Court File. No. CV-23-00692786-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED;

AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED

AND IN THE MATTER OF THE LIQUIDATION AND DISSOLUTION OF AREHADA MINING LIMITED

APPLICATION RECORD

(Application Returnable on February 10, 2023)

January 31, 2023

WEIRFOULDS LLP
Barristers & Solicitors
66 Wellington Street West, Suite 4100
TD Bank Tower, PO Box 35
Toronto, ON M5K 1B7

Philip Cho (LSO # 45615U)
pcho@weirfoulds.com

Tel: 416-365-1110
Fax: 416-365-1873

Lawyers for the Applicant

INDEX

Court File. No. CV-23-00692786-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED;

AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED

AND IN THE MATTER OF THE LIQUIDATION AND DISSOLUTION OF AREHADA MINING LIMITED

INDEX

TAB 1

Court File. No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED;

AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED

AND IN THE MATTER OF THE LIQUIDATION AND DISSOLUTION OF AREHADA MINING LIMITED

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicants. The claim made by the applicants appears on the following pages.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

☐ In person

☐ By telephone conference

☒ By video conference

at the following location

Commercial List, 330 University Avenue, Toronto, Ontario on Friday, February 10, 2023, at 10:00 a.m.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with the documents in the application, you or an Ontario lawyer acting for you must prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer(s) or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES

ON THE APPLICATION, you and your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LEGAL AID OFFICE.

Date: January ____, 2023

Issued by: _____
Local Registrar

Address of court office: 330 University Avenue, Toronto, Ontario

TO: Service List attached as Schedule "A"

APPLICATION

1. THE APPLICANT, **AREHADA MINING LIMITED**, makes this application for an order substantially in the form of the draft order attached hereto as Schedule "B" (the **"Appointment Order"**) for various relief, including:

(a) if necessary, abridging the time for service and validating service of this Notice of Application and Application Record;

(b) winding up Arehada Mining Limited (the **"Company"**);

(c) appointing Albert Gelman Inc. (**"AGI"**) as liquidator (in such capacities, the **"Liquidator"**), without security, for the purpose of winding up the Company;

(d) granting the Liquidator and its counsel a first-priority charge on the assets, undertakings and properties of the Company as security for its fees and disbursements;

(e) an order substantially in the form of the draft order attached hereto as Schedule "C" (the **"Claims Solicitation and Bar Order"**) for various relief, including:

(i) authorizing and directing the Proposed Liquidator to implement a claims solicitation and claims bar procedure; and,

(ii) barring certain claims as against the Company; and,

(f) such further and other relief as to this Court may seem just.

2. THE GROUNDS FOR THE APPLICATION ARE:

(a) The Company is a public company duly incorporated pursuant to the laws of the Province of Ontario;

(b) The Company was a development-stage enterprise engaged in the exploration, development, extraction and refining of zinc-lead-silver metals in the Inner Mongolia Autonomous Region of China;

(c) In November 2010, the Company ceased its mining operation, and trading of the Company's shares have ceased since April 2011 pursuant to cease trade orders issued by the Ontario Securities Commission, the British Columbia Securities Commission and the Alberta Securities Commission;

(d) As a result of a series of transactions, in late 2014, the Company's subsidiary, Areheda (Barbados) Corporation ("**Areheda Barbados**") acquired a 92.98% equity interest ("**Tiancheng Equity Investment**") in a Chinese corporation, Tiancheng Equity Investment ("**Tiancheng**"), together with a debt investment ("**Tiancheng Shareholder Loan**", and together with Tiancheng Equity Investment, the "**Tiancheng Investment**");

(e) In April 2015, the shareholders of the Company approved a transaction whereby the Company sold the Tiancheng Investment held by Arehada Barbados to Company's parent company, Arehada (Barbados) Holdings Corp. ("**Barbados Holdings**");

(f) On April 29, 2015, the shareholders of the Company passed a resolution approving the dissolution of the Company following the sale of the Tiancheng Investment and distribution of the net sale proceeds;

(g) However, only approximately $2.6 million of approximately $10 million of expected net sale proceeds have been received to date from Barbados Holdings;

(h) Efforts to locate the former CEO of the Company, Steve Fan Wang, who was responsible for collecting the balance of proceeds from Barbados Holdings as he is also the controlling shareholder of Barbados Holdings, have been unsuccessful;

(i) In the circumstances, the Company seeks to continue with the shareholder approved dissolution of the Company through the appointment of a licensed insolvency trustee as court-appointed liquidator to, among other things:

(i) determine the value, if any, of the receivable in relation to the sale of the Tiancheng Investment;

(ii) implement a claims solicitation and bar process to determine and resolve any outstanding liabilities of the Company to third parties;

(iii) liquidate any assets of the Company; and,

(iv) complete the wind-up and dissolution of the Company, or if appropriate, determine if the Company should be assigned into bankruptcy;

(j) Albert Gelman Inc. is a licensed insolvency trustee and has consented to act as liquidator if appointed by this Court;

(k) Notice of these proceedings will be given to the shareholders of the Company by issuance of a press release and filing of same on SEDAR;

(l) It is just and equitable that the Company should be wound up;

(m) Sections 207(b)(iv), 207(c), 208(1), 209, and 210 of the *Business Corporations Act*;

(n) Section 108(2)(1)(xi) of the *Court of Justices Act;*

(o) Rules 2.03, 3.02, 14.05(2), 16.08 and 38 of the *Rules of Civil Procedure;* and

(p) Such further and other grounds as the lawyers may advise.

3. THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Application:

(a) The Affidavit of Graham C. Warren to be sworn; and,

(b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

January ___, 2023

WEIRFOULDS LLP
Toronto-Dominion Centre, PO Box 35
66 Wellington Street West, Suite 4100
Toronto, ON M5K 1B7

Philip Cho (LSO # 45615U)
pcho@weirfoulds.com

Tel: 416-365-1110
Fax: 416-365-1873

Lawyers for the Applicant

RCP-E 14E (September 1, 2020)

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED;
AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED;
AND IN THE MATTER OF THE LIQUIDATION AND DISSOLUTION OF AREHADA MINING LIMITED

Court File No._____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION

WEIRFOULDS LLP
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Philip Cho
LSO# 45615U
pcho@weirfoulds.com

Tel: (416) 619-6296
Lawyers for the Applicant

TAB A

Schedule “A”

Service List

WEIRFOULDS LLP 66 Wellington Street West, Suite 4100 P.O. Box 35, Toronto-Dominion Centre Toronto, ON M5K 1B7 Philip Cho (LSO# 45615U) pcho@weirfoulds.com Tel: (416) 619-6296 Lawyers for the Applicant	**ALBERT GELMAN INC.** 60 Shaftesbury Ave. Toronto, Ontario M4T 1A3 Tom McElroy tmcelroy@albertgelman.com Tel: (416) 504-1650 Proposed Liquidator

TAB B

Schedule "B"

Court File. No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	[Weekday], THE [Day]
	)	
JUSTICE […]	)	DAY OF [Month], 2022

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED;

AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED;

AND IN THE MATTER OF THE LIQUIDATION AND DISSOLUTION OF AREHADA MINING LIMITED

ORDER
(Appointing Liquidator)

THIS APPLICATION, made by the Applicant for an Order pursuant to sections 207 of the *Business Corporations Act*, R.S.O., 1990, c. B-16, as amended (the "**BCA**") appointing Albert Gelman Inc. ("**AGI**") as liquidator (in such capacities, the "**Liquidator**") without security, of all of the assets, undertakings and properties of Arehada Mining Limited (the "**Company**") acquired for, or used in relation to a business carried on by the Company, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application and the Affidavit of Graham C. Warren sworn on ** **, 2023 and the exhibits thereto, and the Factum of the Applicant, **AND ON HEARING** the submissions of counsel for the Applicant, no other person appearing although

properly served as appears from the Affidavit of Service of ** sworn on ** **, 2022, and on reading the consent of AGI to act as the Liquidator,

SERVICE

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

2. THIS COURT ORDERS that within two business days of the date of this Order, the Company shall provide notice of the within proceeding and of this Order to the shareholders of the Company by issuance of a press release and filing of same on the System for Electronic Document Analysis and Retrieval (SEDAR).

WINDING UP AND APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 207 of the BCA, the Company be wound up.

4. THIS COURT ORDERS that pursuant to section 210 of the BCA, AGI is hereby appointed Liquidator, without security, of all of the assets, undertakings and properties of the Company acquired for, or used in relation to the business carried on by the Company, including all proceeds thereof (the "**Property**").

LIQUIDATOR'S POWERS

5. THIS COURT ORDERS that in addition to all powers provided to the Liquidator pursuant to Part XVI of the BCA, the Liquidator is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Liquidator is hereby expressly empowered and authorized to do any of the following where the Liquidator considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Company, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Company;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Liquidator's powers and duties, including without limitation those conferred by this Order;

(e) to receive and collect all monies and accounts now owed or hereafter owing to the Company and to exercise all remedies of the Company in collecting such monies, including, without limitation, to enforce any security held by the Company;

(f) to settle, extend or compromise any indebtedness owing to the Company;

(g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Liquidator's name or in the name and on behalf of the Company, for any purpose pursuant to this Order;

(h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Company, the Property or the Liquidator, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(i) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Liquidator in its discretion may deem appropriate;

(j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $5,000.00, provided that the aggregate consideration for all such transactions does not exceed $50,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

(k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(l) to report to, meet with and discuss with such affected Persons (as defined below) as the Liquidator deems appropriate on all matters relating to the Property, and to share information, subject to such terms as to confidentiality as the Liquidator deems advisable;

(m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Liquidator, in the name of the Company;

(n) to exercise any shareholder, partnership, joint venture or other rights which the Company may have; and

(o) to apply to the court for an order dissolving the Company;

(p) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Liquidator takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Company, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

6. THIS COURT ORDERS that (i) the Company, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property to the Liquidator upon the Liquidator's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Liquidator of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator

unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Liquidator for the purpose of allowing the Liquidator to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in gaining immediate access to the information in the Records as the Liquidator may in its discretion require including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE LIQUIDATOR

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Liquidator except with the written consent of the Liquidator or with leave of this Court.

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Company or the Property shall be commenced or continued except with the written consent of the Liquidator or with leave of this Court and any and all Proceedings currently under way against or in respect of the Company or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Company, the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 (the "**BIA**"), and further provided that nothing in this paragraph shall (i) empower the Liquidator or the Company to carry on any business which the Company is not lawfully entitled to carry on, (ii) exempt the Liquidator or the Company from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE LIQUIDATOR

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,

licence or permit in favour of or held by the Company, without written consent of the Liquidator or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Company are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Liquidator, and that the Liquidator shall be entitled to the continued use of the Company's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

LIQUIDATOR TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Liquidator from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be

opened by the Liquidator (the "**Post Liquidation Accounts**") and the monies standing to the credit of such Post Liquidation Accounts from time to time, net of any disbursements provided for herein, shall be held by the Liquidator to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Company shall remain the employees of the Company until such time as the Liquidator, on the Company's behalf, may terminate the employment of such employees. The Liquidator shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Liquidator may specifically agree in writing to pay.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Liquidator shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Liquidator, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased,

in a manner which is in all material respects identical to the prior use of such information by the Company, and shall return all other personal information to the Liquidator, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Liquidator to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Liquidator from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Liquidator shall not, as a result of this Order or anything done in pursuance of the Liquidator's duties and powers under this Order, be deemed to be in possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE LIQUIDATOR'S LIABILITY

17. THIS COURT ORDERS that the Liquidator shall incur no liability or obligation as a result of its appointment or carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by Part XVI of the BCA or by any other applicable legislation.

LIQUIDATOR'S ACCOUNTS

18. THIS COURT ORDERS that the Liquidator and counsel to the Liquidator shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Liquidator and counsel to the Liquidator shall be entitled to and are hereby granted a charge (the "**Liquidator's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Liquidator's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Liquidator and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Liquidator and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its

fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Liquidator or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

SERVICE AND NOTICE

21. THIS COURT ORDERS that The Guide Concerning Commercial List E-Service (the **"Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/ shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ****.

22. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Liquidator is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Company's creditors or other interested parties at their respective addresses as last shown on the records of the Company and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next

business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

23. THIS COURT ORDERS that the Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

24. THIS COURT ORDERS that nothing in this Order shall prevent the Liquidator from acting as a trustee in bankruptcy of the Company.

25. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Liquidator and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

26. THIS COURT ORDERS that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Liquidator and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

_____

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B.16, AS AMENDED;
AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED;
AND IN THE MATTER OF THE LIQUIDATION OF AREHADA MINING LIMITED

Court File No._____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

D

ORDER
(Appointing Liquidator)

R

A

WEIRFOULDS LLP
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

F

Philip Cho
LSO# 45615U
pcho@weirfoulds.com

T

Tel: (416) 619-6296
Lawyers for the Applicant

TAB C

Schedule "C"

Court File. No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	[Weekday], THE [Day]
JUSTICE […]	)	DAY OF [Month], 2022

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED;

AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED

AND IN THE MATTER OF THE LIQUIDATION OF AREHADA MINING LIMITED

ORDER
(Claims Solicitation Procedure and Bar Order)

THIS MOTION, made by the Applicant for, among other things, an order approving and establishing a procedure for the identification, resolution and barring of certain claims against the Company, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Graham C. Warren and the Factum of the Applicant, AND ON HEARING the submissions of the lawyers for the Applicant, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ** sworn **, filed,

DEFINITIONS

1. THIS COURT ORDERS that the following terms in this Order shall have the following meanings ascribed to them:

(a) "Appointment Date" means the date of the Appointment Order;

(b) "Appointment Order" means the Order of ** dated **;

(c) "Business Day" means a day which is not: (a) a Saturday or a Sunday; or (b) a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario;

(d) "Claim" means (i) any right or claim of any Person that may be asserted or made in whole or in part against the Company, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest that may accrue thereon in which there is an obligation to pay, and costs which such Person would be entitled to receive pursuant to the terms of any contract with such Person at law or in equity, any right of ownership of or title to property or assets or to a trust or deemed trust (statutory or otherwise) against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any 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, based in whole or in part on facts which exist prior to the Appointment Date, together with any other rights or claims, whether or not asserted, made after the Appointment Date, in any way, directly or indirectly related to any action taken or power exercised prior to the Completion Date; and (ii) any Tax Claim, and does not include an Excluded Claim;

(e) "Claims Bar Date" means 5:00 p.m. (Eastern Standard Time) on **, or such later date as may be ordered by this Court;

(f) "Claims Procedure" means the claims solicitation procedure and schedules set out herein, as may be amended from time to time;

(g) "Court" means the Ontario Superior Court of Justice (Commercial List);

(h) "Creditor" means any Person having a Claim and, if the context requires, an assignee or transferee of a Claim or a trustee, receiver, receiver-manager or other Person acting on behalf of such Person;

(i) "Designated Newspapers" means the National Post (National Edition) and the Toronto Star;

(j) "Dollars" or "$" means lawful money of Canada unless otherwise indicated;

(k) "Excluded Claim" means, subject to further order of this Court, (a) any claims of the Liquidator and its counsel; and, (b) any claims for amounts due for goods or services actually supplied to the Company on or after the Appointment Date; and,

(l) "Instruction Letter" means the instruction letter to Creditors, in substantially the form attached hereto as Schedule "A", regarding completion of a Proof of Claim;

(m) "Liquidator" means Albert Gelman Inc. in its capacity as court-appointed Liquidator of the Company and not in its personal capacity;

(n) "Newspaper Notice" means the notice of this Order to be published in the Designated Newspapers in accordance with paragraph 5 of this Order in substantially the form attached hereto as Schedule "D";

(o) "Notice of Revision or Disallowance" means the notice substantially in the form attached hereto as Schedule "C";

(p) "Notice of Dispute" means a notice given by a Creditor to the Liquidator advising the Liquidator of the Creditor's objection to the Liquidator's Notice of Revision or Disallowance;

(q) "OBCA" means the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;

(r) "OBCA Proceeding" means the within proceeding before the Court in respect of the the Company commenced pursuant to the OBCA;

(s) "Order" means any order of the Court in connection with the OBCA Proceeding;

(t) "Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;

(u) "Proof of Claim" means the form to be completed and filed by a Creditor setting forth its proposed Claim, substantially in the form attached hereto as Schedule "B";

(v) "Proof of Claim Document Package" means a document package which shall include a copy of the Instruction Letter, a Proof of Claim, and such other materials as the Liquidator may consider appropriate or desirable;

(w) "Tax" or "Taxes" means any and all amounts subject to a withholding or remitting obligation and any and all taxes, duties, fees and other governmental charges, duties, impositions and liabilities of any kind whatsoever whether or not assessed by the Taxing Authorities (including any Claims by any of the Taxing Authorities), including all interest, penalties, fines, fees, other charges and additions with respect to such amount;

(x) "Taxing Authorities" means His Majesty the King, His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada and any political subdivision thereof, and any Canadian or foreign governmental authority, and "Taxing Authority" means any one of the Taxing Authorities; and,

(y) "Tax Claim" means any Claim against the Company for any Taxes in respect of any taxation year or period ending on or prior to the Appointment Date, for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Appointment Date, and up to and including the Appointment Date.

NOTICE OF CLAIMS

2. THIS COURT ORDERS that the Liquidator is authorized and directed to send a copy of the Proof of Claim Document Package to each Creditor that it is aware of and the Canada Revenue Agency and any similar revenue or Taxing Authority in Ontario, by ordinary mail, email or facsimile transmission, which method shall be at the sole and unfettered discretion of the Liquidator, as soon as is practicable after the Completion Date.

