

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION	1
1.1 Definitions	1
1.2 Interpretation Not Affected by Headings, etc.	8
1.3 Number, etc.....	8
1.4 Date for Any Action.....	8
1.5 Entire Agreement	9
1.6 Currency	9
1.7 Disclosure in Writing	9
1.8 Accounting Matters.....	9
1.9 Interpretation Not Affected by Party Drafting.....	9
1.10 Trust Power and Capacity.....	9
1.11 Knowledge.....	9
1.12 Exhibits.....	10
ARTICLE 2 THE ARRANGEMENT	10
2.1 Arrangement	10
2.2 Interim Order	10
2.3 Information Circular and Meeting.....	11
2.4 Effective Date	11
2.5 Divested Assets	11
ARTICLE 3 COVENANTS	11
3.1 Covenants of Fund	11
3.2 Covenants of Tahera and Benachee	13
3.3 Covenants of Tahera and Benachee – Other Transactions	16
3.4 Mutual Covenants	17
3.5 Provision of Information; Access.....	18
ARTICLE 4 REPRESENTATIONS AND WARRANTIES	18
4.1 Representations and Warranties of Tahera	18
4.2 Representations and Warranties of Fund.....	23
4.3 Privacy Issues	25
ARTICLE 5 CONDITIONS PRECEDENT	26
5.1 Mutual Conditions Precedent.....	26
5.2 Conditions to Obligations of Fund and AGII	27
5.3 Conditions to Obligations of Tahera and Benachee.....	30
5.4 Notice and Cure Provisions and Effect of Failure to Comply with Conditions	30
5.5 Satisfaction of Conditions	31
ARTICLE 6 NOTICES	31
6.1 Notices	31
ARTICLE 7 AMENDMENT AND TERMINATION OF AGREEMENT.....	32
7.1 Amendment	32
7.2 Amendment of Plan of Arrangement	33
7.3 Termination	33

ARTICLE 8 GENERAL.....	33
8.1 Binding Effect.....	33
8.2 Assignment.....	34
8.3 Disclosure.....	34
8.4 Costs.....	34
8.5 Severability.....	34
8.6 Third Party Beneficiaries.....	34
8.7 Obligations.....	35
8.8 Survival.....	35
8.9 Access to Books and Records.....	35
8.10 Further Assurances.....	35
8.11 Time of Essence.....	35
8.12 Entire Agreement.....	36
8.13 Governing Law.....	36
8.14 Counterparts.....	37
 Exhibit A Plan of Arrangement	
Exhibit B Form of CCAA Approval Order	
Exhibit C Form of CAZ Support Agreement	
Exhibit D Allocation of Purchase Price	

CBCA ARRANGEMENT AGREEMENT

THIS AGREEMENT dated as of the 19th day of April, 2009.

AMONG:

TAHERA DIAMOND CORPORATION, a body corporate incorporated under the laws of Canada ("**Tahera**")

and

BENACHEE RESOURCES INC., a body corporate incorporated under the laws of Canada ("**Benachee**")

and

AG GROWTH INCOME FUND, an open-end income trust formed under the laws of the Province of Ontario ("**Fund**")

and

AG GROWTH INDUSTRIES INC., a body corporate incorporated under the laws of Canada ("**AGII**")

WHEREAS:

- A. Benachee desires to reorganize its business and Fund desires to convert its capital structure from an income trust to a corporation;
- B. the Parties intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Canada Business Corporations Act* and the CCAA Approval Order (as herein defined); and
- C. the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to such arrangement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals and any exhibits hereto, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

