exercise Price**") at any time prior to 4:00 p.m. (Toronto time) on ●, 2019 (the "**Expiry Date**"), all in the manner and subject to the restrictions and adjustments set forth in the Warrant Indenture.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The Warrants represented by this Warrant Certificate are issued or issuable in fully registrable form only under the provisions of the warrant indenture (which warrant indenture together with

all other instruments ancillary thereto is referred to herein as the “**Warrant Indenture**”) dated as of ●, 2014 between the Company and Equity Financial Trust Company (the “**Warrant Agent**”). Reference is hereby made to the Warrant Indenture for a full description of the rights of the holders of the Warrants, the Company and the Warrant Agent in respect thereof, and the terms and conditions upon which the Warrants evidenced hereby are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth. By acceptance of this Warrant Certificate, the Holder assents to all provisions of the Warrant Indenture. To the extent that the terms and conditions set forth in this Warrant Certificate conflict with the terms and conditions of the Warrant Indenture, the Warrant Indenture shall prevail. The Company will furnish to the Holder, upon request and without charge, a copy of the Warrant Indenture.

In the event that prior to the Expiry Date, the Holder has not exercised the Warrants represented hereby in accordance with the terms of the Warrant Indenture, then any Warrants represented by this Warrant Certificate which have not been so exercised shall be deemed to have expired and shall be of no further force and effect as of 4:00 p.m. (Toronto time) on the Expiry Date.

Upon exercise, the Warrants so exercised shall be void and of no value or effect.

The right to acquire the Warrant Shares may only be exercised by the Holder within the time set forth above by:

- (a) duly completing and executing the Exercise Form attached hereto; and
- (b) surrendering this Warrant Certificate to the Warrant Agent at the principal transfer office of the Warrant Agent in Toronto, Ontario, together with a certified cheque, bank draft or money order in lawful money of Canada, payable to the order of the Company equal to the Exercise Price multiplied by the number of Warrant Shares subscribed for.

The Warrants represented by this Warrant Certificate shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

Upon surrender of these Warrants, the person or persons in whose name or names the Warrant Shares are to be issued shall be deemed for all purposes (except as provided in the Warrant Indenture) to be the holder or holders of record of such Warrant Shares and the Company has covenanted that it will (subject to the provisions of the Warrant Indenture) cause a certificate or certificates representing the Warrant Shares to be delivered or mailed to the person or persons at the address or addresses specified in the Exercise Form within three Business Days.

The Warrant Indenture provides for adjustments to certain rights of Holders, including the number of Warrant Shares issuable upon exercise of the Warrants, upon subdivision, consolidation or reclassification of the common shares of the Company (the “**Common Shares**”) or any reclassification, capital reorganization, amalgamation or merger of the Company and certain distributions of securities, including rights, options or warrants to purchase Common Shares or securities convertible or exchangeable into Common Shares or assets of the Company. The Holder should refer to the Warrant Indenture which provides for adjustments in certain other events.

The terms and conditions relating to the Warrants and this Warrant Certificate may be modified, changed or added to in accordance with the provisions of the Warrant Indenture. The Warrant Indenture contains provisions making binding upon all holders of Warrants outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by the holders entitled to acquire a specified percentage of the Warrant Shares which may be acquired pursuant to the exercise of all of the then outstanding Warrants.

The holding of the Warrants evidenced by this Warrant Certificate shall not constitute, or be construed as conferring upon the Holder, any right or interest whatsoever as a shareholder of the Company except such rights as may be provided in the Warrant Indenture or in this Warrant Certificate.

The Holder may, upon compliance with the reasonable requirements of the Warrant Agent and upon surrender of this Warrant Certificate, exchange this Warrant Certificate for another warrant certificate or warrant certificates entitling the Holder thereof to receive, in the aggregate, the same number of Warrants as are issuable under this Warrant Certificate.

The Warrants evidenced by this Warrant Certificate may only be transferred in accordance with applicable securities laws and upon due execution and delivery to the Warrant Agent of a Transfer Form in the form attached hereto and in compliance with all the conditions prescribed in the Warrant Indenture and compliance with such other reasonable requirements as the Warrant Agent may prescribe.

Subject to applicable securities laws, the Company may from time to time purchase on any stock exchange, in the open market, by private agreement or otherwise, any of the Warrants.

This Warrant Certificate shall not be valid for any purpose until it has been certified by or on behalf of the Warrant Agent under the Warrant Indenture.

The Holder expressly acknowledges having requested, and consents to, the drawing in the English language only of this Warrant Certificate evidencing the Warrants registered in his name and all documents relating to such Warrants. *Le détenteur inscrit du présent certificat de bons de souscription reconnaît expressément avoir demandé et consenti que le présent certificat attestant qu'il est le détenteur inscrit de bons de souscription, ainsi que tous les documents s'y rapportant, soient rédigés en anglais seulement.*

The Warrants and the Warrant Indenture shall be governed and performed, construed and enforced in accordance with the laws of the Province of Ontario and the federal laws applicable therein and shall be treated in all aspects of Ontario contracts.