3. THIS COURT ORDERS that the Liquidator shall cause the Proof of Claim Document Package to be posted on the Liquidator's website, as soon as is practicable after the Appointment Date, until the expiry of the Claims Procedure.

4. THIS COURT ORDERS that the Liquidator shall dispatch by ordinary mail, courier or email, as soon as practicable, following receipt of a request therefore, a copy of the Proof of Claim Document Package to any Person claiming to be a Creditor and requesting such material.

PUBLICATION OF NEWSPAPER NOTICE

5. THIS COURT ORDERS that as soon as practicable after the date of this Order, the Newspaper Notice shall be published by the Liquidator in the Designated Newspapers.

6. THIS COURT ORDER that the Newspaper Notice be and is hereby approved.

NOTICE SUFFICIENT

7. THIS COURT ORDERS that the publication of the Newspaper Notice and the mailing to the Creditors of the Proof of Claim Document Package in accordance with the requirements of this Order shall constitute good and sufficient service and delivery of notice of this Order

and the Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert Claims and that no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Order.

FILING OF PROOFS OF CLAIM

8. THIS COURT ORDERS that, except as otherwise provided herein, each Creditor that asserts a Claim against the Company shall file a written Proof of Claim so as to be received by the Liquidator on or before the Claims Bar Date, by registered mail, personal delivery, courier or e-mail.

9. THIS COURT ORDERS that a Proof of Claim shall be deemed timely filed only if mailed or delivered by registered mail, personal delivery, courier or email so as to be actually received by the Liquidator on or before the Claims Bar Date.

CLAIMS BAR

10. THIS COURT ORDERS that any Creditor that does not file a Proof of Claim in respect of a Claim in accordance with this Order on or before the Claims Bar Date, shall: (a) be forever barred, estopped and enjoined from asserting or enforcing any Claim (or filing a Proof of Claim with respect to such Claim) against the Company and such Claim shall be forever extinguished; (b) not be entitled to participate in or receive any distribution in the OBCA Proceeding on account of any such Claim; and (c) shall not be entitled to notice of any further matters in the OBCA Proceeding.

DETERMINATION OF CLAIMS

11. THIS COURT ORDERS that the Liquidator shall review each Proof of Claim received by the Claims Bar Date, and shall either accept, revise or reject the amount claimed for purposes of distribution.

12. THIS COURT ORDERS that if the Liquidator disputes the amount of a Claim set forth in a Proof of Claim, the Liquidator may attempt to consensually resolve the amount of the Claim with the Creditor, and/or send a Notice of Revision or Disallowance to the Creditor by no later than 21 days after the Claims Bar Date.

13. THIS COURT ORDERS that if the Liquidator does not deliver a Notice of Revision or Disallowance in accordance with this Order, with respect to the value of a Claim, then, subject to further order of this Court, such a Proof of Claim shall be deemed to be accepted as final and binding.

14. THIS COURT ORDERS that any Creditor who receives a Notice of Revision or Disallowance and who objects to same, shall deliver to the Liquidator a Notice of Dispute within 15 days of the issuance of the Notice of Revision or Disallowance, or, if the Creditor does not deliver the Notice of Dispute within such time, the value of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance.

15. THIS COURT ORDERS that any Creditor who delivers a Notice of Dispute to the Liquidator in accordance with this Order, shall, unless otherwise agreed by the Liquidator in writing, by no later than 5:00 p.m. on the day that is 15 days after the service of the Notice of Dispute, serve, and file with this Court, a Notice of Motion seeking to appeal the Liquidator's

determination, returnable on a dated to be fixed by this Court, and in any event, no later than 30 days from the date of the service of the Notice of Dispute. If an appeal is not filed within such period, then the Notice of Revision and Disallowance shall, subject to further order of this Court, be deemed to be final and binding.

GENERAL PROVISIONS

16. THIS COURT ORDERS that the Liquidator is authorized to use reasonable discretion as to adequacy of compliance with respect to the manner in which Proofs of Claim and Notices of Revision or Disallowance are completed and executed, and may, where the Liquidator is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure as to completion and execution of Proofs of Claim or Notices of Revision or Disallowance.

17. THIS COURT ORDERS that any document to be sent to any Creditor or Person pursuant to this Claims Procedure may be sent by e-mail, ordinary mail, registered mail, or courier to the address last shown on the books and records of the Company or whatever specific formal address has been provided to the Liquidator either through counsel or directly. A Creditor or Person shall be deemed to have received any document sent pursuant to this Claims Procedure five (5) business days after such document is sent by ordinary mail or registered mail and one business day after such document is sent by e-mail, or courier.

18. THIS COURT ORDERS that any notice or other communication to be given under this Order by a Creditor to the Liquidator shall be in writing in substantially the form, if any, provided for in this Order, and will be sufficiently given only if delivered by registered mail, courier, personal delivery, or e-mail addressed to:

Albert Gelman Inc. in its capacity as court-appointed liquidator
of Arehada Mining Limited
100 Simcoe Street
Suite 125
Toronto, ON M5H 3G2
Attention: Tom McElroy
Phone: 416.504-1650 ext. 117
Fax: 416.504.1655
Email: tmcelroy@albertgelman.com

19. THIS COURT ORDERS that the following Schedules form part of this Order:

(a) Schedule "A" - Instruction Letter

(b) Schedule "B" - Proof of Claim

(c) Schedule "C" - Notice of Revision or Disallowance

(d) Schedule "D" - Newspaper Notice

20. THIS COURT ORDERS that, notwithstanding the terms of this Order, the Liquidator may apply to this Court from time to time for such further order or orders as it considers necessary or desirable to amend, supplement or replace this Order.

AID AND ASSISTANCE OF OTHER COURTS

21. THIS COURT HEREBY REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or any court or any judicial, regulatory or administrative body of the United States and of any other nation or state to act in aid of and to be complimentary to this Court in carrying out the terms of this Order.

Schedule "A" — INSTRUCTION LETTER

A. Claims Procedure

By Order of the Honourable Justice dated **, 2023 (the "**Claims Solicitation Procedure and Bar Order**"), which is attached hereto, made pursuant to the *Ontario Business Corporations Act* (the *"**OBCA**")* the Liquidator has been authorized to conduct a claims solicitation procedure ("**Claims Procedure**") in respect of all claims against Arehada Mining Limited (the "**Company**").

The letter provides instructions for responding to or completing the Proof of Claim. Defined terms, which are not defined herein, shall have the meaning ascribed thereto in the Claims Solicitation Procedure and Bar Order.

The Claims Procedure is intended for any Person with any Claims of any kind or nature whatsoever, against the Company on or prior to *[date of Appointment Order]*, unliquidated, contingent or otherwise.

If you have any questions regarding the Claims Procedure, please contact the Liquidator at the address provided below.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

Albert Gelman Inc., Court Appointed Liquidator of Arehada Mining Limited
60 Shaftesbury Avenue
Toronto, ON M4T 1A3
Attention: Tom McElroy
Phone: (416) 504-1650 Ext. 117
Email: tmcelroy@albertgelman.com

B. General Instructions for Completing the Proof of Claim

The Proof of Claim must be completed by an individual, or an individual acting on behalf of a corporation. The individual acting for a corporation or other person must state the capacity in which he/she is acting, such as "Credit Manager", "Treasurer", "Authorized Agent", etc. The individual completing the Proof of Claim must have knowledge of the circumstances connected with the Claim. All Proofs of Claim must be sworn and dated before a duly appointed Commissioner of Oaths or Notary public. The full legal name of the Creditor must be filled out in its entirety. Creditors who file a Proof of Claim by a division, or who file several Proofs of Claim by divisions, may have their Proof of Claim disallowed. Only one Proof of Claim may be filed per legal entity notwithstanding that separate divisions or operating units of a Creditor may have separate Claims against the Company.

A Statement of Account containing full details of the Claim must be attached to the Proof of Claim. The Proof of Claim should include all amounts owing by the Company before *[date of Appointment Order]*. These Claims shall be reduced by the amount of any subsequent payment

thereon, the application of any volume or other discounts in respect thereof and any other subsequent credits that are properly applicable against such Claims.

For Claims made in respect of debts owing as a result of advances or loans to, or investments made in the Company, submitted with the Proof of Claim must be proof of all advances made to, and all payments received from or on account of any of the Company. Including copies of all cheques, money orders, drafts, wire transfers, etc. advances and received, as well as copies of any promissory notes or other loan or investment documentation evidencing the debt owing.

If the Creditor holds security for the indebtedness, a statement of the value and nature of the security must accompany the Proof of Claim, as must a copy of the agreement granting security.

If the Creditor holds a contingent or unliquidated Claim, the details of any guarantee giving rise to such contingent or unliquidated Claim, or reasons for the Claim must be provided in addition to the basis upon which the Claim has been valued.

If the Claim or a portion thereof has been sold or assigned, the name of the party purchasing the Claim, the amount of the Claim sold or assigned, as well as supporting documentation, must be attached to the Proof of Claim submitted. The Proof of Claim can be completed by either the original Creditor or by the assignee, but not both. Creditors and assignee(s) must determine amongst themselves who will file the Proof of Claim.

C. For Creditors Submitting a Proof of Claim

If you believe that you have a Claim against the Company, you will have to file a Proof of Claim with the Liquidator. *THE PROOF OF CLAIM MUST BE RECEIVED BY 5:00 P.M. (EASTERN STANDARD TIME) ON OR BEFORE [Claims Bar Date],* unless the Court orders otherwise (the "**Claims Bar Date**").

Additional Proof of Claim forms can be obtained by contacting the Liquidator at the telephone and email address indicated above and providing particulars as to your name, address and email address. Once the Liquidator has this information, you will receive, as soon as practicable, additional Proof of Claim Forms.

SCHEDULE "B" - PROOF OF CLAIM

Proof of Claim

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim form. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed therein.

A. PARTICULARS OF THE CREDITOR:

(1) Full Legal Name of Creditor (include trade name, if different):

.....

.....

(the "**Creditor**"). The full legal name should be the name of the Creditor of Arehada Mining Limited (the "**Company**"), notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred prior to or following *[date of Appointment Order]*.

(2) Full Mailing Address of Creditor: (The mailing address should be the mailing address of the Creditor and not any assignee)

.....

.....

(3) Telephone Number of Creditor: .....

(4) E-mail Address of Creditor: .....

(5) Attention (Contact Person): .....

Has the claim set out herein been sold, transferred or assigned by the Creditor to another party?

Yes: [ ] No: [ ]

PARTICULARS OF THE ASSIGNEE(S) (IF APPLICABLE)

.....

If the Claim set out herein has been sold, transferred or assigned, complete the required information set out below. If there is more than one assignee, please attach a separate sheet which contains all of the required information set out below for each assignee.

(1) Full Legal Name of the Assignee:

.....

.....

(2) Full Mailing Address of the Assignee:

.....

.....

(3) Telephone Number of Assignee: .....

(4) E-mail Address of Assignee: .....

(5) Attention (Contact Person): .....

C. PROOF OF CLAIM

THE UNDERSIGNED HEREBY MAKES OATH AND SAYS AS FOLLOWS:

(1) That I:

am a Creditor of the Company; or *(if applicable)* am the:

.....
(state position or title)

of

.....
(Name of Creditor)

(2) That I have knowledge of all of the circumstances connected with the Claim described and set out below:

(3) The Claim seeks payment of $ ..... [*Insert $ value of claim*] CAD in the Company on account of principal ..... and ..... on account of interest [*Provide particulars of interest claim and calculation of same*]

(4) The Creditor has received ..... [*Insert $ in Canadian Dollars regardless of whether amount received was from repayment of principal owing pursuant to the Claim or return on principal or interest from, or on an account of the Company in conjunction with the Claim*]

NOTE: Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as of [date of Appointment Order].

D. PARTICULARS OF CLAIM

Other than as already set out herein, the particulars of the undersigned's total Claim against the Company are attached on a separate sheet.

Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s), copies of cheques, bank draft, money orders, wire transfers, etc., loan documents, promissory notes or other agreement(s) giving rise to the Claim and particulars of any Claim.

SWORN BEFORE ME at the

_____ in the

Province of_____

this _____ day of _____ , 2022

_____ _____

A Commissioner , or Notary Public, etc. *Name of Deponent:*

[or if sworn via video conferencing]

*****insert generic video commissioning jurat*****

_____ _____

A Commissioner, or Notary Public, etc. *Name of Deponent:*

E. FILING OF CLAIM

This Proof of Claim form must be received by the Liquidator by no later than 5:00 p.m. (Eastern Standard time) on *** by either registered mail, personal delivery courier, or email at the following address:

Albert Gelman Inc., Court Appointed Liquidator of Arehada Mining Limited
100 Simcoe Street, Suite 125
Toronto, ON M5H 3G2
Attention: Tom McElroy
Phone: (416) 504-1650 Ext. 117
Email: tmcelroy@albertgelman.com

Failure to file your Proof of Claim and any required documentation as directed in relation to any Claim by 5:00 p.m. (Eastern Standard Time) on ***** (the "**Claims Bar Date**") will result in your Claim being forever barred and extinguished and you will be prohibited from making or enforcing a Claim against the Company and shall not be

entitled to further notice or distribution, if any, and shall not be entitled to participate as a Creditor in these proceedings.

SCHEDULE "C" - NOTICE OF REVISION OR DISALLOWANCE

Notice of Revision or Disallowance

Name of Creditor:

Reference #:

Defined terms not defined within this Notice of Revision or Disallowance form have the meaning ascribed thereto in the Order of Justice_____dated ** (the "**Claims Solicitation Procedure and Bar Order**"). Pursuant to paragraphs 11 through 15 of the Claims Solicitation Procedure and Bar Order, Albert Gelman Inc., in its capacity as Liquidator of Arehada Mining Limited, hereby gives you notice that it has reviewed your Proof of Claim and has revised or rejected your Claim as follows:

A) Revision or Disallowance:

Description of Claim	Proof of Claim as Submitted	Revised Claim as Accepted / Dissallowance

B) Reason for Revision or Disallowance:

_____

_____

_____

_____

IF YOU DO NOT AGREE WITH THIS NOTICE OF REVISION OR DISALLOWANCE, PLEASE TAKE NOTICE OF THE FOLLOWING:

1. You must deliver to the Liquidator a notice of your objection to the Notice of Revision or Disallowance ("**Notice of Dispute**") within 15 days of the issuance of the Notice of Revision or Disallowance.

2. If you do not serve the Notice of Dispute within such time, the value of your Claim shall be deemed to be as set out in the Notice of Revision or Disallowance.

3. Following the service of the Notice of Dispute, you must, unless otherwise agreed by the Liquidator in writing, by no later than 5:00 p.m. on the day that is 15 days after the service of the Notice of Dispute, serve, and file with the Court, a Notice of Motion seeking to appeal the Liquidator's determination, returnable on a dated to be fixed by the Court, and in any event, no later than 30 days from the date of the service of the Notice of Dispute.

4. If an appeal is not filed within such period, then the Notice of Revision and Disallowance shall, subject to further order of this Court, be deemed to be final and binding.

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIODS, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU FOR DISTRIBUTION PURPOSES.

DATED this _____ day of _____, 2023.

Albert Gelman Inc. in its capacity as Court Appointed Liquidator of Arehada Mining Limited and not in its personal capacity
Per:

_____

TOM MCELROY
60 Shaftesbury Avenue
Toronto, ON M4T 1A3
Phone: (416) 504-1650 Ext. 117
Fax: (416) 504-16555
Email: tmcelory@albertgelman.com

SCHEDULE "D" - NEWSPAPER NOTICE

AREHADA MINING LIMITED

On **, Albert Gelman Inc. (the "**Liquidator**") was appointed, pursuant to an order made by the Ontario Superior Court of Justice (the "**Court**"), liquidator of Arehada Mining Limited (the "**Company**").

By Order of the Court dated ** (the "**Claims Solicitation Procedure and Bar Order**"), a process was established for creditors to prove claims against the Company in existence as at *[date of Appointment Order]*. In accordance with the Claims Solicitation Procedure, the Liquidator is authorized and directed to send a copy of the Proof of Claim Document Package to each Creditor. Any Creditor who does not receive a Proof of Claim form may obtain this form on the Liquidator's website, **<insert link>** or by contacting the Liquidator using the contact information set out below.

Creditors must complete and deliver the Proof of Claim form to the Liquidator by no later than 5:00 p.m. (Eastern Standard Time) on ** or such later date as ordered by the Court (the "**Claims Bar Date**").

IF YOUR PROOF OF CLAIM IS NOT RECEIVED BY THE LIQUIDATOR BY THE CLAIMS BAR DATE, YOUR CLAIM AGAINST THE COMPANY WILL BE FOREVER BARRED AND EXTINGUISHED.

Contact information of the Liquidator
Albert Gelman Inc., Court Appointed Liquidator of Arehada Mining Limited
60 Shaftesbury Avenue
Toronto, ON M4T 1A3
Attention: Tom McElroy
Phone: (416) 504-1650 Ext. 117
Email: tmcelroy@albertgelman.com

Dated at Toronto, this _____ day of _____ , 2023

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B.16, AS AMENDED;
AND IN THE MATTER OF RULE 14.05(2) OF THE RULES OF CIVIL PROCEDURE, R.R.O. 1990, REG. 194, AS AMENDED;
AND IN THE MATTER OF THE LIQUIDATION OF AREHADA MINING LIMITED

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

D

ORDER
(Claims Solicitation and Bar)

R

WEIRFOULDS LLP
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

A

F Philip Cho
LSO# 45615U
pcho@weirfoulds.com

T Tel: (416) 619-6296
Lawyers for the Applicant

TAB 2

Court File. No. CV-23-00692786-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED;

AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED

AND IN THE MATTER OF THE LIQUIDATION OF AREHADA MINING LIMITED

AFFIDAVIT OF GRAHAM C. WARREN

(sworn on January 31, 2023)

I, GRAHAM C. WARREN of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a director and hold the office of chief executive officer, chief financial officer and secretary of Arehada Mining Limited (the "**Company**"). As such, I have knowledge of the matters herein deposed. Where I have been advised of matters by others, I have identified the source of my information and verily believe such matters to be true.

