

volume of the Fund Units; (iv) any matter which has been publicly disclosed as of the date hereof; or (v) any changes or effects arising from matters permitted or contemplated by this Agreement (including, without limitation, the Plan of Arrangement and the CCAA Approval Order) or disclosed in writing to the Other Party prior to the date hereof (and which have been consented to or approved in writing by the Other Party);

- (ccc) **"MI 62-104"** means Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*;
- (fff) **"misrepresentation"** has the meaning ascribed thereto in the *Securities Act* (Alberta);
- (ggg) **"NewCo"** means a Subsidiary of Tahera incorporated under the Act to be designated for the purposes set forth herein;
- (hhh) **"Other Party"** means with respect to Fund and AGII, Tahera and Benachee and, with respect to Tahera and Benachee, Fund and AGII;
- (iii) **"Parties"** means, collectively, the parties to this Agreement, and **"Party"** means any of them;
- (jjj) **"Person"** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;
- (kkk) **"Plan of Arrangement"** means the plan of arrangement in the form set out in Exhibit A hereto, as such plan of arrangement may be amended or supplemented from time to time in accordance with Section 7.2 hereof;
- (lll) **"Public Record"** means all information filed or to be filed after January 1, 2008 and prior to the Effective Time by or on behalf of Fund with any securities regulatory authority, including: (i) the audited consolidated financial statements of Fund as at and for the year ended December 31, 2008 and the unaudited consolidated financial statements of Fund as at and for the interim period ended March 31, 2009 and the corresponding management's discussion and analysis, (ii) the certifications of Fund's annual and interim filings for such periods from Fund's chief executive officer and chief financial officer, (iii) the 2008 Annual Report of Fund, (iv) the management information circular of Fund dated March 18, 2009 in respect of the annual and special meeting of unitholders to be held May 7, 2009, (v) the Annual Information Form of Fund dated March 16, 2009, (vi) all material change reports of Fund filed with securities regulatory authorities since January 1, 2008, and (vii) all press releases of Fund publicly disseminated and filed with applicable securities regulatory authorities since January 1, 2008 and any similar such documents or other information filed by or on behalf of Fund with any securities Commission in compliance, or intended compliance, with Applicable Securities Laws;
- (mmm) **"Remaining Intercompany Debt"** has the meaning ascribed thereto in Plan of Arrangement;
- (nnn) **"Subsidiary"** has the meaning ascribed thereto in the *Securities Act* (Alberta) (and, for greater certainty, includes all partnerships (general or limited) and trusts directly or indirectly owned by Fund, Tahera or Benachee, as the case may be);
- (ooo) **"Tahera"** means Tahera Diamond Corporation, a body corporate incorporated under the laws of Canada;

- (ppp) **"Tahera and Benachee Information"** means the information to be included in the Information Circular describing Tahera and Benachee and their respective business, operations and affairs, as the case may be;
- (qqq) **"Tax Act"** means the *Income Tax Act* (Canada), including the regulations thereunder, each as amended;
- (rrr) **"Tax" or "Taxes"** means all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any federal, provincial, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes, unemployment insurance, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, capital taxes, workers compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which Benachee (or any of its Subsidiaries) is required to pay, withhold, remit or collect;
- (sss) **"Tax Returns"** shall mean all reports, estimates, elections, designations, forms, declarations of estimated tax, information statements and returns relating to, or required to be filed in connection with, any Taxes;
- (ttt) **"Termination Date"** means the date of termination of this Agreement pursuant to the terms hereof;
- (uuu) **"TSX"** means the Toronto Stock Exchange;
- (vvv) **"U.S. Exchange Act"** means the *United States Securities Exchange Act of 1934*, as amended; and
- (www) **"U.S. Securities Laws"** means the federal and state securities legislation of the United States including the *U.S. Exchange Act* and the *United States Securities Act of 1933*, as amended from time to time, and all rules, regulations and orders promulgated thereunder, as amended from time to time.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement.

1.3 Number, etc.

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a business day in such place.

