

- (x) "CAZ" means Caz Petroleum Inc., a corporation incorporated under the *Business Corporations Act* (Ontario);
- (y) "CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as from time to time amended or re-enacted and all regulations promulgated thereunder;
- (z) "CCAA Court" means the Ontario Superior Court of Justice (Commercial List);
- (aa) "CCAA Proceedings" means the proceedings in respect of Tabera and Benachee commenced under the CCAA pursuant to the Initial CCAA Order;
- (bb) "CCAA Approval Order" means an Order of the CCAA Court substantially in the form attached as Exhibit B to the Arrangement Agreement, which order, among other things, approves and authorizes the completion of the transactions contemplated by the Arrangement Agreement, including the steps set out in Subsections 3.1(a) through and including (x) of this Plan of Arrangement, and certain related transactions, and provides for the release and discharge of Benachee from any and all liabilities (except the Remaining Intercompany Debt) and provides that such release and discharge shall be effective in accordance with this Plan of Arrangement;
- (cc) "Certificate" means the certificate to be issued by the Director pursuant to subsection 192(7) of the Act giving effect to the Arrangement;
- (dd) "Claim" means any claim, demand, cause of action, lawsuit, complaint, action, proceeding, judgment, settlement, award, assessment, re-assessment, notice of non-compliance or violation, order or direction, arbitration or governmental proceeding, investigation, enquiry or hearing;
- (ee) "Court" means the Ontario Superior Court of Justice (Commercial List);
- (ff) "Director" means the Director appointed under section 260 of the CBCA;
- (gg) "Dissenting Securityholders" means registered holders of Fund Securities who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Interim Order and whose dissent rights remain valid immediately before the Effective Time;
- (hh) "Divested Assets" means all of the property and assets of Benachee immediately prior to the Effective Time whether real or personal, tangible or intangible, of every kind and description and wheresoever situate, including without restriction, all licenses, leases, permits and authorizations in respect of or relating to, directly or indirectly, all of Benachee's interests in mining claims and mining leases within the Northwest Territories and Nunavut including the property known as the "Jericho Property" and the diamond mine known as the "Jericho Diamond Mine" encompassed therein and the properties in Nunavut known as the "Polar Project Lands" and the "Rockinghorse Property" and including, without limitation, the agreements, leases, licenses, permits, notes, bonds, mortgages, indentures, contracts and other instruments listed on Schedule "C" hereto;
- (ii) "Effective Date" means the date the Arrangement is effective under the Act;
- (jj) "Effective Time" means 11:59 p.m. on the Effective Date;
- (kk) "Environmental Obligations" has the meaning ascribed thereto in the Arrangement Agreement;

- (ll) **"Final Order"** means the final order of the Court approving this Plan of Arrangement pursuant to subsection 192(4) of the Act, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (mm) **"Fund"** means Ag Growth Income Fund, an open-end income trust organized pursuant to the laws of the Province of Ontario;
- (nn) **"Fund Declaration of Trust"** means the Amended and Restated Declaration of Trust in respect of the Fund dated May 18, 2004;
- (oo) **"Fund Exchangeable Units"** means the Class B exchangeable limited partnership units of AGHLP;
- (pp) **"Fund Exchangeable Unitholders"** means holders of Fund Exchangeable Units;
- (qq) **"Fund Meeting"** means the special meeting of Fund Unitholders and Fund Exchangeable Unitholders to consider the Arrangement Resolution and related matters, and any adjournment thereof;
- (rr) **"Fund Securities"** means, collectively, the Fund Units and the Fund Exchangeable Units.
- (ss) **"Fund Securityholders"** means, collectively, the Fund Unitholders and the Fund Exchangeable Unitholders.
- (tt) **"Fund Unitholder"** means registered holders of Fund Units;
- (uu) **"Fund Units"** means trust units of the Fund;
- (vv) **"Initial CCAA Order"** means the Order made by the Court under the CCAA on January 16, 2008 in respect of Tahera and Benachee, as amended, confirmed, extended or varied from time to time;
- (ww) **"Intercompany Debt"** means all amounts owing by Benachee to Tahera immediately prior to the Effective Time;
- (xx) **"Interim Order"** means the interim order of the Court concerning the Arrangement under Subsection 192(4) of the Act, containing declarations and directions with respect to the Arrangement and the holding of the Fund Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (yy) **"Letter of Transmittal"** means the Letter of Transmittal pursuant to which the Fund Securityholders are required to deliver certificates representing Fund Securities;
- (zz) **"NewCo"** means a subsidiary of Tahera incorporated under the Act to be designated for the purposes set forth herein;
- (aaa) **"Person"** means any individual, association, partnership, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;
- (bbb) **"Remaining Intercompany Debt"** means the sum of \$9,000,000 plus the aggregate fair market value of the 182,588 Benachee Shares to be issued pursuant to Subsection 3.1(q), with the fair market value of a Benachee Share being equal to the weighted average trading price of the Fund