2. I make this affidavit in support of Company's application for certain relief, including an order winding-up the Company, appointing Albert Gelman Inc. ("**AGI**") as liquidator (in such capacity, the "**Liquidator**"), and establishing a claims solicitation and bar procedure. In this affidavit, I will address the following information:

(a) background information;

(b) the Shanjin Transaction (as defined below) and ceasing of operations;

(c) the Tiancheng Investment, as defined below;

(d) the shareholder resolution approving the dissolution of the Company;

(e) the efforts to contact the former CEO of the Company and collect on the sale of the Tiancheng Investment;

(f) the reasons for seeking the appointment of the Liquidator; and,

(g) the proposed claims solicitation and bar order.

A. Background Information

3. The Company is a public company duly incorporated pursuant to the laws of the Province of Ontario. It was a development-stage mining enterprise engaged in the exploration development, extraction and refining of zinc-silver metals in the Inner Mongolia Autonomous Region of China.

4. The Company's majority shareholder is Arehada (Barbados) Holding Corporation ("**HoldCo**"), a company domiciled in the jurisdiction of Barbados, holding approximately 78% of the outstanding common shares of the Company. The remaining portion of the Company's common shares are principally owned by various Canadian investors. At the time of making this affidavit, there are approximately 487 shareholders of the Company other than HoldCo (the "**Minority Shareholders**"), holding an aggregate of 22% of the outstanding common shares with no Minority Shareholder beneficially holding more than 10% of the outstanding common shares.

5. The Company was incorporated on June 7, 2005 as "Dragon Capital Corporation" but changed its name to "Arehada Mining Limited" in 2007, following a reverse take-over transaction by HoldCo with Dragon Capital Corporation, an Ontario

corporation listed on TSX Ventures Exchange. Attached hereto and marked as **Exhibit "A"** is a copy of a Certificate of Incorporation together with all amendments issued by the Ministry of Consumer and Business Services with respect to the Company. Attached hereto and marked as **Exhibit "B"** is a copy of a corporate profile report for the Company obtained on January 30, 2023.

6. Following the completion of the reverse take-over, Steve Fan Wang ("**Steve Wang**") was the CEO and Chairman of the Board of Directors, while his brother, Tom Zhen Wang ("**Tom Wang**", and together with Steve Wang, the "**Wang Brothers**") was the President and General Manager of the Company.

7. As I understand, the Wang Brothers together own all of the outstanding shares of Baiyinhanshan Holding Corporation ("**BHC**"), a Barbados corporation, which in turn holds 95% of HoldCo. The remaining 5% of HoldCo's shares are owned by a Chinese national, Li Qilong. Attached hereto and marked as **Exhibit "C"** is a copy of a corporate organizational chart prepared by the Company's corporate counsel.

8. The Company is the beneficial owner of Arehada (Barbados) Corporation (**"ABC"**), a Barbados corporation. Prior to the Shanjin Transaction (as described below), Barbados was the sole shareholder of the operating subsidiary, Arehada Mining Corporation ("**Arehada China**"), a Chinese corporation. The registered holders of ABC are BHC and Li Qilong. BHC and LI Qilong assigned all of their beneficial interest in the ABC shares to the Company and hold the ABC shares as nominees for and in trust for the Company.

B. The Shanjin Transaction and Ceasing of Operations

9. In February 2010, ABC entered into a tentative agreement for the sale of Arehada China to Shanjin Mining Corporation ("**Shanjin**"), a Shandong-based Chinese mining company, for a final purchase price of RMB 735 million (the "**Shanjin**

Transaction"). The Shanjin Transaction was subject to certain regulatory approvals in the Inner Mongolia Autonomous Region and Shandong Province of China.

10. Ultimately, the Shanjin Transaction was completed on November 11, 2010 and as of that date, all shares of Arehada China were transferred from ABC to Shanjin, ending the Company's mining operations. However, the sale proceeds from the Shanjin Transaction could not be released to ABC pending a decision by the tax authorities of the Inner Mongolia Autonomous Region as to the applicable tax rate for the Shanjin Transaction, as well as the subsequent tax filings.

11. The disposition of Arehada China resulted in the Company effectively ceasing all active business operations. As well, the delay in obtaining the sale proceeds from the Shanjin Transaction resulted in a liquidity crisis for the Company, and an inability to complete and file its audited financial statements for the year ending December 31, 2010.

12. On April 6, 2011, the Ontario Securities Commission (the "**OSC**") issued a temporary cease trade order ("**CTO**") and on April 8, 2010 the Toronto Stock Exchange notified the Company that its shares would be delisted as of the close of market on May 9, 2011. Attached hereto and marked as **Exhibit "D"** is a copy of the Material Change Report filed by the Company on April 15, 2011.

13. CTOs were also issued by the British Columbia Securities Commission and the Alberta Securities Commission. As of the date of this Affidavit, all of the CTOs, including the one issued by the OSC, continue in effect and the Company's shares are not listed on any stock exchange.

14. By March 2014, the taxation issues were finally determined by the tax authorities in the Inner Mongolia Autonomous Region in favour of ABC with 10% tax payable on taxable assets of approximately RMB 744 million.

15. Between April 2014 and August 2014, after deduction of RMB 74.41 million in tax payment made by Shanjin on behalf of ABC but before ABC paying its other liabilities, the Company understands that ABC received all installment payments from Shanjin, resulting in a total of approximately RMB 621.77 million released to ABC from Shanjin.

C. Tiancheng Investment

16. Following the taxation issue resolution and release of the sale proceeds by Shanjin, ABC was required to apply for approval from the State Authority for Foreign Exchange ("**SAFE**") to remit funds out of China in order to have funds released to the Company in Canada.

17. Steve Wang advised that in the process of applying for SAFE approval, SAFE had advised that it would more likely approve the funds being remitted to a foreign seller (ABC) if the funds were first reinvested in a Chinese subsidiary. As ABC already sold all of the shares it held in Arehada China, it needed to acquire or establish another Chinese subsidiary. Steve Wang believed that it was more efficient for ABC to acquire a subsidiary instead of establishing another wholly foreign owned entity ("**WFOE**") as a new WFOE would also involve additional governmental approval. In addition, Steve Wang advised that SAFE had indicated that they would prefer that ABC invest the money in another Chinese business. As a result, Steve Wang began negotiations with Yunnan Xuming Tiancheng Tourism Development Co. Ltd. ("**Tiancheng**") during the SAFE application process with a view to satisfying SAFE requirements.

18. In April 2014, after ABC paid its obligations and liabilities incurred in connection with the Shanjin Transaction in the approximate amount of RMB 219.83 million, ABC entered into agreements with Tiancheng where ABC would acquire a 92.98% equity interest by investing RMB 225 million in registered capital (the "**Tiancheng Equity Investment**") and a debt investment in the principal amount of RMB

176.94 million (the "**Tiancheng Shareholder Loan**", together with Tiancheng Equity Investment, the "**Tiancheng Investment**"). The Company understands that the Tiancheng Investment was completed in August 2014.

19. By the end of 2014, the Company's principal asset was the Tiancheng Investment.

20. Pursuant to an agreement dated as of March 31, 2015 (the "**Investment Purchase Agreement**") between:

(a) HoldCo, as purchaser;

(b) ABC, as Vendor;

(c) the Company, as Vendor Parent; and,

(d) Tiancheng;

ABC agreed to sell the Tiancheng Investment to HoldCo for RMB 401.94 million. The sale of the Tiancheng Investment was to be completed upon the satisfaction of certain conditions, including the Company's shareholders ratifying the Shanjin Transaction, the Tiancheng Investment, the Minority Shareholders' approval of the sale of the Tiancheng Investment and SAFE approval. Attached hereto and marked as **Exhibit "E"** is a copy of the Investment Purchase Agreement.

D. Shareholder Approval of Dissolution

21. In addition to the seeking the shareholder approvals required to ratify the Shanjin Transaction, the Tiancheng Investment and its sale to HoldCo, the Company sought shareholder approval of the Company's dissolution as it no longer carried on any active business operations since the Shanjin Transaction. As such, the Company called a special meeting for this purpose, contemporaneously with its Annual General Meeting. Attached hereto and marked as **Exhibit "F"** is a copy of the Notice of Annual General

and Special Meeting of Common Shareholders and management information circular filed by the Company on April 7, 2015.

22. On April 29, 2015, at a duly called annual and special meeting of the shareholders of the Company (the "**2015 Shareholder Meeting**"), the shareholders unanimously passed a special resolution ratifying the Shanjin Transaction and the Tiancheng Investment and approving the dissolution of the Company following the sale of the Tiancheng Investment and the distribution of the net sale proceeds. Attached hereto and marked as **Exhibit "G"** is a copy of the Results of the 2015 Shareholder Meeting as announced in the press release issued by the Company on June 4, 2015.

23. The sale of the Tiancheng Investment under the Investment Purchase Agreement constitutes a major step of the Company's dissolution which was approved at the 2015 Shareholder Meeting. The Company estimated that if HoldCo paid the purchase price in full under the Investment Purchase Agreement, the funds to be distributed to the Minority Shareholders would be in the range of $10.06 million and $10.16 million. Once the Company received funds from Steve Wang on behalf of HoldCo, the Company would distribute the money to the Minority Shareholders.

24. In or about July 2016, the Company received from Steve Wang the first installment from the sale of the Tiancheng Investment of $1.653 million, of which $1.25 million was distributed to the Minority Shareholders as an interim distribution.

E. Efforts to contact the former CEO of the company and collect on the sale of the Tiancheng Investment

25. The Company relied on Steve Wang to collect the funds due from HoldCo for the sale of the Tiancheng Investment, as he was the primary contact between the Company and HoldCo and the individual controlling HoldCo. Between 2016 and 2019, the Company received a number of additional smaller installments in respect of the sale

of the Tiancheng Investment totalling $1 million. In connection with these further installments, in May 2019, the Company made a further interim distribution to the Minority Shareholders of $624,825.

26. The Company also reported to its shareholders that in October 2019, Steve Wang had been summoned by the Supervisory Commission of Inner Mongolia Autonomous Region of China in connection with an investigation into alleged corruption of a government official in Inner Mongolia.

27. By November 2019, the Company had received information that Steve Wang completed his interview, but the Company had trouble communicating with Steve Wang (who the Company believed was domiciled in China) whether directly or through the Company's then corporate secretary, Betty Sige Wang.

28. Since that time, the Company has not received any further communications from Steve Wang, Betty Sige Wang or any of those persons in China through whom the Company had traditionally communicated. No person on the current management of the Company has any personal knowledge of Steve Wang's whereabouts or how to locate him.

29. To date, only approximately $2.6 million of approximately $10 million of expected net sale proceeds have been received from HoldCo in respect of the sale of the Tiancheng Investment.

F. Reasons for seeking the Appointment of the Liquidator

30. Given management's inability to obtain appropriate updates on the status of the balance of proceeds due from the sale of the Tiancheng Investment and the Company's limited available resources, the Company seeks the appointment of a

licensed insolvency trustee as court-appointed officer to carry out the liquidation and dissolution process.

31. Although the wind-up and dissolution were approved by the shareholders, such proceedings have not commenced due to HoldCo's failure or refusal to remit the final installments payable for the sale of the Tiancheng Investment. However, the Company believes it to be in the best interest of the shareholders for the wind-up and dissolution proceeding to be continued under the supervision of the Court.

32. Presently, the Company may not meet the test of insolvency as it continues to carry the significant receivable in respect of the sale of the Tiancheng Investment on its books, but with the limited resources it may not be in a position to continue paying its liabilities. As such, from the Company's perspective, it is advisable to wind-up the Company.

33. Determining the value, if any, of the receivable in relation to the sale of the Tiancheng Investment is best undertaken by a neutral third-party, in this case, the Liquidator. In addition, the Liquidator can implement a claims solicitation and bar process to ensure that any claims against the Company are identified and resolved in an appropriate way before any final distribution to shareholders and dissolution of the Company. It is anticipated that the Liquidator will also liquidate any assets of the Company and complete the wind-up and dissolution of the Company, or if appropriate, determine if the Company should be assigned into bankruptcy.

34. In all the circumstances, the Company believes that it is appropriate to appoint the Liquidator for the purpose of winding-up and dissolving the Company.

35. AGI has consented to act as Liquidator if appointed by the Court on terms substantially in accordance with the draft order which includes, but is not limited to, a Liquidator's Charge securing the payment of the reasonable fees and disbursements of

the Liquidator and its counsel and counsel assisting in the liquidation and dissolution process.

G. The Proposed Claims Solicitation and Bar Order

36. The Company also seeks the immediate authorization of a claims solicitation and bar process (the "**Claims Process**") to be granted contemporaneously with the appointment of the Liquidator. The Company has had discussions with the proposed liquidator, AGI, in this regard and the Company understands that if appointed, AGI is prepared to implement and administer the Claims Process.

37. The proposed Claims Process has been developed in consultation with AGI and I understand is similar to processes undertaken in other types of proceedings, such as insolvency proceedings where the identification and resolution of claims is important.

38. I make this affidavit in support of an Application for an order appointing AGI as liquidator for the purpose of winding up Arehada Mining Limited and authorizing and directing the proposed liquidator to implement a claims solicitation and claims bar procedure.

SWORN remotely by Graham C. Warren at the City of Toronto in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 31, 2023 in accordance with O.Reg. 431/20, Administering Oath or Declaration Remotely.

)
)
)
)
)
)
)
)
)

DocuSigned by:
Graham Warren
3DBDC9EF5760422...

GRAHAM C. WARREN

Kelin K. Algayer

Commissioner for Taking Affidavits

This is **Exhibit "A"** referred to in the

Affidavit of Graham C. Warren,

sworn before me

this 31st day of January, 2023

Kelin K. Algayer

A Commissioner for Taking Affidavits

Request ID: 007161072
Demande n°:
Transaction ID: 026707690
Transaction n°:
Category ID: CT
Catégorie:

Province of Ontario
Province de l'Ontario
Ministry of Consumer and Business Services
Ministère des Services aux consommateurs et aux entreprises
Companies and Personal Property Security Branch
Direction des compagnies et des sûretés mobilières

Date Report Produced: 2005/06/07
Document produit le:
Time Report Produced: 17:41:47
Imprimé à:

Certificate of Incorporation
Certificat de constitution

This is to certify that

Ceci certifie que

DRAGON CAPITAL CORPORATION

Ontario Corporation No.

Numéro matricule de la personne morale en Ontario

002074185

is a corporation incorporated, under the laws of the Province of Ontario.

est une société constituée aux termes des lois de la province de l'Ontario.

These articles of incorporation are effective on

Les présents statuts constitutifs entrent en vigueur le

JUNE 07 JUIN, 2005

Director/Directrice
Business Corporations Act/Loi sur les sociétés par actions

Request ID / *Demande nº*: 7161072

Ontario Corporation Number / *Numéro de la compagnie en Ontario*: 2074185

FORM 1 *FORMULE NUMÉRO 1*

BUSINESS CORPORATIONS ACT / ***LOI SUR LES COMPAGNIES***

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: / *Dénomination sociale de la compagnie*:

DRAGON CAPITAL CORPORATION

2. The address of the registered office is: / *Adresse du siège social:*

255 DUNCAN MILL ROAD Suite 203

(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)
(Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)

TORONTO	**ONTARIO**
CANADA	**M3B 3H9**
(Name of Municipality or Post Office) *(Nom de la municipalité ou du bureau de poste)*	(Postal Code/*Code postal*)

3. Number (or minimum and maximum number) of directors is: / *Nombre (ou nombres minimal et maximal) d'administrateurs:*

Minimum 1 **Maximum 10**

4. The first director(s) is/are: / *Premier(s) administrateur(s):*

First name, initials and surname *Prénom, initiales et nom de famille*	Address for service, giving Street & No. or R.R. No., Municipality and Postal Code *Domicile élu, y compris la rue et le numéro, le numéro de la R.R., ou le nom de la municipalité et le code postal*	Resident Canadian State Yes or No *Résident Canadien Oui/Non*
* **OLIVER XING**	**88 CORPORATE DRIVE Suite 313 TORONTO ONTARIO CANADA M3B 3H9**	**YES**

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

4. The first director(s) is/are: *Premier(s) administrateur(s):*

First name, initials and surname *Prénom, initiales et nom de famille*	Resident Canadian State Yes or No *Résident Canadien Oui/Non*
Address for service, giving Street & No. or R.R. No., Municipality and Postal Code *Domicile élu, y compris la rue et le numéro, le numéro de la R.R., ou le nom de la municipalité et le code postal*	
* KAK FUNG WONG 8060 JONES ROAD Suite 203 RICHMOND BRITISH COLUMBIA CANADA V6Y 4K5	YES

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.