1.12 Exhibits

The following exhibits annexed to this Agreement are incorporated by reference into this Agreement and form a part hereof:

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

**ARTICLE 2
THE ARRANGEMENT**

2.1 Arrangement

- (a) Fund, AGII and Benachee will jointly file, proceed with and diligently prosecute an application for the Interim Order, providing for, among other things, the calling and holding of the Fund Meeting for the purpose of, among other things, considering and, if deemed advisable, approving the Arrangement Resolution and related matters to be considered at the Fund Meeting.
- (b) Provided all necessary approvals for the Arrangement Resolution are obtained from the Fund Securityholders, and the other conditions herein are satisfied or waived, as the case may be, Fund, AGII and Benachee will submit the Arrangement to the Court and jointly apply for the Final Order.
- (c) Upon issuance of the Final Order and subject to fulfillment of the conditions set forth herein, each of the Parties shall execute and deliver such closing documents and instruments and forthwith proceed at the Effective Time to send the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement to the Director pursuant to Subsection 192(6) of the Act.

2.2 Interim Order

The Interim Order shall provide that:

- (a) the securities of Fund for which holders shall be entitled to vote on the Arrangement Resolution at the Fund Meeting shall be the Fund Securities;
- (b) each Fund Securityholder shall be entitled to one vote for each Fund Security held by such holder;
- (c) the requisite majority for the approval of the Arrangement Resolution shall be: (i) two-thirds of the votes cast by the Fund Securityholders present in person or by proxy at the Fund Meeting; and (ii) any other vote required by Law; and
- (d) the Fund Securityholders will be given a right to dissent on terms similar to Section 190 of the Act, provided that such rights must be exercised not less than 48 hours prior to the Fund Meeting and will result in their Fund Securities being exchanged for Benachee Shares and thereafter such Benachee Shares will be cancelled and the Fund Securityholders will have the right to be paid by Benachee the fair value of their Fund Securities, all in accordance with the Plan of Arrangement.

2.3 Information Circular and Meeting

As promptly as practicable following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws, Fund shall, with assistance from and the participation of Tahera and Benachee: (i) prepare the Information Circular and cause such circular to be mailed to the Fund Securityholders and filed with applicable regulatory authorities and other Governmental Entities in all jurisdictions where the same is required to be mailed and filed; and (ii) call and give notice of the Fund Meeting.

2.4 Effective Date

The Arrangement shall become effective at the Effective Time on the Effective Date. The Parties shall use their reasonable commercial efforts to cause the Effective Date to occur on or about May 29, 2009 or as soon thereafter as reasonably practicable and in any event by June 30, 2009.

2.5 Divested Assets

The Parties agree that the fair market value of the Divested Assets (as defined in the Plan of Arrangement) is \$31,060,759 and agree that the consideration for the Divested Assets to be paid by NewCo to Benachee by the assumption of the Assumed Obligations shall be allocated among the Divested Assets on the basis set forth in Exhibit D hereof and Benachee and NewCo, in filing their respective income tax returns, shall use such allocations.

ARTICLE 3 COVENANTS

3.1 Covenants of Fund

Fund covenants and agrees that from the date hereof until the earlier of the Effective Date and the Termination Date of this Agreement, except with the prior written consent of Benachee, and except as required by Applicable Law or as otherwise expressly permitted or specifically contemplated by this Agreement (including the Plan of Arrangement and the CCAA Approval Order):

- (a) Fund shall not take any action, refrain from taking any action or permit any action to be taken or not taken that could reasonably be expected to preclude, delay or have an adverse effect on the Arrangement or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect and Fund shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement, the Arrangement and the CCAA Approval Order;
- (b) subject to the terms of this Agreement, Fund agrees to convene and conduct the Fund Meeting in accordance with the Interim Order, the Fund Declaration of Trust and Applicable Law as soon as practicable but in any event no later than June 30, 2009;
- (c) Each of Fund and AGII shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set forth in Sections 5.1, 5.2 and 5.3 as soon as reasonably possible to the extent that the satisfaction of the same is within their control;
- (d) Fund shall promptly notify Benachee in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Fund, threatened) in its business, operations, affairs, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities,

whether contractual or otherwise, or of any change in any representation or warranty provided by Fund in this Agreement, which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect or of any Material Adverse Change or Material Adverse Effect (actual anticipated, contemplated or to its knowledge, threatened) or which may reasonably be expected to preclude, delay or have an adverse effect on the Arrangement, and Fund shall in good faith discuss with Benachee any change (actual, anticipated, contemplated, or to the knowledge of Fund, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Benachee pursuant hereto;