Units on the Toronto Stock Exchange for the five consecutive trading days ending on the fifth trading day preceding the Effective Date; and such weighted average trading price of the Fund Units shall be determined by dividing the aggregate sale price of all Fund Units sold on the Toronto Stock Exchange during such five consecutive trading days by the total number of Fund Units so sold;

- (ccc) **"Retained Intercompany Debt"** means that principal amount of the Intercompany Debt equal to the Intercompany Debt less the Assumed Intercompany Debt;
- (ddd) **"SubCo"** means 7157401 Canada Ltd., a corporation incorporated under the Act;
- (eee) **"SubCo Note"** means the non interest bearing demand promissory note, in aggregate principal amount equal to the fair market value of the Benachee Subordinated Note, which the parties agree is \$1.00, to be issued in favour of Tahera pursuant to Subsection 3.1(c) hereof, in consideration of the transfer of the Benachee Subordinated Note by Tahera to SubCo; and
- (fff) **"Tahera CAZ Debt"** means the loan advanced to Tahera pursuant to a Credit Agreement dated November 5, 2004 between Tahera and Laurelton Diamonds Inc., as amended, and which is held by CAZ as the assignee of Laurelton Diamonds Inc.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.5 All references in this Plan of Arrangements to sums of money are expressed in lawful money of Canada.

1.6 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.7 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, will become effective on, and be binding on and after, the Effective Time on:

(i) Benachee; (ii) holders of Benachee Preferred Shares and Benachee Shares; (iii) Tahera; (iv) the Fund; (v) the Fund Unitholders and the Fund Exchangeable Unitholders; (vi) AGII; (vii) AGHI; (viii) AGLP; (ix) NewCo; (x) SubCo; and (xi) CAZ.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

ARTICLE 3 ARRANGEMENT

3.1 The Arrangement involves a number of steps, including the following, which will be deemed to occur sequentially in the order set out below without any further act or formality, except as otherwise expressly provided:

Transfer of Benachee Assets

- (a) Benachee shall sell, transfer, assign and convey to NewCo, on an "as is where is" basis and without recourse to Benachee whatsoever, the Divested Assets for a purchase price equal to their fair market value, which is agreed to be \$31,060,759 and as consideration for the Divested Assets, NewCo shall assume the Assumed Obligations and, in connection therewith,
 - (i) Tahera shall release Benachee's obligations under the Intercompany Debt by the amount of the Assumed Intercompany Debt such that Benachee's obligations in respect of the Intercompany Debt shall thereafter be limited to the Retained Intercompany Debt;
 - (ii) NewCo shall provide to AGII a guarantee of the AGII DIP Loan secured by a general security agreement of NewCo, such guarantee and general security agreement to be in substantially the same form as the guarantee and general security agreement of Benachee forming part of the AGII DIP Loan Security; and
 - (iii) NewCo shall provide to CAZ a guarantee of the Tahera CAZ Debt secured by demand debenture and mortgage of NewCo, such guarantee, demand debenture and mortgage to be in substantially the same form as the guarantee, demand debenture and mortgage of Benachee forming part of the Benachee CAZ Debt Security;

Issuance of Subordinated Note

- (b) Benachee shall repay that portion of the Retained Intercompany Debt equal to the Benachee Subordinated Note Principal Amount to Tahera by the issuance to Tahera of the Benachee Subordinated Note, such that after such repayment the Retained Intercompany Debt shall be reduced to the Remaining Intercompany Debt;