Time shall be of the essence hereof and of the Warrant Indenture.

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IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of the • day of •, 2014.

COLOSSUS MINERALS INC.

By: _____
Authorized Signing Officer

This Warrant Certificate represents Warrants referred to in the Warrant Indenture within mentioned.

Countersigned by:

EQUITY FINANCIAL TRUST COMPANY

By: _____
Authorized Signing Officer

TRANSFER FORM

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

TO: Colossus Minerals Inc.
c/o Equity Financial Trust Company
200 University Avenue, Suite 400
Toronto, Ontario M5H 4H1

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

(name)

(address)

of the Warrants registered in the name of the undersigned represented by the within warrant certificate and hereby appoints _____ as its attorney with full power of substitution to transfer the said Warrants on the appropriate register of the Warrant Agent.

DATED this ____ day of _____, 20__

Signature Guaranteed

Name of Warrantholder

Name of Authorized Representative

Signature of Warrantholder or Authorized Representative

Title or Capacity of Authorized Representative

Daytime Phone Number of Warrantholder or Authorized Representative

Instructions:

The signature of the Holder must be the signature of the registered holder appearing on the face of this Warrant Certificate.

If this Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the warrant certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Company, acting reasonably.

The signature on this Transfer Form must be guaranteed by a Schedule I Canadian chartered bank, medallion guaranteed by a recognized medallion signature guarantee program or in any other manner satisfactory to the Warrant Agent. The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from treasury branches or credit unions unless they are members of the Stamp Medallion Program.

EXERCISE FORM

TO: Colossus Minerals Inc.
c/o Equity Financial Trust Company
200 University Avenue, Suite 400
Toronto, Ontario MSH 4H1

The undersigned holder of the within Warrants hereby irrevocably subscribes for Warrant Shares of Colossus Minerals Inc. on the terms and conditions set forth in the attached Warrant Certificate and the Warrant Indenture. Enclosed herewith is a certified cheque, bank draft or money order in lawful money of the United States, payable to or to the order of the Corporation representing the aggregate subscription price for the Warrant Shares subscribed for. Terms used but not defined herein have the meanings ascribed to them in the Warrant Indenture.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned hereby directs that the said Warrant Shares be issued as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF WARRANT SHARES

(Please print.)

DATED this _____ day of _____, 20__

Signature Guaranteed*

Name of Warrantholder

Name of Authorized Representative

Signature of Warrantholder or Authorized Representative

Title or Capacity of Authorized Representative

Daytime Phone Number of Warrantholder or Authorized Representative

- ☐ Please check this box if the securities are to be picked up at the office where the Warrant Certificate is surrendered, failing which the securities will be mailed to the address shown on the register.

Instructions:

The signature of the Holder must be the signature of the registered Holder appearing on the face of this Warrant Certificate.

If this Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the warrant certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Company, acting reasonably.

*If the Warrant Shares are to be issued to a person other than to the registered Holder, then the signature on this Exercise Form must be guaranteed by a Schedule I Canadian chartered bank, medallion guaranteed by a recognized medallion signature guarantee program or in any other manner satisfactory to the Warrant Agent. The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from Treasury Branches or credit unions unless they are members of the Stamp Medallion Program.

If securities are to be issued to a person other than the registered Holder, the Transfer Form must be completed and the Holder must pay or cause to be paid to the Company or the Warrant Agent all applicable transfer or similar taxes, if any, and the Company shall not be required to issue or deliver certificates evidencing the Warrant Shares and Warrants unless and until such Holder shall have paid to the Company or the Warrant Agent the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or that no tax is due.

SCHEDULE "B"
EXISTING SECURITIES

Issued and outstanding Common Shares: 175,547,151

Stock options outstanding: 9,008,750

Warrants issued at \$0.90, expire on August 13, 2015: 25,300,000

Warrants issued at \$8.50, expire on November 8, 2016: 5,175,000

**DISTRICT OF ONTARIO
DIVISION NO. 9 - Toronto
COURT File No. CV-14-10401-00CL**

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC., PURSUANT TO THE BANKRUPTCY AND
INSOLVENCY ACT**

**AND IN THE MATTER OF THE PLAN OF REORGANIZATION PURSUANT TO
THE CANADA BUSINESS CORPORATION ACT**

PROPOSAL AND PLAN OF REORGANIZATION

Duff & Phelps Canada
Restructuring Inc.
Proposal Trustee
333 Bay Street
14th Floor
Toronto ON M5H 2R2