NONE

6. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:

(a) An unlimited number of Class A shares without nominal or par value;

(b) An unlimited number of Class B shares without nominal or par value;

(c) An unlimited number of common shares without nominal or par value;

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:

1. Class A Shares

The Class A Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Subject to the provisions of the Business Corporations Act, a holder of Class A Shares shall be entitled to require the Corporation to redeem at any time, all or any of the Class A Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its registered office a share certificate representing the Class A Shares which the registered holder desires to have the Corporation redeem together with a request in writing specifying (i) that the registered holder desires to have the Class A Shares represented by such certificate redeemed by the Corporation and (ii) the business day (in this paragraph (a) referred to as the "Redemption Date") on which the holder desires to have the Corporation redeem such Class A Shares. Upon receipt of a share certificate representing the Class A Shares which the registered holder desires to have the Corporation redeem together with such a request, the Corporation shall on the Redemption Date redeem such Class A Shares by paying to such registered holder an amount equal to the Redemption Amount, as hereinafter defined, of the Class A Shares being redeemed together with all dividends declared thereon and unpaid (the "Redemption Price"). Such payment shall be made by the issuance of a non-interest bearing demand promissory note of the Corporation in favour of the holder of the Class A Shares in the amount equal to the Redemption Price ("the Retraction Promissory Note") in respect of the Class A Shares being redeemed. The said Class A Shares shall be redeemed on the Redemption Date and from and after the Redemption Date such shares shall cease to be entitled to dividends and the holder thereof shall not be entitled to exercise any of the rights of holders of Class A Shares in respect thereof, unless payment of the Redemption Price by means of the Retraction Promissory Note is not made on the Redemption Date, in which event the rights of the holder of the said shares shall remain unaffected.

(b) Subject to the provisions of the Business Corporations Act, the Corporation may redeem, upon giving notice as hereinafter provided, the whole or any part of the Class A Shares on payment for each share to be redeemed of the Redemption Amount thereof, as hereinafter defined, together with all dividends declared thereon and unpaid (the "Redemption Price"). The aggregate amount in respect of the Class A Shares so redeemed shall be paid by the issuance of a non-interest bearing demand Promissory Note of the Corporation in favour of the holder of the Class A Shares so redeemed (the "Redemption Promissory Note"). In case a part only of the then outstanding Class A Shares is at any time to be redeemed, the shares so to

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:

be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or, if the directors so determine, may be redeemed prorata, disregarding fractions, and the directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares. The Corporation shall provide to each person who is a registered holder of Class A Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Class A Shares. Such notice shall set out the Redemption Price and the date of redemption ("Redemption Date"). On the Redemption Date, the Corporation shall issue the Redemption Promissory Note to or to the order of the holder of the Class A Shares to be redeemed on presentation and surrender at the head office of the Corporation (or at such other place as the Corporation may agree) of the certificates representing such Class A Shares called for redemption. Such Class A Shares shall, effective upon the issuance of the Redemption Promissory Note, be redeemed. From and after the Redemption Date the holder of the Class A Shares so redeemed shall not be entitled to exercise any of the rights of a shareholder unless payment of the Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provision, in which case the rights of the holder shall remain unaffected.

(c) The "Redemption Amount" for each Class A share shall be $1.00.

(d) The Corporation shall have the right at its option at any time and from time to time to purchase the whole or any part of the Class A Shares at the lowest price at which, in the opinions of the directors, such shares are obtainable, but not exceeding the Redemption Amount thereof, together with all dividends declared thereon and unpaid.

(e) The holders of the Class A Shares shall in each fiscal year of the Corporation in the discretion of the directors, without preference or priority over any dividends that may be declared in the discretion of the directors on the Class B Shares but always in preference and priority to any payment of dividends on the Common Shares for such year, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to non-cumulative dividends at a rate as declared by the directors from time to time, but in any event not exceeding a percentage rate per annum of the Redemption Amount for such shares equal to three-quarters (3/4) of the Prime rate as established by the Corporation's banker on the date of incorporation of the Corporation as adjusted on each successive anniversary thereof; the holders of Class A Shares shall not be entitled to any dividends other than or in excess of the non-cumulative dividends at a rate as declared by the directors from time to time as set forth above, provided that in the event of the failure on the part of the

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:

Corporation to redeem any Class A Shares after a request for Redemption is made by a holder of Class A Shares in accordance with the provisions of subsection (a) above, any such holder of Class A Shares shall be entitled to receive cumulative dividends at the aforesaid maximum percentage rate calculated from the Redemption Date as defined in the said subsection and the Redemption Amount in respect of such shares shall be increased for all purposes by the amount of any such undeclared or unpaid cumulative dividends.

(f) No dividends or other distributions shall be paid to holders of any shares of the Corporation which would result in the Corporation having insufficient net assets to redeem all of the issued and outstanding Class A Shares at their Redemption Amount.

(g) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Class A Shares shall be entitled to receive, pari passu with the holders of any Class B Shares but before any distribution of any part of the assets of the Corporation among the holders of any Common Shares, an amount equal to the Redemption Amount for each Class A Share together with all dividends declared thereon and unpaid and no more.

(h) The holders of the Class A Shares shall be entitled to one (1) vote for each Class A Share held at all meetings of shareholders.

(i) Subject to the provisions of the Business Corporations Act, and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Class A Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Class A Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Class A Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

2. Class B Shares

The Class B Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Subject to the provisions of the Business Corporations Act, a

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:

holder of Class B Shares shall be entitled to require the Corporation to redeem at any time, all or any of the Class B Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its registered office a share certificate representing the Class B Shares which the registered holder desires to have the Corporation redeem together with a request in writing specifying (i) that the registered holder desires to have the Class B Shares represented by such certificate redeemed by the Corporation and (ii) the business day (in this paragraph (a) referred to as the "Redemption Date") on which the holder desires to have the Corporation redeem such Class B Shares. Upon receipt of a share certificate representing the Class B Shares which the registered holder desires to have the Corporation redeem together with such a request, the Corporation shall on the Redemption Date redeem such Class B Shares by paying to such registered holder an amount equal to the Redemption Amount or Adjusted Redemption Amount, as hereinafter defined, of the Class B Shares being redeemed together with all dividends declared thereon and unpaid (the "Redemption Price"). Such payment shall be made by the issuance of a non-interest bearing demand promissory note of the Corporation in favour of the holder of the Class B Shares in the amount equal to the Redemption Price ("the Retraction Promissory Note") in respect of the Class B Shares being redeemed. The said Class B Shares shall be redeemed on the Redemption Date and from and after the Redemption Date such shares shall cease to be entitled to dividends and the holder thereof shall not be entitled to exercise any of the rights of holders of Class B Shares in respect thereof, unless payment of the Redemption Price by means of the Retraction Promissory Note is not made on the Redemption Date, in which event the rights of the holder of the said shares remain unaffected.

(b) Subject to the provisions of the Business Corporations Act, the Corporation may redeem, upon giving notice as hereinafter provided, the whole or any part of the Class B Shares on payment for each share to be redeemed of the Redemption Amount or Adjusted Redemption Amount thereof, as hereinafter defined, together with all dividends declared thereon and unpaid (the "Redemption Price"). The aggregate amount in respect of the Class B Shares so redeemed shall be paid by the issuance of a non-interest bearing demand Promissory Note of the Corporation in favour of the holder of the Class B Shares so redeemed (the "Redemption Promissory Note"). In case a part only of the then outstanding Class B Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or, if the directors so determine, may be redeemed prorata, disregarding fractions, and the directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares. The Corporation shall provide to each person who is a registered holder of Class B Shares to be

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:

redeemed a notice in writing of the intention of the Corporation to redeem such Class B Shares. Such notice shall set out the Redemption Price and the date of redemption ("Redemption Date"). On the Redemption Date, the Corporation shall issue the Redemption Promissory Note to or to the order of the holder of the Class B Shares to be redeemed on presentation and surrender at the head office of the Corporation (or at such other place as the Corporation may agree) of the certificates representing such Class B Shares called for redemption. Such Class B Shares shall, effective upon the issuance of the Redemption Promissory Note, be redeemed. From and after the Redemption Date the holder of the Class B Shares so redeemed shall not be entitled to exercise any of the rights of a shareholder unless payment of the Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provision, in which case the rights of the holder shall remain unaffected.

(c) The "Redemption Amount" for each Class B Share shall be One ($1.00) Dollar, provided that if at any time the Minister of National Revenue or any other taxing authority asserts that any property or any aliquot portion thereof for which any such Class B Share was issued or any share of the Corporation which was changed into any such Class B Share had a fair market value at the time of such issuance or change of other than the Redemption Amount, then the Board of Directors of the Corporation shall confer and may by resolution determine an adjusted redemption price for the Class B Shares. Upon such determination being confirmed by resolution of a majority of the holders of Class B Shares, the redemption price shall automatically be adjusted nunc pro tunc to be such adjusted redemption price (the "Adjusted Redemption Amount") so determined and confirmed. If any Class B Share is redeemed under subparagraph (a) or (b) prior to any such adjustment as described above resulting in the Adjusted Redemption Amount of such Class B Share being in excess of the Redemption Amount, the amount of such excess, together with interest thereon calculated from the date of redemption of such Class B Shares at a rate per annum which is equal to the prime rate from time to time charged by the Corporation's bank, in respect of each Class B Share so redeemed shall be a debt of the Corporation payable on demand to the former holder of each such Class B Share so redeemed. If any Class B Share is redeemed under subparagraph (a) or (b) prior to any such adjustment as described above resulting in the Adjusted Redemption Amount of such Class B Share being less than the Redemption Amount, the amount of such difference together with interest thereon calculated from the date of redemption at a rate per annum which is equal to the prime rate from time to time charged by the Corporation's bank, in respect of each Class B Share so redeemed shall be a debt of the former holder of each such Class B Share so redeemed payable on demand to the Corporation.

Request ID / *Demande nº*	Ontario Corporation Number / *Numéro de la compagnie en Ontario*
7161072	2074185

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

(d) The Corporation shall have the right at its option at any time and from time to time to purchase the whole or any part of the Class B Shares at the lowest price at which, in the opinions of the directors, such shares are obtainable, but not exceeding the Redemption Amount or Adjusted Redemption Amount thereof, together with all dividends declared thereon and unpaid.

(e) The holders of the Class B Shares shall in each fiscal year of the Corporation in the discretion of the directors, without preference or priority over any non-cumulative dividends that may be declared in the discretion of the directors on the Class A Shares but always in preference and priority to any payment of dividends on the Common Shares for such year, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to non-cumulative dividends at a rate as declared by the directors from time to time, but in any event not exceeding a percentage rate per annum of the Redemption Amount for such shares equal to three-quarters (3/4) of the Prime rate as established by the Corporation's banker on the date of incorporation of the Corporation as adjusted on each successive anniversary thereof; the holders of Class B Shares shall not be entitled to any dividends other than or in excess of the non-cumulative dividends at a rate as declared by the directors from time to time as set forth above, provided that in the event of the failure on the part of the Corporation to redeem any Class B Shares after a request for Redemption is made by a holder of Class B Shares in accordance with the provisions of subsection (a) above, any such holder of Class B Shares shall be entitled to receive cumulative dividends at the aforesaid maximum percentage rate calculated from the Redemption Date as defined in the said subsection and the Redemption Amount in respect of such shares shall be increased for all purposes by the amount of any such undeclared or unpaid cumulative dividends.

(f) No dividends or other distributions shall be paid to holders of any shares of the Corporation which would result in the Corporation having insufficient net assets to redeem all of the issued and outstanding Class B Shares at their Redemption Amount or Adjusted Redemption Amount, as the case may be.

(g) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Class B Shares shall be entitled to receive, pari passu with the holders of any Class A Shares but before any distribution of any part of the assets of the Corporation among the holders of any Common Shares, an amount equal to the Redemption Amount or Adjusted Redemption Amount, as the case may be, for

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:

each Class B Share together with all dividends declared thereon and unpaid and no more.

(h) The holders of the Class B Shares shall not be entitled as such (except as hereinafter specifically provided and except as otherwise provided by the Business Corporations Act (Ontario) to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting, provided that in the event of the failure on the part of the Corporation to redeem any Class B Shares after a request for Redemption is made by a holder of Class B Shares in accordance with the provisions of subsection (a) above, any such holder of Class B Shares shall be entitled to one (1) vote for each Class B Share at all meetings of shareholders taking place after the Redemption Date as defined in the said subsection; the holders of the Class B Shares shall, however, be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation under Section 237 of the Business Corporations Act (Ontario) or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business under subsection 184(3) of the Business Corporations Act (Ontario).

(i) Subject to the provisions of the Business Corporations Act, and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Class B Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Class B Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Class B Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

3. Common Shares

The Common Shares have attached thereto the following rights, privileges, restrictions and conditions:

(a) The holders of the Common Shares shall in each fiscal year of the Corporation in the discretion of the directors, subject to the prior rights of the holders of Class A Shares and Class B Shares for such year, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to dividends at such rate as may be declared by

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:

the directors from time to time.

(b) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares shall be entitled to receive, subject to the prior rights of the holders of any Class A Shares and Class B Shares, the remaining property of the Corporation.

(c) The holders of the Common Shares shall be entitled to one (1) vote for each Common Share held at all meetings of shareholders.

(d) Subject to the provisions of the Business Corporations Act, and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Common Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Common Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Common Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

Request ID / *Demande n^{o}*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

(1) The right to transfer shares of the Corporation shall be restricted in that no shares shall be transferred without the express sanction of the Directors, to be signified by a resolution passed by the Board.

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:

None

Request ID / *Demande nº*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
7161072	2074185

10. The names and addresses of the incorporators are
Nom et adresse des fondateurs

First name, initials and last name or corporate name — *Prénom, initiale et nom de famille ou dénomination sociale*

Full address for service or address of registered office or of principal place of business giving street & No. or R.R. No., municipality and postal code
Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal

* OLIVER XING

88 CORPORATE DRIVE Suite 313

TORONTO ONTARIO
CANADA M3B 3H9

* KAK FUNG WONG

8060 JONES ROAD Suite 203

RICHMOND BRITISH COLUMBIA
CANADA V6Y 4K5

For Ministry Use Only
À l'usage exclusif du ministère

Ministry of Consumer and Business Services
CERTIFICATE
I certify that these articles are effective on

Ministère des Services aux consommateurs et aux entreprises
CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

DECEMBER 21 DÉCEMBRE, 2005

Director / Directrice
Business Corporations Act / Loi sur les sociétés par actions

Ontario Corporation Number
Numéro de la société en Ontario
002074185

1.

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT):

D	R	A	G	O	N		C	A	P	I	T	A	L		C	O	R	P	O	R	A	T	I	O	N				

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT):

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion:

2005 June 07
(Year, Month, Day)
(année, mois, jour)

4. **Complete only if there is a change in the number of directors or the minimum / maximum number of directors.**
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are:	**or**	minimum and maximum number of directors is/are:
Nombre d'administrateurs:	***ou***	*nombres minimum et maximum d'administrateurs:*

Number	**or**	minimum	and	maximum
Nombre	***ou***	*minimum*	*et*	*maximum*
		3		10

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante:

1. The restriction on the right to transfer shares of the Corporation contained in the Articles of Incorporation is hereby deleted.

Form 3
Business
Corporations
Act

Formule 3
Loi sur les
sociétés par
actions

6. The amendment has been duly authorized as required by Sections 168 and 170 (as applicable) of the *Business Corporations Act.*
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la Loi sur les sociétés par actions.

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2005 December 20

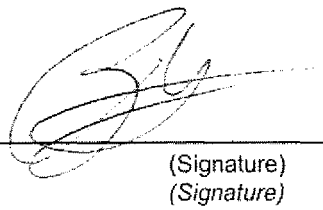
(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

DRAGON CAPITAL CORPORATION

(Name of Corporation)(If the name is to be changed by these articles set out current name)
(Dénomination sociale de la société) (Si l'on demande un changement de nom, indiquer ci-dessus la dénomination sociale actuelle).