Transfer of Subordinated Note

- (c) Tahera shall sell, transfer, assign and convey the Benachee Subordinated Note to SubCo and as consideration for the Benachee Subordinated Note, SubCo shall issue to Tahera the SubCo Note;

Dissolution of SubCo

- (d) SubCo shall distribute all of its property, including, without restriction, the Benachee Subordinated Note, to Benachee, Benachee shall assume all of SubCo's liabilities, including, without restriction, the SubCo Note, after which SubCo shall be dissolved;

Repayment of SubCo Note

- (e) Benachee shall repay the SubCo Note to Tahera for its principal amount of \$1.00 in cash;

CCAA Order

- (f) the provisions of the CCAA Approval Order declaring that Benachee is free and clear of all liabilities including, without limitation, in all liabilities in respect of the Assumed Obligations and the AGII DIP Loan Security, all liabilities to Tahera, except the Remaining Intercompany Debt, and all liabilities to CAZ including, without limitation, pursuant to the Benachee CAZ Debt Security, shall be effective;

Amendments to Declaration of Trust and other Constatng Documents

- (g) the Fund Declaration of Trust and the limited partnership agreement of AGHLP shall be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described herein, including, without limitation, to enable the Fund Units held by each Fund Unitholder and the Fund Exchangeable Units held by each Fund Exchangeable Unitholder to be transferred to and acquired by Benachee in accordance with Subsection 3.1(j) and Subsection 3.1(k), respectively, all as may be reflected in a further amended and restated Fund Declaration of Trust and limited partnership agreement of AGHLP, respectively, to be dated as of the Effective Date;

Amendments to Benachee Share Capital and Share Transfer Restrictions

- (h) the articles of Benachee shall be amended to change its authorized capital as follows:
 - (i) by consolidating and changing the number of outstanding Benachee Shares in such manner that the aggregate number of outstanding Benachee Shares becomes one Benachee Share;
 - (ii) by the creation of a new class of Benachee Preferred Shares, being 4,000,000 shares designated as "Benachee Class A Preferred Shares", having the rights, privileges, restrictions and conditions set out in **Schedule "A"** hereto; and
 - (iii) by the creation of two new classes of shares, each issuable in series, being an unlimited number of shares designated as "First Preferred Shares", and an unlimited number of shares designated as "Second Preferred Shares", having the rights, privileges, restrictions and conditions set out in **Schedule "A"** hereto;

Removal of Benachee Share Transfer and Issue Restrictions

- (i) the articles of Benachee shall be amended to eliminate the restrictions on share transfers and the limitations on share issuances and shareholders by deleting the existing Schedules A and B thereof in their entirety;

Exchange of Fund Securities

- (j) the Fund Units held by Fund Unitholders immediately prior to the Effective Time (including those held by Dissenting Securityholders) shall be sold, assigned and transferred to Benachee (free of any claims) in exchange for Benachee Shares on the basis of one (1) Benachee Share for each one (1) Fund Unit so sold, assigned and transferred;
- (k) the Fund Exchangeable Units held by Fund Exchangeable Unitholders immediately prior to the Effective Time (including those held by Dissenting Securityholders) shall be sold, assigned and transferred to Benachee (free of any claims) in exchange for Benachee Shares on the basis of one (1) Benachee Share for each one (1) Fund Exchangeable Unit so sold, assigned and transferred;
- (l) upon the exchange of Fund Units for Benachee Shares pursuant to Subsection 3.1(j):
 - (i) each former holder of Fund Units shall cease to be the holder of the Fund Units so exchanged and the name of each such holder shall be removed from the register of holders of Fund Units;
 - (ii) each such former holder of Fund Units shall become a holder of the Benachee Shares so exchanged and shall be added to the register of holders of Benachee Shares; and
 - (iii) Benachee shall become the holder of the Fund Units so exchanged and shall be added to the register of holders of Fund Units in respect thereof;
- (m) upon the exchange of Fund Exchangeable Units for Benachee Shares pursuant to Subsection 3.1(k):
 - (i) each former holder of Fund Exchangeable Units shall cease to be the holder of the Fund Exchangeable Units so exchanged and the name of each such holder shall be removed from the register of holders of Fund Exchangeable Units;
 - (ii) each such former holder of Fund Exchangeable Units shall become a holder of the Benachee Shares so exchanged and shall be added to the register of holders of Benachee Shares; and
 - (iii) Benachee shall become the holder of the Fund Exchangeable Units so exchanged and shall be added to the register of holders of Fund Exchangeable Units in respect thereof;