- (a) **"Abandonment and Reclamation Obligations"** means all Losses and Liabilities and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, relating to:
 - (i) the abandonment of any mines and restoration and reclamation of the surface sites thereof and any other lands used to gain access thereto;
 - (ii) the closure, decommissioning, dismantling and removal of any structures, buildings, pipelines, facilities, equipment and other tangible depreciable property and assets, together with the restoration and reclamation of the lands on or in which any of the foregoing are or were located and any other lands used to gain access thereto; and
 - (iii) the restoration, remediation or reclamation of the surface or subsurface of any lands other than those lands described in paragraphs (i) and (ii) above;
- (b) **"Acquisition Proposal"** shall have the meaning ascribed thereto in Subsection 3.3(b)(i);
- (c) **"Act"** means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as from time to time amended or re-enacted, and all regulations promulgated thereunder;
- (d) **"AGHLP"** means AGX Holdings Limited Partnership, a limited partnership established under the laws of the Province of Manitoba;
- (e) **"AGII"** means Ag Growth Industries Inc., a body corporate continued under the laws of Canada;
- (f) **"AGII DIP Loan Agreement"** means the letter loan agreement dated March 9, 2009 between the Fund and Tahera pursuant to which the Fund has agreed to loan Tahera up to a maximum amount of \$700,000, as amended from time to time and as assigned to AGII pursuant to the Assignment Agreement;
- (g) **"AGII DIP Loan Security"** means the general security agreement of Tahera dated March 9, 2009, the guarantee dated March 9, 2009 made by Benachee in respect of the obligations of Tahera pursuant to the AGII DIP Loan Agreement and the general security agreement of Benachee dated March 9, 2009, all initially in favour of the Fund and assigned to AGII pursuant to the Assignment Agreement;
- (h) **"Agreement", "herein", "hereof", "hereto", "hereunder"** and similar expressions mean and refer to this arrangement agreement (including the schedules and exhibits hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (i) **"Applicable Laws"**, in the context that refers to one or more Persons, means the Laws that apply to such Person or Persons or its or their business activities, undertaking, property, assets or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, activities, undertaking, property, assets or securities;
- (j) **"Arrangement"** means the arrangement under the provisions of Section 192 of the Act set forth in the Plan of Arrangement;
- (k) **"Arrangement Resolution"** means the special resolution in respect of the Arrangement to be considered by Fund Securityholders at the Fund Meeting;

- (l) **"Articles of Arrangement"** means the articles of arrangement in respect of the Arrangement required under Subsection 192(6) of the Act to be sent to the Director after the Final Order has been granted so as to give effect to the Arrangement;
- (m) **"Assessment"** has the meaning ascribed thereto in Subsection 3.2(f);
- (n) **"Assignment Agreement"** means the agreement made effective March 9, 2009 between the Fund and AGII assigning the AGII DIP Loan Agreement and AGII DIP Loan Security from the Fund to AGII;
- (o) **"Assumed Obligations"** means all of the debts, liabilities, commitments, Claims, demands and obligations of any nature or kind whatsoever (whether matured or unmatured, known or unknown, accrued, fixed, contingent or otherwise) of Benachee immediately prior to the Effective Time but excluding the obligations of Benachee in respect of the Benachee CAZ Debt Security (as defined in the Plan of Arrangement) and the Retained Intercompany Debt (as defined in the Plan of Arrangement);
- (p) **"Benachee"** means Benachee Resources Inc., a body corporate incorporated under the laws of Canada and a wholly-owned subsidiary of Tahera;
- (q) **"Benachee Financial Statements"** means such financial statements of Benachee, if any, as are required to be included in the Information Circular under Canadian Securities Laws, including the notes thereto and the report of the auditors thereon, if any;
- (r) **"Benachee Shares"** means the common shares in the capital of Benachee;
- (s) **"Books and Records"** means all books and records of or relating to Benachee, whether maintained by Benachee or Tahera, including financial, corporate, tax, operation and sales books, correspondence related to tax matters relevant for the determination of compliance with tax laws, exposure to tax liabilities of whatever nature and tax pools, records, books of account, sales and purchase records, lists of suppliers and customers, formulac, business reports, plans and projections and all other documents, files, records, correspondence, and other data and information, financial or otherwise, including without limitation, all data and information stored on computer-related media;
- (t) **"Business Day"** means a day other than a Saturday, Sunday or a day when banks in the City of Calgary, Alberta, Winnipeg, Manitoba or Toronto, Ontario are not generally open for business;
- (u) **"Canadian Securities Laws"** means, collectively, and as the context may require, the securities legislation of each of the provinces and territories of Canada and the rules, regulations and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;
- (v) **"CAZ"** means Caz Petroleum Inc., a body corporate incorporated under the laws of Ontario;
- (w) **"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;
- (x) **"CCAA Court"** means the Ontario Superior Court of Justice (Commercial List);

- (y) **"CCAA Approval Order"** means an Order of the CCAA Court substantially in the form attached as Exhibit B hereto, which order, among other things, approves and authorizes the completion of the transactions contemplated by this Agreement, including the steps set out in Subsections 3.1(a) through and including (x) of the 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 the Plan of Arrangement;
- (z) **"CCAA Proceedings"** means the proceedings in respect of Tahera and Benachee commenced under the CCAA pursuant to the Initial CCAA Order;
- (aa) **"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;
- (bb) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (cc) **"Creditors"** means the creditors of Tahera and Benachee;
- (dd) **"CAZ Support Agreement"** means the support agreement substantially in the form set out in Exhibit C hereto to be entered into by CAZ concurrent with the execution of this Agreement;
- (ee) **"Disclosure Letter"** means the letter dated as of the date hereof and delivered by Tahera and Benachee to the Fund on or prior to the date hereof;
- (ff) **"Director"** means the Director duly appointed under Section 260 of the Act;
- (gg) **"Effective Date"** means the date the Arrangement is effective under the Act;
- (hh) **"Effective Time"** means 11:59 p.m. on the Effective Date;
- (ii) **"Environment"** means all components of the earth, air (including all layers of the atmosphere), land (including all underground spaces and cavities and all lands submerged under water), soil, water (including surface and underground water), organic and inorganic matter and living organisms and the interacting natural systems that include the components referred to in this definition;
- (jj) **"Environmental Laws"** means all Laws relating to environmental or health matters, including, without limitation, Laws governing the use and storage of Hazardous Substances and Laws respecting the protection of, or the control, remediation or reclamation of contamination or pollution of the Environment;
- (kk) **"Environmental Obligations"** means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Law or otherwise, arising from or associated with:
 - (i) Abandonment and Reclamation Obligations;
 - (ii) any damage, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage,

contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;

- (iii) the storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy;
- (iv) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Laws;
- (v) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (vi) the protection, reclamation, remediation or restoration of the Environment;
- (ll) **"Final Order"** means the final order of the Court approving the 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 formed under the laws of the Province of Ontario and governed by the Fund Declaration of Trust;
- (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 registered holders of Fund Exchangeable Units;
- (qq) **"Fund Information"** means the information to be included in the Information Circular describing Fund and its business, operations and affairs and the matters to be considered at the Fund Meeting;
- (rr) **"Fund Meeting"** means the special meeting of Fund Securityholders to be called to, among other things, consider and, if determined advisable, approve the Arrangement Resolution in accordance with the Interim Order, and any adjournments thereof;
- (ss) **"Fund Securities"** means, collectively, the Fund Units and the Fund Exchangeable Units;
- (tt) **"Fund Securityholders"** means, collectively, the Fund Unitholders and the Fund Exchangeable Unitholders;
- (uu) **"Fund Unitholders"** means registered holders from time to time of Fund Units;
- (vv) **"Fund Units"** means trust units of Fund;
- (ww) **"Governmental Entity"** means any (a) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, (b) any subdivision, agent, commission,

board or authority of any of the foregoing, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

- (xx) **"Hazardous Substances"** means any pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Laws;
- (yy) **"Information Circular"** means the management proxy circular of Fund to be forwarded by Fund to the Fund Securityholders in connection with the Fund Meeting;
- (zz) **"Initial CCAA Order"** means the Order made by the Court under the CCAA on January 16, 2008 in respect of the Tahera and Benachee, as amended, confirmed, extended or varied from time to time;
- (aaa) **"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 Securityholders' Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (bbb) **"Laws"** means all laws, statutes, regulations, by-laws, statutory rules, orders, judgements, ordinances, protocols, codes, guidelines, notices, directions (including all Canadian Securities Laws, U.S. Securities Laws and Environmental Laws), and terms and conditions of any grant of approval, permission, authority, license or lease of, or from, any court, Governmental Entity, statutory body or self-regulatory authority (including the TSX);
- (ccc) **"Losses and Liabilities"** means all losses, costs, expenses, interest, charges, assessments, damages, liabilities, fines and penalties, including all reasonable costs incurred in investigating, defending or negotiating the settlement or resolution of any Claim or threatened Claim, and specifically including reasonable legal and other professional fees and expenses on a "solicitor and his own client" or comparable basis, regardless of whether the foregoing arise under or by virtue of common law, in equity, under Applicable Law, under contract, negligence, strict liability, breach of duty or otherwise.
- (ddd) **"Material Adverse Change" or "Material Adverse Effect"** means: (A) in relation to the Fund, any change, effect, fact, circumstance, occurrence or event that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, operations, assets, cash flow, liabilities, capitalization, financial condition or prospects of Fund and its Subsidiaries, taken as a whole; and (B) in relation to all of the Parties, any change, effect, fact, circumstance, occurrence or event that, individually or in the aggregate will, or would reasonably be expected to, (i) prevent, materially delay or materially impair the ability of Tahera, Benachee and Fund to consummate the transactions contemplated by this Agreement (including, without limitation, the Plan of Arrangement and the CCAA Approval Order), or (ii) materially and adversely affect the benefits to be received under the Arrangement by Tahera, Benachee or Fund or its securityholders, in the case of the Fund, or its creditors, in the case of Benachee and Tahera; provided that, in the case of (A) above, a Material Adverse Change or Material Adverse Effect shall not include any change, effect, fact, circumstance, occurrence or event relating to or resulting from: (i) general economic, financial, currency exchange, securities or commodity prices in Canada or elsewhere; (ii) conditions affecting the agriculture industry in Canada or the United States as a whole, and not specifically relating to any Person and/or its Subsidiaries, including changes in Laws (including Tax Laws); (iii) any change in the market price or trading