By:/
Par:



(Signature)
(Signature)

Director

(Description of Office)
(Fonction)

This is **Exhibit "B"** referred to in the

Affidavit of Graham C. Warren,

sworn before me

this 31st day of January, 2023

Kelin K. Algayer

A Commissioner for Taking Affidavits

Transaction Number: 46221797
Report Generated on January 30, 2023, 09:19

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

AREHADA MINING LIMITED as of January 30, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	AREHADA MINING LIMITED
Ontario Corporation Number (OCN)	2074185
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	June 07, 2005
Registered or Head Office Address	25 Adelaide Street East, 1614, Toronto, Ontario, Canada, M5C 3A1

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Transaction Number: 46221797
Report Generated on January 30, 2023, 09:19

Active Director(s)

Minimum Number of Directors	3
Maximum Number of Directors	10

Name	SAMUEL RICHARDS BAKER
Address for Service	25 Adelaide Street East, 1612, Toronto, Ontario, Canada, M5C 3A1
Resident Canadian	Yes
Date Began	September 30, 2008

Name	FAN WANG
Address for Service	No. S501 Napaxigu Changping District, Beijing, China, 100000
Resident Canadian	No
Date Began	March 19, 2007

Name	ZHEN WANG
Address for Service	Zhenxing Street, Lindong Town, Balinzuo County, Chefeng, China, 025450
Resident Canadian	No
Date Began	March 14, 2007

Name	GRAHAM WARREN
Address for Service	25 Adelaide Street West, 1612, Toronto, Ontario, Canada, M5C 3A1
Resident Canadian	Yes
Date Began	April 29, 2011

Name	CHEN PHILIP ZHENGQUAN
Address for Service	25 Adelaide Street East, 1612, Toronto, Ontario, Canada, M5C 3A1
Resident Canadian	Yes
Date Began	September 30, 2008

Active Officer(s)

Name	GRAHAM WARREN
Position	Chief Financial Officer
Address for Service	25 Adelaide Street East, 1612, Toronto, Ontario, Canada, M5C 3A1
Date Began	May 31, 2007

Name	GRAHAM WARREN
Position	Chief Executive Officer
Address for Service	25 Adelaide Street East, 1612, Toronto, Ontario, Canada, M5C 3A1
Date Began	November 01, 2022

Name	GRAHAM WARREN
Position	Secretary
Address for Service	25 Adelaide Street East, 1612, Toronto, Ontario, Canada, M5C 3A1
Date Began	November 01, 2022

Transaction Number: 46221797
Report Generated on January 30, 2023, 09:19

Corporate Name History

Name	AREHADA MINING LIMITED
Effective Date	June 27, 2007
Previous Name	DRAGON CAPITAL CORPORATION
Effective Date	June 07, 2005

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Transaction Number: 46221797
Report Generated on January 30, 2023, 09:19

Expired or Cancelled Business Names

Name	AREHADA MINING(BARBADOS)
Business Identification Number (BIN)	170454490
Status	Inactive - Expired
Registration Date	April 23, 2007
Expired Date	April 22, 2012

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Transaction Number: 46221797
Report Generated on January 30, 2023, 09:19

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: JANET ZHANG	January 30, 2023
CIA - Notice of Change PAF: JANET ZHANG	January 24, 2023
CIA - Notice of Change PAF: JANET ZHANG	January 24, 2023
Annual Return - 2013 PAF: GRAHAM WARREN - OFFICER	June 28, 2014
Annual Return - 2012 PAF: GRAHAM WARREN - OFFICER	June 28, 2014
Annual Return - 2011 PAF: GRAHAM WARREN - OFFICER	June 28, 2014
Annual Return - 2010 PAF: GRAHAM WARREN - OFFICER	January 21, 2012
Annual Return - 2009 PAF: GRAHAM WARREN - OFFICER	July 17, 2010
CIA - Notice of Change PAF: JUDITH H. WILKIN - OTHER	February 22, 2010
Annual Return - 2008 PAF: GRAHAM WARREN - OFFICER	July 11, 2009
Annual Return - 2007 PAF: GRAHAN WARREN - OFFICER	February 24, 2009
Annual Return - 2007 PAF: GRAHAM WARREN - OFFICER	February 24, 2009
CIA - Notice of Change PAF: ANDREW TODD - OTHER	December 04, 2008

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Transaction Number: 46221797
Report Generated on January 30, 2023, 09:19

Annual Return - 2006 PAF: JUDITH WILKIN - OTHER	September 18, 2008
CIA - Notice of Change PAF: JUDITH HONG WILKIN - OTHER	September 28, 2007
BCA - Articles of Amendment	June 27, 2007
CIA - Requirement to File 7	May 15, 2007
CIA - Notice of Change PAF: TODD MAY - OTHER	May 09, 2007
Annual Return - 2005 PAF: BARRY POLISUK - DIRECTOR	October 07, 2006
CIA - Initial Return PAF: ROBBIE GROSSMAN - OTHER	April 21, 2006
BCA - Articles of Amendment	December 21, 2005
BCA - Articles of Incorporation	June 07, 2005

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

This is **Exhibit "C"** referred to in the

Affidavit of Graham C. Warren,

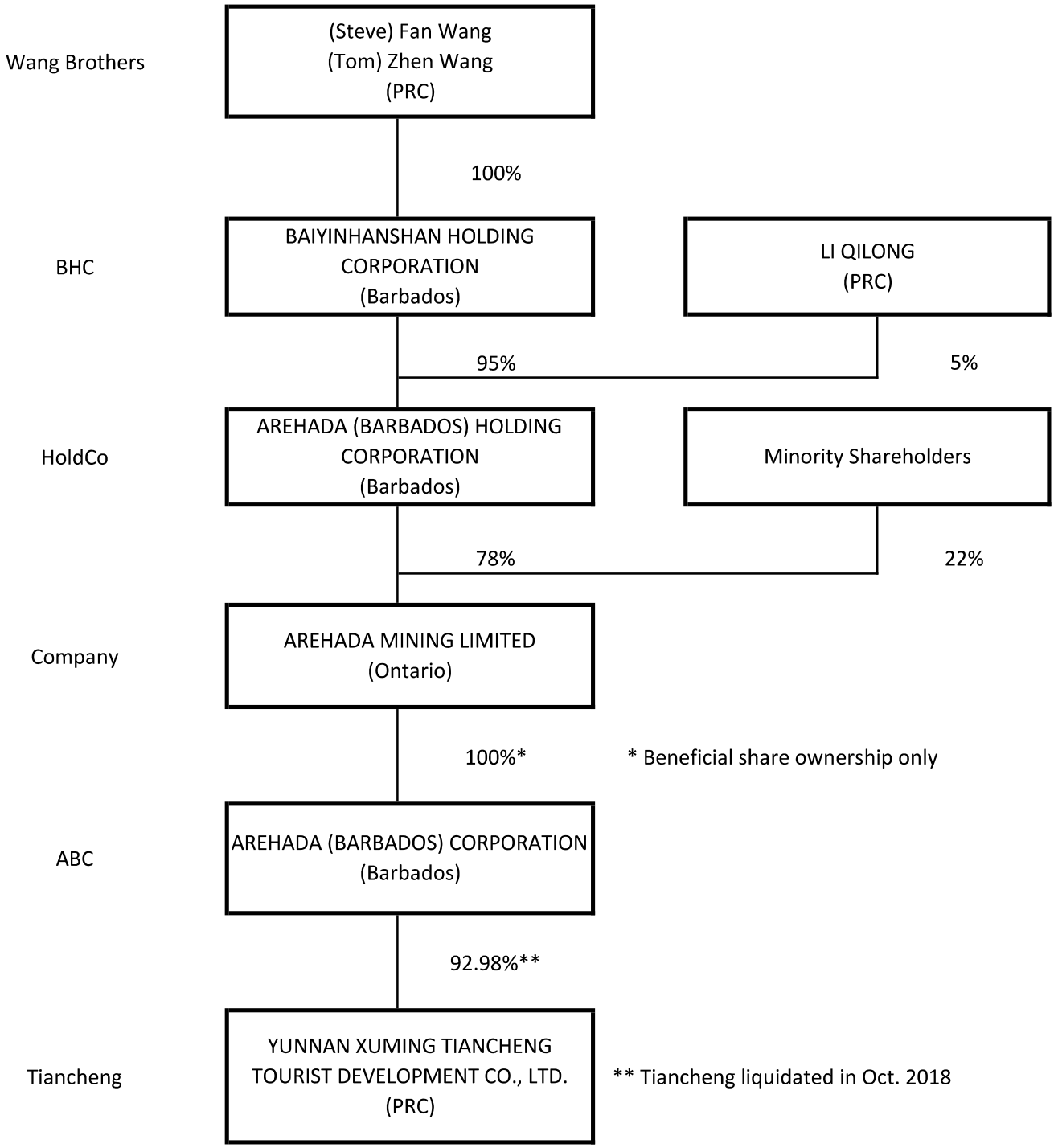
sworn before me

this 31st day of January, 2023

Kelin K. Algayer

A Commissioner for Taking Affidavits

AREHADA STRUCTURE



This is **Exhibit "D"** referred to in the

Affidavit of Graham C. Warren,

sworn before me

this 31st day of January, 2023

Kelin K. Algayer

A Commissioner for Taking Affidavits

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Arehada Mining Limited (the "Company" or "Arehada")
25 Adelaide St. East, Suite 1612
Toronto, ON
M5C 3A1

2. Date of Material Change

April 8 and April 6, 2011

3. News Release

The Company issued a news release on March 31, 2011 announcing the delay in filing its 2010 financial statements and application for management cease trade order. On April 7, 2011, the Company reported that a temporary cease trade order was issued by the Ontario Securities Commission. On April 11, 2011, the Company announced that the Toronto Stock Exchange had determined to delist its common shares effective at the close of market on May 9, 2011. These news releases were disseminated through Marketwire and filed on SEDAR.

4. Summary of Material Change

On April 6, 2011, the Ontario Securities Commission issued a temporary cease trade order due to the fact that the Company failed to file the audited financial statements for the year ended December 31, 2010, accompanying management's discussion and analysis, annual information form and related CEO and CFO certifications. On April 8, the Toronto Stock Exchange (the "TSX") issued a letter to the Company advising its decision to delist the Company's common shares effective at the close of market on May 9, 2011. The delisting was imposed for failure by the Company to meet the original and continued listing requirements of the TSX, after it sold its principal business in a Chinese subsidiary.

5. Full Description of Material Change

On April 6, 2011, the Ontario Securities Commission issued a temporary cease trade order due to the fact that the Company failed to file the audited financial statements for the year ended December 31, 2010, accompanying management's discussion and analysis, annual information form and related CEO and CFO certifications (collectively, the "2010 Annual Filings"). Pursuant to the temporary order, effective immediately, all trading in the securities of the Company shall cease for a period of 15 days from the date of the order.

The delay in filing its 2010 Annual Filings stems from the delay in accessing the sale proceeds from sale of Arehada's subsidiary in China pursuant to a February 11, 2010 agreement between Arehada's wholly-owned subsidiary, Arehada (Barbados) Corporation and Shanjin Mining Corporation ("Shanjin"), a Shandong based Chinese mining company, to sell all of the shares Arehada (Barbados) Corporation holds in Arehada Mining Corporation ("Arehada China"), the Chinese operating subsidiary, to Shanjin. The final cash purchase price was RMB 735 million (approximately Cdn$109 million).

After having obtained certain required approvals and met other conditions precedent, the share transfer registration was completed on November 11, 2010. Arehada (Barbados) Corporation, however, has not yet obtained the release of the sale proceeds paid to date, currently in the aggregate amount of RMB260.7 million (approximately Cdn$38.6 million), representing the first two installments and 45% of the aggregate cash purchase price from the joint account set up by Shanjin and Arehada (Barbados) Corporation. The reason is that the Chinese tax authorities have not yet decided on the applicable tax rate (the maximum tax rate expected to be 25%) to be applied to and deducted from the sale proceeds, as a result of Arehada (Barbados) Corporation being a foreign entity. The Company is actively pursuing a resolution of this matter with the Chinese tax authorities and expects that the decision will likely be made by the end of April.

Because the Company has sold its principal business and does not yet have access to the sale proceeds paid to date, the Company has suffered from lack of liquidity, which has delayed the audit and filing of the audited annual financial statements of the Company for the year ended December 31, 2010. However, the Company's majority shareholders have advanced funds to the Company by way of a non-interest bearing shareholder loan in the amount of RMB 2 million (approximately Cdn$300,000) in order for the Company to pay outstanding accounts. The shareholder loan will be repaid by the Company upon the release of the sale proceeds.

On April 8, the TSX issued a letter to the Company advising its decision to delist the Company's common shares effective at the close of market on May 9, 2011. The delisting was imposed for failure by the Company to meet the original and continued listing requirements of the TSX, after it sold its principal business in a Chinese subsidiary.

The Company is looking into the qualifications for listing on NEX. It has engaged Deloitte & Touche LLP to perform the annual audit and expects to meet its continuous disclosure obligations by May 31, 2011.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For further information, please contact Graham Warren, Chief Financial Officer, at (416) 362-5466.

9. Date of Report

April 15, 2011.

AREHADA MINING LIMITED

By: *(signed) Steve Fan Wang*
Name: Steve Fan Wang
Title: Chief Executive Officer

This is **Exhibit "E"** referred to in the

Affidavit of Graham C. Warren,

sworn before me

this 31st day of January, 2023

Kelin K. Algayer

A Commissioner for Taking Affidavits

INVESTMENT PURCHASE AGREEMENT

THIS INVESTMENT PURCHASE AGREEMENT made as of the 31st day of March, 2015 (the "**Effective Date**").

B E T W E E N:

AREHADA (BARBADOS) HOLDING CORPORATION, a corporation governed under the laws of Barbados

(hereinafter called "**Purchaser**")

- and -

AREHADA (BARBADOS) CORPORATION, a corporation governed under the laws of Barbados

(hereinafter called "**Vendor**")

- and -

AREHADA MINING LIMITED, a corporation governed under the laws of Ontario

(hereinafter called "**Vendor Parent**")

- and –

云南天成旅游发展有限公司 **YUNNAN TIANCHENG TOURIST DEVELOPMENT CO., LTD.,** a corporation governed under the laws of People's Republic of China

(hereinafter called "**Tiancheng**")

WHEREAS Vendor holds investment in Tiancheng, in the total amount of RMB 401.94 million (the "**Tiancheng Investment**"), comprised of RMB 225 million in equity investment (the "**Equity Investment**") and a loan investment in the current outstanding principal amount of RMB 176.94 million (the "**Shareholder Loan**") pursuant to a loan agreement between Tiancheng and Vendor dated as of April 1, 2014, as amended;

AND WHEREAS the parties hereto have agreed that Vendor shall sell and Purchaser shall purchase from Vendor the Tiancheng Investment on the terms and conditions hereinafter set out;

AND WHEREAS Vendor Parent holds 100% of the beneficial ownership in Vendor;

AND WHEREAS Purchaser holds 81.95% of ownership in Vendor Parent and is therefore a "related party" to Vendor Parent as defined in National Instrument 61-101 "Protection of Minority Security Holders in Special Transactions" of the Canadian Securities Administrators ("**NI 61-101**");

AND WHEREAS the sale contemplated hereby is a "related party transaction" under NI 61-101 and is subject to approval of the minority shareholders of Vendor Parent in accordance with NI 61-101 (the "**Minority Shareholder Approval**");

NOW THEREFORE IN CONSIDERATION of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

1. Vendor, Purchaser and Tiancheng hereby agree and acknowledge that the original principal amount of the Shareholder Loan was RMB 396.77 million and Tiancheng has repaid the total amount of RMB 219.83 million to Vendor, resulting in RMB 176.94 million principal amount currently outstanding under the Shareholder Loan.

2. Subject to the conditions in Section 3 below, Vendor hereby agrees to sell, transfer and assign to Purchaser and Purchaser hereby agrees to purchase from Vendor the Tiancheng Investment for a purchase price of RMB 401.94 million (the "**Purchase Price**"), with RMB 225 million for the Equity Investment and RMB 176.94 million for the Shareholder Loan, to be paid and satisfied by cash or certified funds as directed by Vendor, against delivery of share certificate representing the Purchased Shares registered in the name of Purchaser or as Purchaser may direct.

3. The sale and purchase contemplated hereby shall take effect on the date upon which all of the following conditions have been met:

    (a) Vendor Parent's shareholders shall have ratified the Shanjin Sale (as defined below) and Tiancheng Investment, and shall have approved the dissolution of Vendor Parent (the "**Dissolution**");

    (b) Vendor Parent shall have obtained the Minority Shareholder Approval for the purchase and sale contemplated hereunder;

    (c) Vendor shall have obtained approval of the State Administration of Foreign Exchange for remitting part of the Purchase Price in Canadian dollars to Vendor Parent; and

    (d) Vendor and Purchaser shall have executed a transfer of the Equity Investment and assignment of Shareholder Loan or such other evidence of transfer of title.

4. Purchaser as a shareholder of Vendor Parent is entitled to receive its pro rata share of the distributions to be made by Vendor Parent in the Dissolution of Vendor Parent (the "**Dissolution Distributions**"), and Purchaser hereby agrees to accept any and all Dissolution Distributions payable to Purchaser in the Dissolution of Vendor Parent in RMB.

5. Vendor acknowledges that Vendor has certain outstanding liabilities to be satisfied in China with respect to stamp tax (RMB 409,000) on sale of all shares Vendor held in Arehada Mining Limited to Shanjin Ming Corporation ("**Shanjin Sale**"), China and

Barbados expenses for the Shanjin Sale (RMB 3 million), and operating costs in China (RMB 3.6 million) for a total estimated liability amount of RMB 7.01 million ("**Vendor Sale Expenses**").

6. Vendor, Vendor Parent and the Purchaser agree that the Purchase Price shall be set off against the Dissolution Distribution amount due to Purchaser in the Dissolution of Vendor Parent in RMB.

7. Vendor acknowledges that Vendor Parent is obligated, subject to receipt of required shareholder approval, to pay to Steve Fan Wang a bonus payment of C$5 million and to Betty Sige Wang a bonus payment of C$1 million (such total C$6 million being referred to as the "**Officer Bonus Payments**"). Vendor Parent hereby directs and authorizes Purchaser to make the Officer Bonus Payments in RMB equivalent to the officers on behalf of Vendor Parent from the Purchase Price.

8. Vendor acknowledges that Vendor Parent is obligated to pay certain unpaid salaries accrued to officers of Vendor Parent resident in China (the "**Unpaid Chinese Salaries**").

9. Purchaser shall remit the balance of the Purchase Price (after the set off in Section 6) to Vendor as follows:

   (a) pay to Vendor in RMB the amount equal to the Vendor Sale Expenses;

   (b) pay to Vendor Parent in RMB the amount equal to the Officer Bonus Payments;

   (c) pay to Vendor Parent in RMB the amount equal to the Unpaid Chinese Salaries; and

   (d) pay to Vendor Parent in Canadian dollars the remainder of the Purchase Price.

10. Vendor and Purchaser acknowledge and agree that the Purchase Price shall not be adjusted, regardless of the current market value of the Equity Investment or the Shareholder Loan, so that any increase or decrease in the Tiancheng Investment from the original amount invested shall be solely on Purchaser's own account.

11. After the execution hereof, the parties shall execute all such further instruments and assurances and shall do all such other acts and things as may be necessary or desirable in connection with the transactions contemplated herein, including the transfer of registered and beneficial ownership of the Tiancheng Investment to Purchaser.

12. Miscellaneous

   (a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. The parties hereby attorn to the exclusive jurisdiction of the courts of Ontario.

   (b) Currency. All RMB amounts referred to herein are to Chinese RMB and all C$ amounts refer to Canadian dollars.

(c) Counterparts. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same original agreement which shall be binding on all parties hereto. For purposes of this section, a facsimile or scanned copy of an executed counterpart of this Agreement shall be deemed to be an original.