- (e) Fund will ensure that it has available funds under its lines of credit or other bank facilities to permit the payment of the cash required under the Plan of Arrangement having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount if required;
- (f) Fund will make reasonable commercial efforts to ensure that the securities to be issued to Tahera under the Arrangement will be "freely tradeable" and not subject to any "hold periods" under Applicable Laws, which, for greater certainty, shall include taking similar steps or actions in respect of such securities, or otherwise including such securities in the same steps or actions, as the Fund takes to ensure that the shares of Benachee to be issued to Fund Securityholders under the Arrangement are "freely tradeable" and not subject to any "hold periods" under Applicable Laws;
- (g) Fund shall cause AGII to comply with its obligations under the AGII Loan Agreement, including providing advances to Tahera as and when required under such agreement;
- (h) except for proxies and other non-substantive communications with securityholders, Fund will furnish promptly to Benachee or Benachee's counsel a copy of each notice, report, schedule or other document delivered, filed or received by Fund in connection with: (i) the Arrangement; (ii) any filings under Applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with Governmental Entities in connection with the transactions contemplated hereby;
- (i) Fund will assist Tahera and Benachee in the CCAA Proceedings and provide to Tahera and Benachee, in a timely and expeditious manner, all information as may be reasonably requested by them or is required by the CCAA Approval Order, the Interim Order or Applicable Laws;
- (j) Each of Fund and AGII will forthwith carry out the terms of the Interim Order and the Final Order, to the extent applicable to them, provided that nothing requires either Fund or AGII to consent to any material modification of this Agreement (including the Plan of Arrangement and CCAA Approval Order), or their obligations hereunder;
- (k) Fund will provide notice to Benachee of the Fund Meeting and allow Benachee's representatives to attend such meeting;
- (l) Fund will use its reasonable commercial efforts to obtain the approval of the TSX to the issuance of the Benachee Shares and the preferred shares of Benachee and to the listing of the Benachee Shares (including the Benachee Shares issuable upon conversion of such preferred shares) to be issued pursuant to the Arrangement on the TSX and acceptance of notice by the TSX of the Arrangement and the transactions contemplated thereby;

- (m) subject to receiving the Interim Order and compliance by Tahera and Benachee with Section 3.2(o), Fund will prepare, file and distribute to Fund Securityholders in a timely and expeditious manner, the Information Circular and any amendments or supplements thereto, in all jurisdictions where the same is required, complying in all material respects with Applicable Laws and, without limiting the generality of the foregoing, Fund will ensure that the Information Circular provides Fund Securityholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, and the Information Circular shall include the unanimous determination of the trustees of Fund that the Arrangement is fair to Fund Securityholders and is in the best interests of the Fund and Fund Securityholders and the unanimous recommendation of the trustees of Fund that the Fund Securityholders vote in favour of the Arrangement Resolution;
- (n) Fund shall promptly advise Tahera of the number of Fund Securities for which Fund receives notices of dissent or written objections to the Arrangement and provide Tahera with copies of such notices and written objections;
- (o) each of Fund and AGII will make all necessary filings and applications under Applicable Laws required to be made on their part in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such Applicable Laws;
- (p) Fund shall conduct the Fund Meeting in accordance with the Fund Declaration of Trust and the Interim Order and shall solicit proxies to be voted at the Fund Meeting in favour of matters to be considered at the Fund Meeting, including the Arrangement Resolution, provided that Fund may, but shall not be required to, engage an information agent or a proxy solicitation agent for such purpose;
- (q) except as contemplated by this Agreement, Fund shall not contact any creditors, suppliers, customers of, or regulatory authorities that have authority over, Benachee or Tahera or otherwise take any action if such contact or other action could reasonably be expected to preclude, delay or have an adverse effect on, or otherwise directly or indirectly interfere with, the CCAA Proceedings as such proceedings relate to Tahera; and
- (r) Fund will use its reasonable commercial efforts to obtain the consent of third parties (if required) to the transactions contemplated hereby and provide the same to Tahera in a timely manner.

3.2 Covenants of Tahera and Benachee

Each of Tahera and Benachee covenants and agrees that, from the date hereof until the earlier of the Effective Date and the Termination Date, except with the prior written consent of Fund, and except as required by Applicable Law or as otherwise expressly permitted or specifically contemplated by this Agreement (including the Plan of Arrangement and the CCAA Approval Order):

- (a) Tahera and Benachee will file, proceed with and diligently prosecute an application for the CCAA Approval Order as soon as practicable after the date hereof and shall provide the Fund with notice of and copies of all materials to be filed with the Court or delivered to Creditors in connection with such application and provide Fund with a reasonable opportunity to review and to provide comments on such materials and Fund shall have the right to approve such materials to the extent that they directly or indirectly affect the Fund, the securityholders of the Fund or Benachee;