Dissenting Securityholders

- (n) The Benachee Shares received by Dissenting Securityholders pursuant to Subsection 3.1(j) and 3.1(k) shall be deemed to be cancelled and the Dissenting Securityholders shall cease to have any rights as shareholders of Benachee other than the right to be paid the fair value of the Fund Securities that were exchanged for their Benachee Shares in accordance with Article 6;

Transfer of AGII DIP Loan to CAZ

- (o) (i) AGII shall sell, transfer, assign and convey the AGII DIP Loan to CAZ together with the AGII DIP Loan Security and as consideration for the AGII DIP Loan, CAZ shall pay to AGII, or to such Person as AGII may direct, in cash an amount equal to the AGII DIP Loan Amount, and (ii) AGII shall direct that such cash amount be paid by CAZ to Benachee in partial satisfaction of

the obligation of AGII to advance the AGII Loan Amount to Benachee pursuant to Subsection 3.1(p);

AGII Loan to Benachee

- (p) (i) AGII shall loan to Benachee the AGII Loan Amount and, in consideration therefor, Benachee shall issue and deliver to AGII the AGII Loan Promissory Note, with the AGII Loan Amount being paid by AGII to Benachee, or to such Person as Benachee may direct, and (ii) Benachee shall direct that such advance of the AGII Loan Amount be paid by AGII (and CAZ in respect of the cash amount directed to be paid to Benachee pursuant to Subsection 3.1(o)(ii)) to Tahera in partial satisfaction of the obligation of Benachee to repay the Remaining Intercompany Debt to Tahera pursuant to Subsection 3.1(q);

Repayment of Intercompany Debt

- (q) (i) Benachee shall repay the Remaining Intercompany Debt to Tahera by way of: (A) a cash payment in an amount equal to \$5,000,000; (B) the issuance of 182,588 Benachee Shares; and (C) the issuance of 4,000,000 Benachee Preferred Shares, with such cash, Benachee Shares and Benachee Preferred Shares being paid and issued, as the case may be, by Benachee to such Person as Tahera may direct; and (ii) Tahera shall direct that such cash, Benachee Shares and Benachee Preferred Shares be paid and issued, as the case may be, by Benachee (and CAZ in respect of the cash amount directed to be paid to Benachee pursuant to Subsection 3.1(o)(ii) and to Tahera pursuant to Subsection 3.1(p)(ii) and AGII in respect of the cash amount directed to be paid to Tahera pursuant to Subsection 3.1(p)(ii)) to CAZ in partial satisfaction of Tahera's outstanding indebtedness to CAZ pursuant to Subsection 3.1(r);

Payment by Tahera to CAZ

- (r) Tahera shall repay an amount of Tahera's outstanding indebtedness to CAZ equal to the Remaining Intercompany Debt, by way of (i) a cash payment in an amount equal to \$5,000,000, and (ii) the sale, transfer, assignment and conveyance to CAZ of the 182,588 Benachee Shares and 4,000,000 Benachee Preferred Shares;

Benachee Corporate Matters

- (s) the province in Canada where the registered office of Benachee is situated is changed to the Province of Manitoba;
- (t) the name of Benachee shall be changed to "Ag Growth Industries Corporation" or such other name as shall be designated by the Fund and included in the management proxy circular of the Fund to be forwarded by the Fund to the Fund Securityholders in connection with the Fund Meeting;
- (u) the incumbent directors of Benachee shall be automatically replaced as directors by the trustees of the Fund in office at the Effective Time;
- (v) the by-laws of Benachee shall be the by-laws so designated by the Fund and included in the management proxy circular of the Fund to be forwarded by the Fund to the Fund Securityholders in connection with the Fund Meeting;