(d) Entire Agreement. This Agreement and its provisions, together with other agreements and instruments contemplated in this Agreement, constitute the entire agreement among the parties, notwithstanding any prior discussions or communications.

(e) Headings. The division of this Agreement into sections and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular section or other portion hereof and include any agreement supplemental hereto.

(f) Amendment. No variation or amendment of this Agreement shall be effective unless made in writing and signed by the parties.

(g) Assignment. This Agreement may not be assigned by either party without prior written consent of the other parties.

(h) Enurement. This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and permitted assigns.

(i) Language 语言. This Agreement shall be in English only. 此协议只用英文版本。

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first written above.

Vendor Parent

AREHADA MINING LIMITED

Per: _____
Graham Warren

I have authority to bind the corporation.

Purchaser

AREHADA (BARBADOS) HOLDING CORPORATION

Per: _____
Steve Fan Wang

I have authority to bind the corporation.

Vendor

AREHADA (BARBADOS) CORPORATION

Per: _____
Steve Fan Wang

I have authority to bind the corporation.

Vendor

云南天成旅游发展有限公司 YUNNAN TIANCHENG TOURIST DEVELOPMENT CO., LTD.

Per: _____

I have authority to bind the corporation.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first written above.

Vendor Parent

AREHADA MINING LIMITED

Per: _____
Graham Warren

I have authority to bind the corporation.

Purchaser

AREHADA (BARBADOS) HOLDING CORPORATION

Per: _____
Steve Fan Wang

I have authority to bind the corporation.

Vendor

AREHADA (BARBADOS) CORPORATION

Per: _____
Steve Fan Wang

I have authority to bind the corporation.

Vendor

云南天成旅游发展有限公司 YUNNAN TIANCHENG TOURIST DEVELOPMENT CO., LTD.

Per: _____

I have authority to bind the corporation.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first written above.

Vendor Parent

AREHADA MINING LIMITED

Per: _____

Graham Warren

I have authority to bind the corporation.

Purchaser

AREHADA (BARBADOS) HOLDING CORPORATION

Per: _____

Steve Fan Wang

I have authority to bind the corporation.

Vendor

AREHADA (BARBADOS) CORPORATION

Per: _____

Steve Fan Wang

I have authority to bind the corporation.

Vendor

云南天成旅游发展有限公司 YUNNAN TIANCHENG TOURIST DEVELOPMENT CO., LTD.

Per: _____

I have authority to bind the corporation.

This is **Exhibit "F"** referred to in the

Affidavit of Graham C. Warren,

sworn before me

this 31st day of January, 2023

Kelin K. Algayer

A Commissioner for Taking Affidavits

AREHADA MINING LIMITED

NOTICE OF

ANNUAL GENERAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

TO BE HELD ON APRIL 29, 2015

and

MANAGEMENT INFORMATION CIRCULAR

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF AREHADA MINING LIMITED OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF AREHADA MINING LIMITED TO BE HELD ON WEDNESDAY, APRIL 29, 2015.

TO BE HELD AT:

The Offices of Fogler, Rubinoff LLP

Suite 3000, TD North Tower
77 King Street West
Toronto, Ontario M5K 1G8

At 10:00 a.m.

Dated: March 31, 2015

This document requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, broker, bank manager or other professional advisor.

March 31, 2015

To the Shareholders of Arehada Mining Limited:

On behalf of the Board of Directors (the "**Board**") of Arehada Mining Limited (the "**Company**" or "**Arehada**"), we would like to invite you to the annual general and special meeting of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of the Company to be held at the offices of Fogler, Rubinoff LLP at Suite 3000, 77 King Street West, TD North Tower, Toronto, Ontario M5K 1G8 on Wednesday, April 29, 2015 at 10:00 a.m. (Toronto time) (the "**Meeting**").

Shanjin Sale and Tiancheng Investment

In 2010, Arehada's wholly-owned subsidiary, Arehada (Barbados) Corporation ("**Arehada Barbados**"), sold all of the shares it held in Arehada's Chinese operating company, to Shanjin Mining Corporation ("**Shanjin**"), a Shandong based Chinese mining company, pursuant to an agreement dated February 11, 2010, as amended (the "**Shanjin Sale**"). The Shanjin Sale was subject to various conditions, including without limitation, receipt of approvals from the regulatory authorities of the Inner Mongolia Autonomous Region and Shandong Province of China. Sale proceeds were paid in escrow in several instalments into a bank account jointly controlled by Arehada and Shanjin, and could only be released to Arehada upon receipt of regulatory approval from tax authorities of the determination on the tax payable on the sale, and of the SAFE (State Authority for Foreign Exchange) for payment of the net sale proceeds. The regulatory approval for the tax amount on the Shanjin Sale took significant longer time and was only obtained in 2014. The SAFE approval was obtained in April, 2014, and the net proceeds of approximately RMB 621.77 million were released to Arehada by Shanjin in May and August, 2014. The funds received by the Company have been held in the Company's newly acquired subsidiary Yunnan Xuming Tiancheng Tourism Development Co. Ltd. ("**Tiancheng**") of which the Company made an initial investment, through Arehada Barbados, of RMB 601.77 million (the "**Tiancheng Investment**"), comprised of a 92.98% equity interest by investing RMB 225 million in registered capital (the "**Tiancheng Equity Investment**") and a debt investment in the initial principal amount of RMB 396.77 million (the "**Tiancheng Shareholder Loan**"). As at the date hereof, the Tiancheng Investment amount is RMB 401.94 million, as Tiancheng has made repayment under the Tiancheng Shareholder Loan of RMB 219.83 million to Arehada Barbados resulting in RMB 176.94 million principal currently outstanding under the Tiancheng Shareholder Loan. Arehada Barbados used the loan payment to reduce its outstanding liabilities by RMB 219.83 million.

The Dissolution

As the Company has had no active business operations since the Shanjin Sale, the Company's listing on the Toronto Stock Exchange was suspended on May 9, 2011, and the Company transferred the listing of its shares to the NEX board of the TSX Venture Exchange ("**TSXV**") on May 24, 2011. Subsequently the Company was delisted from the NEX board on October 14, 2014. Therefore the Company's shares are not listed on any stock exchange. Further, as the Company had failed to file its audited financial statements for 2010 by the required time, cease trade orders have been issued by each of the Ontario Securities Commission, the British Columbia Securities Commission and the Alberta Securities Commission, and are still in place as of today.

After evaluating the Company's remaining strategic options, the Board reached the conclusion that it is in the best interests of the Shareholders and the Company to voluntarily liquidate and dissolve the Company (the "**Dissolution**") in accordance with the provisions of the *Business Corporations Act* (Ontario) ("**OBCA**"), and distribute to Shareholders the cash amount estimated at between $0.36 to $0.39 per Common Share (the "**Distribution**"), based on there being 173,073,577 Common Shares issued and outstanding, which amount shall be paid in one or more instalments. The Board is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of the cash available for the Distribution, but there is no assurance this will remain the case. The amount of the payment(s) shall be determined by the Board after repaying the Company's debt and other obligations and reviewing potential tax and other liabilities of the Company, including costs related to the Dissolution of Arehada.

Further details regarding the timing of, and the amount of funds available for, Distributions will be provided through news release(s) of Arehada.

Annual General and Special Meeting of Shareholders

Ratification Resolution

At the Meeting, in addition to the annual general business, Shareholders will be asked to consider and to vote upon a special resolution ratifying the Shanjin Sale and the Tiancheng Investment (the "**Ratification Resolution**"). For the Ratification Resolution to be passed, it must be approved by way of a special resolution by at least 66 2/3% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting.

Pursuant to section 185 of the OBCA, the holders of Common Shares are entitled to exercise rights of dissent in respect of the proposed Ratification Resolution. A Shareholder's right to dissent is more particularly described in Schedule "C" to the accompanying management information circular for the Meeting (the "**Circular**") and the text of section 185 of the OBCA is reproduced in Schedule "D" to the accompanying Circular.

Dissolution Resolution

At the Meeting, in addition to the annual general business, Shareholders will be asked to consider and to vote upon a special resolution authorizing the Company to proceed with the Dissolution (the "**Dissolution Resolution**"). The Common Shares currently are not listed on any exchange, but the Company is a reporting issuer in Ontario, Alberta, British Columbia and Saskatchewan. If the Dissolution receives the requisite approval by the Shareholders, the Company may apply to the securities commissions to cease to be a reporting issuer. If the Distribution and Dissolution are approved by the Shareholders, the Company will provide instructions to Shareholders describing the procedures to be followed to effect the Distribution.

For the Distribution and Dissolution to proceed, it must be approved by way of a special resolution by at least 66 2/3% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting. In addition, approvals must be received by a majority of the votes cast by the Shareholders, excluding those votes cast by persons who are to be excluded pursuant to Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*.

Board Recommendation

The Board is unanimously recommending that all Shareholders vote in favour of the Ratification Resolution and the Dissolution Resolution, text of which are set out in the Circular.

Notwithstanding receipt of Shareholder approval of the Dissolution Resolution, the Board will retain the discretion not to proceed with the Dissolution if the Board determines it is no longer in the best interests of the Company and the Shareholders. For example, if, prior to its formal dissolution under the OBCA, the Company receives an offer for a transaction that will, in the view of the Board, provide superior value to Shareholders than the value of the estimated distributions under the winding-up process, taking into account all factors that could affect valuation, including timing and certainty of payment or closing, proposed terms and other factors, the winding-up of the Company could be abandoned in favor of such a transaction.

Accompanying this letter, among other things, are a notice of meeting, Instrument of Proxy and the Circular, containing important information relating to the terms of the Distribution and Dissolution. The Circular also requests Shareholder approval of: (i) certain annual meeting matters including the election of the Board, and the appointment of the Company's auditor for the ensuing year; (ii) approval of the Ratification Resolution; and (iii) approval of the Dissolution Resolution.

Shareholders are urged to read the Circular carefully and in its entirety. If you are in doubt as to how to deal with the matters described in these materials, you should consult your legal, tax, financial or professional advisors.

You may request copies of the Company's annual financial statements and management's discussion and analysis related thereto for the years ended December 31, 2013, 2012 and 2011 by contacting Graham Warren, Chief Financial Officer, at Suite 1614, 25 Adelaide Street East, Toronto, Ontario, M5C 3A1, 416-594-0473, or you may

access such documents on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

You are invited to attend the Meeting. However, if you are unable to attend, we would appreciate your signing and returning the accompanying Instrument of Proxy so that your vote is recorded. In the meantime, if you have any questions, please contact Graham Warren, Chief Financial Officer of the Company at 416-594-0473.

Sincerely,

(signed) *"Steve Fan Wang"*
President and Chief Executive Officer
Arehada Mining Limited

The attached Circular is dated March 31, 2015 and is first being mailed to Shareholders on or about April 3, 2015.

AREHADA MINING LIMITED

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

TAKE NOTICE that the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of Arehada Mining Limited (the "**Company**") will be held at the offices of Fogler, Rubinoff LLP at Suite 3000, 77 King Street West, TD North Tower, Toronto, Ontario M5K 1G8 on Wednesday, April 29, 2015 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the financial year ended December 31, 2013, 2012 and 2011, and the report of the auditor thereon;

2. to elect directors of the Company for the ensuing year;

3. to appoint Deloitte LLP, Chartered Accountants, as the auditors of Company for the ensuing year and to authorize the directors of the Company to determine the remuneration to be paid to the auditors;

4. to consider, and if thought fit, approve a special resolution (the "**Ratification Resolution**"), as more particularly set forth in the accompanying Circular prepared for the purpose of the Meeting (the "**Circular**"), ratifying the Shanjin Sale and the Tiancheng Investment, as such terms are defined in the accompanying Circular

5. to consider and, if thought fit, pass, with or without variation, a special resolution (the "**Dissolution Resolution**"), the full text of which is set form in Schedule "A" to the accompanying Circular, approving the voluntary liquidation and dissolution of the Company pursuant to section 237 of the *Business Corporations Act* (Ontario) (the "**OBCA**"), and the distribution of its remaining cash assets to its Shareholders, after satisfaction of all contingencies and liabilities of the Company, by way of a reduction of the stated capital of the Common Shares; and

6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

In addition, the Dissolution Resolution requires the majority approval of the Shareholders (after excluding the Common Shares beneficially owned or over which control or direction is exercised by such person whose votes may not be included in determining minority approval pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions.* Additional information relating to the Dissolution Resolution and the proposed Dissolution to which the approval of the Dissolution Resolution is a pre-requisite is set forth in the accompanying Circular.

The board of directors of the Company (the "**Board**") has by resolution fixed the close of business on March 27, 2015 as the record date for the determination of those Shareholders of record (the "**Registered Shareholders**") entitled to notice of and to vote at the Meeting, and any adjournment or postponement thereof.

A Shareholder who dissents from the Ratification Resolution is entitled to be paid the fair value of such Shareholder's Common Shares in accordance with Section 185 of the OBCA. Pursuant to the OBCA, a Registered Shareholder may, at the Meeting or before the Meeting, give Arehada a written notice of dissent by registered mail addressed to Graham Warren, Chief Financial Officer, at Suite 1614, 25 Adelaide Street East, Toronto, Ontario, M5C 3A1, 416-594-0473, with respect to the Ratification Resolution. As a result of giving a notice of dissent, a Registered Shareholder may, on receiving from Arehada a notice of adoption of the Ratification Resolution under section 185 of the OBCA, require Arehada to purchase all of its Common Shares in respect of which the notice of dissent was given.

The right of dissent is described generally in the accompanying Circular in Schedule "C" and the text of Section 185 of the OBCA is set forth under Schedule "D" to the accompanying Circular.

Failure to strictly comply with the requirements set forth in the OBCA may result in the loss of any right of dissent. Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of such shares are entitled to dissent. Accordingly, a beneficial owner of Common Shares desiring to exercise a right to dissent must make arrangements for the shares beneficially owned by such Shareholder to be registered in the name of such Shareholder prior to the time the written objection to the Ratification Resolution is required to be received, or alternatively, make arrangements for the registered holder to dissent on such Shareholder's behalf.

It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be received by TMX Equity Transfer Services Inc., 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. Shareholders who are not Registered Shareholders but plan to attend the Meeting must follow the instructions set forth in the voting instruction form or proxy form sent to them. If you hold your Common Shares in a brokerage account you are not a Registered Shareholder.

Dated: March 31, 2015.

BY ORDER OF THE BOARD

(signed) *"Steve Fan Wang"*
Steve Fan Wang
President and Chief Executive Officer

TABLE OF CONTENTS

The following is a glossary of certain terms used in this Circular, including Schedule "A" hereto.

GLOSSARY OF TERMS

"**Arehada Barbados**" means Arehada (Barbados) Corporation, the Company's direct wholly-owned subsidiary governed under the laws of Barbados;

"**Arehada China**" means the Company's former Chinese operating subsidiary, Arehada Mining Corporation,, a company governed under the laws of China;

"**Articles**" means the articles of incorporation of the Company filed on June 7, 2005, including all amendments thereto;

"**Beneficial Shareholders**" means Shareholders who do not hold Common Shares in their own name;

"**Board**" means the board of directors of the Company;

"**Business Day**" means any day on which commercial banks are generally open for business in Toronto, Ontario, other than a Saturday, Sunday or a day observed as a holiday in Toronto, Ontario, under applicable laws;

"**Cease Trade Orders**" has the meaning ascribed thereto under the heading *"PARTICULARS OF MATTERS TO BE ACTED UPON – Election of Directors";*

"**CRA**" means Canada Revenue Agency;

"**Circular**" means this management information circular of the Company, dated March 31, 2015 prepared for the purposes of the Meeting;

"**Common Shares**" means common shares in the capital of the Company;

"**Company**" or "**Arehada**" means Arehada Mining Limited;

"**Director Bonus Agreements**" means the bonus agreements effective March 31, 2015 between the Company and each of Messrs. Zhengquan Philip Chen, Sam Baker and Graham Warren, as directors of the Company, as described in "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Related Party Transactions*";

"**Director Bonus Payments**" means the bonus payments payable under the Director Bonus Agreements, as described in "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Related Party Transactions*";

"**Director under OBCA**" means the "Director" designed under the OBCA, being the Ontario Ministry of Government Services;

"**Dissolution**" means the proposed voluntary liquidation and dissolution of the Company pursuant to the OBCA and the Distribution, subject to approval of the Dissolution Resolution by the Shareholders;

"**Dissolution Resolution**" means the special resolution of the Shareholders of the Company to approve the Dissolution in the form attached hereto as Schedule "A";

"**Distributions**" means the cash distributions that Shareholders will receive from the Company on a reduction of capital of the Common Shares, on the discontinuance and dissolution of the Company's business following the settlement of the Company's obligations and liabilities;

"**Holder**" means a Shareholder as described under the heading "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Certain Canadian Federal Income Tax Considerations*";

"**HoldingCo**" means Arehada (Barbados) Holding Corporation, company governed under the laws of Barbados and controlled by Mr. Steve Fan Wang, President, CEO and Chairman of the Company;

"**HoldingCo Agreement***"* has the meaning ascribed thereto under the heading "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Liquidation of Tiancheng Investment*";

"**Instrument of Proxy**" means the form of proxy enclosed with this Circular;

"**intermediaries**" means brokers, investment firms, clearing houses and similar entities that hold Common Shares on behalf of Beneficial Shareholders;

"**Management Designees**" means the persons named in the enclosed Instrument of Proxy selected by the directors of the Company to represent as proxy the Shareholder who appoints them;

"**Meeting Date**" means April 29, 2015, unless the Meeting is adjourned, delayed or postponed, in which case "Meeting Date" shall refer to the date on which the Meeting is held;

"**Meeting Materials**" means, collectively, the Notice of Meeting, the Circular and the Instrument of Proxy;

"**Meeting**" means the annual general and special meeting of the Shareholders to be held on the Meeting Date at the offices of Fogler, Rubinoff LLP, Suite 3000, 77 King Street West, TD North Tower, Toronto, Ontario, at 10:00 a.m. (Toronto time) or any postponements or adjournments thereof;

"**MI 61-101**" means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions;*

"**Non-Resident Holder**" has the meaning ascribed thereto under the heading *"PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Certain Canadian Federal Income Tax Considerations";*

"**Notice of Meeting**" means the notice of the Meeting accompanying the Circular;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Officer Bonus Agreements**" means the bonus agreements effective March 31, 2015 between the Company and Steve Fan Wang, the President and Chief Executive Officer of the Company, and the bonus agreement effective March 31, 2015 between the Company and Betty Sige Wang, the Secretary of the Company, as described in "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Related Party Transactions*";

"**Officer Bonus Payments**" means the bonus payments payable under the Officer Bonus Agreements, as described in "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Related Party Transactions*";

"**Outside Directors**" has the meaning ascribed thereto under the heading *"DIRECTOR COMPENSATION - Director Compensation Table";*

"**Stock Option Plan**" means the stock option plan of the Company;

"**Proposed Amendments**" has the meaning ascribed thereto under the heading *"PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Certain Canadian Federal Income Tax Considerations";*

"**Ratification Resolution**" means the special resolution of the Shareholders of the Company to ratify the Shanjin Sale and the Tiancheng Investment;

"**Record Date**" means March 27, 2015, the record date of the Meeting;

"**Registered Shareholder**" means a holder of Common Shares, as noted in the records of the Transfer Agent, as of the Record Date;

"**Related Party Transactions**" means the Officer Bonus Payments, the Director Bonus Payments and the sale of the Tiancheng Investment to HoldingCo, as described in "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Related Party Transactions*";

"**Resident Holder**" has the meaning ascribed thereto under the heading *"PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Certain Canadian Federal Income Tax Considerations";*

"**SAFE**" means the State Administration of Foreign Exchange of China;

"**Shanjin**" mean Shanjin Mining Corporation;

"**Shanjin Sale**" means the sale by Arehada Barbados to Shanjin of all outstanding shares held by Arehada Barbados in Arehada China in accordance with Shanjin Sale Agreement;

"**Shanjin Sale Agreement**" means the share purchase agreement dated February 11, 2010 between Arehada Barbados and Shanjin, as amended, providing for the sale of all outstanding shares held by Arehada Barbados in Arehada China to Shanjin;

"**Shareholder**" means a holder of Common Shares and "**Shareholders**" means holders of Common Shares;

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th suppl.), as amended from time to time;

"**Tiancheng**" means Yunnan Xuming Tiancheng Tourism Development Co. Ltd., a company governed under the laws of China;

"**Tiancheng Equity Investment**" has the meaning ascribed thereto under the heading *"PARTICULARS OF MATTERS TO BE ACTED UPON - Ratification of Shanjin Sale and Tiancheng Investment – Shanjin Sale and Tiancheng Investment";*

"**Tiancheng Investment**" has the meaning ascribed thereto under the heading *"PARTICULARS OF MATTERS TO BE ACTED UPON - Ratification of Shanjin Sale and Tiancheng Investment – Tiancheng Investment";*

"**Tiancheng Shareholder Loan**" has the meaning ascribed thereto under the heading *"PARTICULARS OF MATTERS TO BE ACTED UPON - Ratification of Shanjin Sale and Tiancheng Investment – Shanjin Sale and Tiancheng Investment";*

"**Tiancheng Shareholder Loan Agreement**" has the meaning ascribed thereto under the heading *"PARTICULARS OF MATTERS TO BE ACTED UPON - Ratification of Shanjin Sale and Tiancheng Investment – Shanjin Sale and Tiancheng Investment";*

"**Transfer Agent**" means TMX Equity Transfer Services Inc., the registrar and transfer agent of the Company;

"**TSX**" means the Toronto Stock Exchange; and

"**TSXV**" means TSX Venture Exchange.

SUMMARY

The following is a summary of certain significant information appearing elsewhere in this Circular. Certain capitalized terms used in this summary are defined in the Glossary of Terms. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular. Shareholders are urged to read this Circular and the attached schedules in their entirety.

Date, Time and Place of Meeting

The Meeting will be held on April 29, 2015 at 10:00 a.m. (Toronto time) at the offices of Fogler, Rubinoff LLP, Suite 3000, 77 King Street West, TD North Tower, Toronto, Ontario M5K 1G8.

Record Date and Quorum

The record date for the determination of Registered Shareholders entitled to notice of and to vote at the Meeting is March 27, 2015. A Shareholder is entitled to receive notice of, and to vote at, the Meeting if such Shareholder owned Common Shares at the close of business on March 27, 2015. The by-laws of the Company provide that a quorum at any meeting of Shareholders shall be person present not being less than two (2) in number and holding or representing not less than five (5%) percent of the outstanding shares of the Company entitled to vote at a meeting.

Purpose of Meeting

At the Meeting, Registered Shareholders will be asked to consider and, if thought advisable, approve, with or without variation, (i) election of directors for the ensuing year, (ii) appointment of auditors of the Company for the ensuing year, (iii) a special resolution ratifying the Shanjin Sale and the Tiancheng Investment (the "**Ratification Resolution**"); (iv) the special resolution to approve the Dissolution (the "**Dissolution Resolution**"), the text of which is set out in **Schedule "A"** to this Circular, and (v) any other business that may properly come before the Meeting, or any adjournments or postponements thereof.

The Ratification Resolution

In 2010, Arehada's wholly-owned subsidiary, Arehada Barbados, sold all of the shares it held in Arehada China, the Company's then Chinese operating company, to Shanjin Mining Corporation ("**Shanjin**"), a Shandong based Chinese mining company, pursuant to the Shanjin Sale Agreement (the "**Shanjin Sale**") The Shanjin Sale was subject to various conditions, including without limitation, receipt of approvals from the regulatory authorities of the Inner Mongolia Autonomous Region and Shandong Province of China. Sale proceeds were paid in escrow in several instalments into a bank account jointly controlled by Arehada and Shanjin, and could only be released to Arehada upon receipt of regulatory approval from tax authorities of the determination on the tax payable on the sale, and of the SAFE for payment of the net sale proceeds. The regulatory approval for the tax amount on the Shanjin Sale took significant longer time and was only obtained in 2014. The SAFE approval was obtained in April 2014, and the part of the net proceeds of the Shanjin Sale were released to Arehada by Shanjin in May 2014 with the balance of the sale proceeds released to Arehada in August 2014. The funds received by the Company in the amount of RMB 621.77 million were invested in the Company's newly acquired subsidiary Yunnan Xuming Tiancheng Tourism Development Co. Ltd. ("**Tiancheng**") of which the Company holds, through Arehada Barbados, a 92.98% equity interest by investing RMB 225 million in registered capital (the "**Tiancheng Equity Investment**) and a debt investment in the initial principal amount of RMB 396.77 million, of which currently RMB 176.94 million remains outstanding (the "**Tiancheng Shareholder Loan**", together with Tiancheng Equity Investment, the "**Tiancheng Investment**") after RMB 219.83 million has been repaid to Arehada Barbados to satisfy certain outstanding obligations of Arehada Barbados.

Shareholders will be asked to approve a special resolution ratifying the Shanjin Sale and the Tiancheng Investment (the "**Ratification Resolution**") at the Meeting.

The Board unanimously determined that the Shanjin Sale and the Tiancheng Investment are in the best interests of the Shareholders and the Company. The Board unanimously recommends that Shareholders vote FOR the Ratification Resolution to ratify the Shanjin Sale and the Tiancheng Investment as set forth in this Circular.

Pursuant to section 185 of the OBCA, the holders of Common Shares are entitled to exercise rights of dissent in respect of the proposed Ratification Resolution. A Shareholder's right to dissent is more particularly described in Schedule "C" to this Circular and the text of section 185 of the OBCA is reproduced in Schedule "D" to this Circular **Failure to strictly comply with the dissent procedures set out in this Circular may result in the loss or unavailability of any right of dissent.** Beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that **only a Registered Shareholder is entitled to exercise rights of dissent.**

Overview of Distribution and Dissolution

After evaluating the Company's remaining strategic options after the Shanjin Sale, the Board reached the conclusion that it is in the best interests of the Shareholders and the Company to voluntarily liquidate and dissolve the Company in accordance with the provisions of the *Business Corporations Act* (Ontario) ("**OBCA**"). On January 21, 2014, April 29, 2014, October 10, 2014 and March 2, 2015, Arehada announced that it would seek Shareholder approval for (i) the voluntary liquidation and dissolution of Arehada pursuant to the OBCA, and the cash distributions of its remaining assets to its Shareholders after providing for outstanding liabilities, contingencies and costs of the liquidation, and (ii) the ultimate dissolution of Arehada in the future once all of the liquidation steps have been completed.

Arehada's principal assets are comprised of the Tiancheng Investment, being its equity and debt investment in Tiancheng in the amount of approximately RMB 401.94 million. Subject to the approval of the Shareholders, the Company will liquidate its Tiancheng Investment, make an assessment of its outstanding liabilities, including contingent liabilities and the costs of the Dissolution, which the Company currently anticipates to be in the range of $10.06 million and $10.16 million. The Company will also need to carry out certain filings with, and receive various approvals from, the Director under OBCA, comply with the creditor notification requirements under the OBCA, as well as obtain certain confirmations and consents from the Canada Revenue Agency ("**CRA**").

Arehada will then set a record date for determining the Shareholders that will be entitled to participate in the Distribution. The Company will also consider and assess all other factors relevant to the liquidation process. Based on such assessment, and as soon as practicable after all the obligations and liabilities of the Company have been satisfied, the Company will, in its discretion, determine the amount and timing of the Distributions to be made to Shareholders under the liquidation process. Arehada shall then distribute, in one or more instalments, as much as possible of its cash assets (which may be made through a depositary agreement between the Company and a depositary), in excess of a reasonable reserve for remaining costs and liabilities in an amount determined by the Board in their discretion, acting reasonably. The Company will then take all necessary action to formally dissolve and terminate its existence under the OBCA through the filing of articles of dissolution.

Upon satisfaction of the liabilities of the Company, the Board expects that Shareholders will receive a Distribution of between $0.36 to $0.39 of cash per Common Share, based upon 173,073,557 Common Shares issued and outstanding, which amount shall be paid in one or more instalments. The Board is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of the cash available for the Distribution, but there is no assurance this will remain the case. See "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Risk Factors."*

Although management of the Company believes that the estimates of the liabilities and net proceeds for the foregoing Distribution are reasonable based on information currently available to the Company, the actual amounts of such liabilities and resulting net proceeds available for the Distribution may differ materially from such estimates, thereby affecting the amount of cash available to be distributed to Shareholders. The Board is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of cash available for distribution to Shareholders, but there is no assurance this will remain the case. See "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Distribution of Cash by Way of a Reduction of Capital" and "Procedural Steps for Dissolution*". Further details regarding the timing of, and amount of funds available for, Distributions will be provided through news release(s) of Arehada.

Reasons for the Liquidation and Dissolution

As the Company has had no active business operations since the sale to Shanjin, the Company's listing on the Toronto Stock Exchange was suspended on April 18, 2011 and the Company was suspended from the TSX on May 9, 2011. The Company transferred the listing of its shares to the NEX board of the TSX Venture Exchange

("**TSXV**") on May 24, 2011. On October 14, 2014, the Company was delisted from NEX board of the TSXV for failure to pay sustaining fees. Currently the Company's Common Shares are not listed on any stock exchange. Further, as the Company had failed to file its audited financial statements and related management discussion and analysis and related certification for the year ended December 31, 2010 by the required time, Cease Trade Orders have been issued by each of the Ontario Securities Commission, the British Columbia Securities Commission and the Alberta Securities Commission, and are still in place as of today. As a result no trading of the Company's securities has been allowed since April 2011.

After evaluating the Company's current status, the Board reached the conclusion that the Dissolution is the best alternative among the limited opportunities available to the company to maximize Shareholder value having regard to the current financial position of the Company.

Recommendation of the Board

After consideration of various factors, including those described in the section entitled *"PARTICULARS OF MATTERS TO BE ACTED UPON – Ratification of Shanjin Sale and Tiancheng Investment",* the Board unanimously determined that the Shanjin Sale and the Tiancheng Investment are in the best interests of the Shareholders and the Company. The Board unanimously recommends that Shareholders vote FOR the Ratification Resolution, as set forth in this Circular

After consideration of various factors, including those described in the section entitled *"PARTICULARS OF MATTERS TO BE ACTED UPON – Approval of the Dissolution",* the Board unanimously determined that the Dissolution is in the best interests of the Shareholders and the Company. The Board unanimously recommends that Shareholders vote FOR the Dissolution Resolution to approve the Dissolution, and other matters relating thereto, all as set forth in this Circular.

In considering the recommendation of the Board with respect to the Dissolution Resolution, Shareholders should be aware that certain of the Company's directors and officers have interests in the Dissolution that are different from, or in addition to, that of Shareholders, including the receipt of bonus payments to officers and directors and purchasing the Tiancheng Investment by HoldingCo, a company controlled by the President, CEO and Chairman of the Company. The Board was aware of and considered these interests, to the extent such interests existed at the time, among other matters, in evaluating and in recommending the Dissolution Resolution be approved by the Shareholders. See *"INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON", and "PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Related Party Transactions".*

The text of the Ratification Resolution is set out in "*PARTICULARS OF MATTERS TO BE ACTED UPON – Ratification of Shanjin Sale and Tiancheng Investment – Shareholder Approval Requirements".* **The text of the Dissolution Resolution is set out in Schedule "A" to this Circular. Unless instructed otherwise, the Management Designees in the accompanying Instrument of Proxy intend to vote FOR the Ratification Resolution ratifying the Shanjin Sale and the Tiancheng Investment and to vote FOR the Dissolution Resolution in order to give effect to the Dissolution.**

Shareholder Approvals Required

In order to ratify the Shanjin Sale and the Tiancheng Investment, the Ratification Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

In order to ratify the Shanjin Sale and the Tiancheng Investment, the Ratification Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

In order to complete the Dissolution, the Dissolution Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

In addition, in connection with certain bonus payments to directors and officers of the Company triggered by the Dissolution and with the purchase of the Tiancheng Investment by an entity controlled by the President and CEO of the Company, Canadian securities law requires that the Dissolution Resolution must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting who vote in respect of that resolution, excluding votes in respect of Common Shares held by certain executive officers of the Company pursuant to MI 61-101. To the knowledge of the management of the Company as at the date of the Circular, for the purposes of voting under MI 61-101, a total of 134,772,693 Common Shares held by the directors,

officers, their associates, affiliates and joint actors, will be excluded from the vote in respect of the Dissolution Resolution. See *"PARTICULARS OF MATTERS TO BE ACTED UPON — Approval of the Dissolution Resolution".*

Notwithstanding the receipt of Shareholder approval, the Board is authorized and empowered in the Dissolution Resolution, without further approval of the Shareholders, not to proceed with the Dissolution if the Board has determined the Dissolution to be no longer in the best interests of the Company and the Shareholders. For example, if, prior to its formal dissolution under the OBCA, the Company receives an offer for a transaction that will, in the view of the Board, provide superior value to Shareholders than the value of the estimated distributions under the winding-up process, taking into account all factors that could affect valuation, including timing and certainty of payment or closing, proposed terms and other factors, the winding-up and dissolution of the Company could be abandoned in favor of such a transaction.

Stock Exchange Listing and Reporting Issuer Status

The Common Shares are currently not listed on any stock exchange or market place after the Company was delisted from the NEX board of the TSXV. The Company is a reporting issuer in Ontario, British Columbia and Alberta and Saskatchewan. If the Dissolution Resolution is approved, the Company may take the appropriate steps following the determination of a record date for the Distribution to make application to the securities commissions in Ontario, British Columbia, Alberta and Saskatchewan to cease to be a reporting issuer.

Certain Canadian Federal Income Tax Considerations

A Shareholder who is resident in Canada and holds its Common Shares as capital property should realize a capital gain (or capital loss) in the amount by which the cash amount(s) received pursuant to the Distribution exceeds (or is less than) the holder's adjusted cost base of the Common Shares. Non-resident Holders should not incur any liability for Canadian federal income tax in respect of any Distributions they receive. A summary of the principal Canadian federal income tax considerations in respect of the Dissolution is included under *"Certain Canadian Federal Income Tax Considerations"* and the foregoing is qualified in full by the information in such section.

Risk Factors

There are certain risk factors in respect of the Dissolution that should be considered by the Shareholders in evaluating whether to vote for the Dissolution Resolution. See *""PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Risk Factors."*

AREHADA MINING LIMITED
MANAGEMENT INFORMATION CIRCULAR

This Circular is furnished in connection with the solicitation of proxies by the management of Arehada Mining Limited for use at the annual general and special meeting (the "**Meeting**") of its holders of Common Shares to be held on April 29, 2015, at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

Forward-Looking Statements

This Circular contains certain statements or disclosures that may constitute forward-looking statements or information ("**forward-looking statements**") under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management or the directors of the Company, anticipate or expect may or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro forma" or other comparable terminology.

Forward-looking statements presented in such statements or disclosures may, among other things, relate to: the structure and effects of the Distribution and the Dissolution, the anticipated benefits and Shareholder value resulting from the Dissolution, the timing and completion of the Distribution and the Dissolution, the liabilities and obligations of the Company, cash distributions, estimated costs of the Dissolution, anticipated income taxes, plans and objectives of management in connection with the Distribution and the Dissolution and operations until the Distribution and the Dissolution, final costs of the Dissolution, the nature of operations until completion of the Distribution and the Dissolution, expectation on the sale of the Tiancheng Investment to HoldingCo and the expected receipt by Arehada Barbados of purchase price from HoldingCo; and expectation of Arehada Barbados remitting funds to Canada.

Various assumptions or factors are applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements. Those assumptions and factors are based on information currently available to the Company, including information obtained from third party industry analysts and other third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Circular in connection with the statements or disclosure containing the forward-looking statements.

Shareholders are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to:

the approval of the Dissolution by Shareholders;

the completion of the sale of the Tiancheng Investment to HoldingCo and receipt by Arehada Barbados of purchase price from HoldingCo;

the remittance by Arehada Barbados to Canada of part of the purchase price of the sale of the Tiancheng Investment;

no significant adverse changes in economic conditions that influence the demand for services related to the oil and natural gas industry;

assumptions made in the discussion of risk factors discussed herein. See ""*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Risk Factors;"* and

no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

The forward-looking statements in statements or disclosures in this Circular are based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Company to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements. Those factors are based on information currently available to the Company including information obtained by the Company from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Company does not know what impact any of those differences may have, its business, results of operations, financial condition and its credit stability may be materially adversely affected. Factors that could cause actual results, performance, achievements or outcomes to differ materially from the results expressed or implied by forward-looking statements include, among other things:

the failure to complete the Distribution and the Dissolution;

the failure of HoldingCo to remit purchase price for the Tiancheng Investment to Arehada Barbados;

the failure of Arehada Barbados to remit funds to Canada for reasons such as failure to receive SAFE approval;

the failure to realize the anticipated benefits of the Distribution and the Dissolution; the risks that the Dissolution will not receive all requisite Shareholder and regulatory approvals;

the risks associated with general economic conditions in the geographic areas where the Company operates;

the risks associated with legislative and regulatory developments or changes that may affect costs, taxes, revenues, the speed and degree of competition entering the market, global capital markets activity and general economic conditions in geographic areas where the Company and its subsidiary operate, timing and extent of changes in prevailing interest rates, currency exchange rates, changes in counterparty risk and the impact of accounting standards issued by Canadian standard setters; and

the risk factors discussed herein. See "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution – Risk Factors."*

The Company cautions Shareholders that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance, achievements or outcomes of to differ materially from those contemplated (whether expressly or by implication) in the statements or disclosure containing forward-looking statements are disclosed in the Company's publicly filed disclosure documents and those disclosed under "*Risk Factors*" in this Circular.

The Company

The Company was incorporated pursuant to the OBCA on June 7, 2005 under the name "Dragon Capital Corporation". The Company amended its articles on December 21, 2005 to remove the transfer restriction on the common shares of the Company. On June 27, 2007, the Company amended its articles of incorporation by changing its name to "Arehada Mining Limited".

The registered office and head office of the Company is located at 25 Adelaide Street East, Suite 1614, Toronto, Ontario, M5C 3A1.

In this Circular, references to the "**Company**", "**we**" and "**our**" refer to Arehada Mining Limited.

Currencies

In this Circular, all dollar amounts are expressed in Canadian dollars and referred to as "$" unless otherwise specifically indicated. There are also references in this Circular to Chinese Renminbi ("**RMB**"). As at March 31, 2015, the noon rate for one Canadian dollar in RMB was C$1.00 = RMB 4.89 as reported by the Bank of Canada, and as at December 31, 2013 and December 31, 2012, the noon rate for one Canadian dollar in RMB was C$1.00 = RMB 5.69 and C$1.00 = RMB 6.26, respectively, as reported by the Bank of Canada. Although obtained from

sources believed to be reliable, the data is provided for informational purposes only, and the Bank of Canada does not guarantee the accuracy or completeness of the data.

GENERAL PROXY INFORMATION

Solicitation of Proxies

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54 -101 *Communication with Beneficial Owners of Securities of a Reporting Issuer,* arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Company.

Appointment and Revocation of Proxies

The Management Designees in the enclosed Instrument of Proxy have been selected by the Board and have indicated their willingness to represent as proxy the Shareholder who appoints them. A Shareholder has the right to designate a person (whom need not be a Shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting there from the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the Transfer Agent. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the Shareholder's shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the Instrument of Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a Shareholder personally attending at the Meeting and voting his shares.

An Instrument of Proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Company's transfer agent, TMX Equity Transfer Services Inc., 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Company or with TMX Equity Transfer Services Inc., 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or at any adjournment thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his shares.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Company's Transfer Agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood,

not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Registered Shareholders unless specifically stated otherwise.

Voting of Proxies

Each Shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Company is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Company.

Quorum

The by-laws of the Company provide that a quorum at any meeting of Shareholders shall be person present not being less than two (2) in number and holding or representing not less than five (5%) percent of the outstanding shares of the Company entitled to vote at a meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares. As at March 27, 2015 (the "**Record Date**"), the Company had 173,073,557 Common Shares outstanding, each carrying the right to one vote. The outstanding Common Shares are not listed on any stock exchange after delisting from the NEX board of the TSXV on October 14, 2014. Cease trade orders have been issued by each of the Ontario Securities Commission, the British Columbia Securities Commission and the Alberta Securities Commission against the Company, and are still in place as of the date of this Circular (see "*PARTICULARS OF MATTERS TO BE ACTED UPON – Election of Directors – Cease Trade Orders and Sanctions*").

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of any class of voting securities of the Company, except the following.

Name and Municipality of Residence	Number of Common Shares	Percentage of Common Shares Outstanding as of the Date of this Circular
Steve Fan Wang Beijing, China	73,043,639[(1)]	42.20%
Tom Zhen Wang Beijing, China	61,697,054[(1)]	35.65%

Note:

(1) Held indirectly through HoldingCo.

As of the Record Date, the directors and senior officers of the Company, as a group, owned beneficially, directly or indirectly, or exercised control or direction over, approximately 134,772,693 Common Shares, representing approximately 77.87% of the outstanding Common Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Securities law requires that a "Statement of Executive Compensation" in accordance with Form 51-102F6 be included in this Circular. Form 51-102F6 prescribes the disclosure requirements in respect of the compensation of the executive officers and directors of reporting issuers. Form 51-102F6 provides that compensation disclosure must be provided for the Chief Executive Officer and Chief Financial Officer of an issuer and each of the issuer's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer and other than an executive officer whose total salary and bonus does not exceed $150,000, all as at the end of the last completed financial year. Based on these requirements, for the fiscal year ended December 31, 2013, the executive officers of the Company for whom disclosure is required under Form 51-102F6 are Mr. Steve Fan Wang (Chief Executive Officer of the Company), and Mr. Graham C. Warren (Chief Financial Officer of the Company). For the purposes of this section of this Circular, Messrs. Steve Fan Wang and Graham Warren shall be referred to as the "**Named Executive Officers**".

Compensation Discussion and Analysis

Introduction

The Compensation Discussion and Analysis section of this Circular sets out the objectives of the Company's executive compensation arrangements, the Company's executive compensation philosophy and the application of this philosophy to the Company's executive compensation arrangements. It also provides an analysis of the compensation design, and the decisions the Compensation Committee made in fiscal 2013 with respect to the Named Executive Officers. When determining the compensation arrangements for the Named Executive Officers, the Compensation Committee considers the objectives of: (i) retaining an executive critical to the success of the Company and the enhancement of Shareholder values; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and Shareholders of the Company; (iv) rewarding performance, both on an individual basis and with respect to the business in general; and (v) ensuring the recognition of the fact that the Company carries on business with a small number of executive officers.

Role of the Compensation Committee

Zhengquan Philip Chen and Samuel Baker served as members of the Compensation Committee during the fiscal year ended December 31, 2013. Messrs. Chen and Baker were not officer, employee or former officer or employee of the Company or any of its subsidiaries during fiscal year ended December 31, 2013.

The mandate of the Compensation Committee requires that the Compensation Committee be comprised of three or more members of the Board each of whom is, in the business judgment of the Board, independent. There are currently only two members of the Compensation Committee as there are only two directors who are not officers of the Company. The Company currently has no plan of adding an additional member going forward. See "*CORPORATE GOVERNANCE – Compensation*" for additional information on the Compensation Committee.

Based upon an annual evaluation of the Chief Executive Officer's performance, the Compensation Committee determines and approves the Chief Executive Officer's compensation. In making its determination, the Compensation Committee may consider the Company's performance and relative Shareholder return, the compensation of chief executive officers at comparable companies, the awards given to the Chief Executive Officer in past years, and such other factors as the Compensation Committee deems relevant. In addition, the Compensation Committee reviews and makes recommendations to the Board with respect to compensation of directors and all other elected corporate officers at appropriate time periods. The Compensation Committee will take into account each individual corporate officer's performance, the Company's overall performance and comparable compensation paid to similarly-situated officers in comparable companies. Moreover, the Compensation Committee reviews, and if appropriate, approves employment agreements, severance arrangements, change in control agreements and provisions, and any special or supplemental benefits for each officer of the Company. The Compensation Committee also administers the Company's Stock Option Plan and such other stock option or equity participation plans as may be adopted by the Shareholders or the Board from time to time within the authority delegated by the Board.

As the Company has been cease traded since April 2011, no options have been granted since that time and the Compensation Committee has not made any recommendation on granting of options during fiscal 2013.

Independent Compensation Consultant

Under its mandate, the Compensation Committee has the sole authority to select, retain and terminate a compensation consultant and to approve the consultant's fees and other retention terms. The Compensation Committee is also entitled to the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants. In fiscal 2013, the Compensation Committee did not engage any independent compensation consultant.

Benchmarking

The Compensation Committee may consider many factors when designing and considering executive compensation arrangements for the CEO and reviewing and making recommendations for such arrangements for the other

executive officers of the Company. The Company typically does not position executive pay to reflect a single percentile within the peer group for each executive. Rather, in determining the compensation level for each executive, the Compensation Committee (with respect to the CEO) and the CEO (with respect to the other executive officers) may look at factors such as the relative complexity of the executive's role within the organization, the executive's performance and potential for future advancement, the compensation paid by the Company's peer group and other companies identified by relevant market survey data, and pay equity considerations.

Since the Shanjin Sale, the Company has had no mining operations. Rather, the Company is in a similar mode as a company in liquidation or voluntary dissolution. The Compensation Committee considered the contribution the CEO made in obtaining required regulatory approval for the release of the Shanjin Sale proceeds to Arehada Barbados and in securing a favourable tax rate determination for the Shanjin Sale, and compared such contribution against CEOs in other companies in liquidation or dissolution stage based on the complexity and difficulty of the tasks.

Recommendations of Management

In general, the Compensation Committee develops pay strategies and recommendations for the CEO, which the Compensation Committee present to the Board to review and discuss. The independent members of the Board have the sole authority to approve compensation decisions made with respect to the CEO.

With respect to the Company's other senior management and employees, it is the CEO who develops the pay strategies and recommendations, which the Compensation Committee then reviews and discusses. However, the authority to approve those strategies and recommendations resides with different parties according to the employee's level. For senior management, decisions must be approved by the CEO, subject to the Compensation Committee's overall review and acceptance.

Elements of Compensation

The compensation paid to the Named Executive Officers in any year may consist of three primary components:

1. base salary;

2. annual discretionary bonus incentive; and

3. a long-term incentive in the form of stock options granted under the Current Option Plan.

The Company believes that making a significant portion of the Named Executive Officers' compensation both variable and long-term supports the Company's executive compensation philosophy, as these forms of compensation primarily depend on performance. At the same time, the Company emphasizes stock option based compensation to allow those most accountable for the Company's long-term success to acquire and hold the Company's shares. The key features of the three primary components of compensation are described below.

Base Salary

Base salary recognizes the value of an individual to the Company based on his or her role, skill, performance, contributions, leadership and potential. It is critical in attracting and retaining executive talent in the markets in which the Company competes for talent. Base salaries for the Named Executive Officers are reviewed annually (for the CEO, by the Compensation Committee, and for the other executive officers, by the CEO). Any change in base salary of a Named Executive Officer will generally be determined by an assessment of such executive's performance, a consideration of competitive compensation levels in companies similar to the Company (in particular, the peer group members noted above) and a review of the performance of the Company as a whole and the role such executive officer played in such corporate performance.

Annual Discretionary Bonus Incentive

The Company does not have any annual performance bonus plan. However, the Compensation Committee may recommend, and the Board may approve, an annual discretionary bonus based on an individual or the Company achieving certain designated objectives and for superior or exceptional performance in relation to such objectives. No discretionary bonus has been paid so far.

In September 2014 after receipt of Arehada Barbados of the Shanjin Sale proceeds, the Compensation Committee did recommend that the CEO receive a bonus of $5 million to be paid during the Dissolution process, recognising the CEO's contribution in obtaining the regulatory approvals for the release of the of Shanjin Sale proceeds and securing a favourable tax rate determination from the tax authorities in China, as well as arranging for SAFE approval through the Tiancheng Investment.

Stock Option Awards

In 2013, no options were issued to any Named Executive Officer since the Cease Trade Orders have been in effect since April 2011. See "*EXECUTIVE COMPENSATION –Summary Compensation Table" and "EXECUTIVE COMPENSATION - Named Executive Officers - Outstanding Option-Based Awards*".

Executive Benefit Plans and Other Elements of Compensation

Currently, the Company does not provide any group benefit plans. The Company does not provide any post-retirement benefits to any of the Named Executive Officers or employees of the Company.

Summary Compensation Table

The following table summarizes the compensation paid to or earned by the Named Executive Officers during the financial years ended December 31, 2013, 2012 and 2011.

SUMMARY COMPENSATION TABLE							
				Non-Equity Incentive Plan Compensation			
Name and Principal Position of Named Executive Officer	Year Ended Dec. 31	Salary ($)	Option-Based Awards (#/$)	Annual Incentive Plans ($) [1]	Long-Term Incentive Plans ($)	All Other Compensation ($)	Total Compensation ($)
Steve Fan Wang [2] President and Chief Executive Officer	2013	128,647[3]	Nil	Nil	Nil	Nil	128,647
	2012	116,933[3]	Nil	Nil	Nil	Nil	116,933
	2011	83,265[3]	Nil	Nil	Nil	Nil	83,265
Graham Warren [4] Chief Financial Officer	2013	45,000	Nil	Nil	Nil	Nil	45,000
	2012	45,000	Nil	Nil	Nil	Nil	45,000
	2011	60,773	Nil	Nil	Nil	Nil	60,773

Notes:

(1) The Company does not have an annual performance bonus plan. However, the Compensation Committee and/or the Board may award annual discretionary bonuses based on an individual or the Company achieving certain designated objectives and for superior or exceptional performance in relation to such objectives. See "*EXECUTIVE COMPENSATION - Compensation Discussion and Analysis – Annual Discretionary Bonus Incentive*".

(2) The Company reports in Canadian dollars in its financial statements and, accordingly, the table above is shown in Canadian dollars. Compensation for Mr. Steve Fan Wang is paid in RMB but has been converted into Canadian dollars for the table above at the Bank of Canada average annual exchange rate of C$1 = RMB 5.97 for 2013 and C$1 = RMB 6.31 for 2012.

(3) All salary for Mr. Steve Fan Wang for the fiscal years ended 2013, 2012 and 2011 has accrued and has not yet been paid.

(4) Mr. Warren provides his services as CFO pursuant to a consulting agreement with the Company and earns an annual consulting fee (see "*EXECUTIVE COMPENSATION – Employment or Consulting Agreements*").

Narrative Discussion

During the financial years ended December 31, 2013, 2012 and 2011, only salary was earned as compensation to the Named Executive Officers, and there were no option based awards paid.

Named Executive Officers - Outstanding Option-Based Awards

There were no option-based awards for each Named Executive Officer outstanding as at December 31, 2013. The Company does not have any other equity incentive plans other than its Stock Option Plan.

Named Executive Officers - Incentive Award Plan – Value Vested or Earned During The Year

There was no value vested or earned under incentive award plans of the Company with respect to each Named Executive Officer during the fiscal year ended December 31, 2013. The only incentive award plan of the Company during fiscal 2013 was its stock option plan. See "*SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS - Stock Option Plan*" below.

Employment or Consulting Agreements

Other than disclosed below, the Company has not entered into any employment or consulting agreements with any Named Executive Officer.

The Company entered into a consulting agreement with Mr. Graham Warren as of June 1, 2007. Pursuant to this consulting agreement, Mr. Warren agreed to serve as the Chief Financial Officer of the Company, was entitled to a consulting fee of $60,000 per annum, and was granted 150,000 options on June 28, 2007. The original term of this consulting agreement was for two years, renewable upon mutual agreement. In June 2009, the Company renewed the consulting agreement upon the same terms for a further two year term. In June 2011, the Company renewed the consulting agreement for a further two year term, and the parties agreed to increase the consulting fee from $60,000 to $66,000 per annum. The consulting agreement imposes non-solicitation and confidentially obligations on Mr. Warren. The consulting agreement may be terminated by Corporation for any reason upon not less than ninety (90) days' written notice to Mr. Warren.

Termination and Change of Control Benefits

Other than described below, there is no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change if control of the Company or a change in a Named Executive Officer's responsibilities.

On March 30, 2015, the Company entered in to a bonus payment agreement with Mr. Steve Fan Wang pursuant to which the Company will pay a bonus payment to Mr. Wang of $5 million, and the Company entered in to a bonus payment agreement with Ms. Betty Sige Wang pursuant to which the Company will pay a bonus payment to Ms. Wang of $1 million, in each case subject to Shareholders' approval and subject to the Company's receipt of part of the purchase price for the Tiancheng Investment from HoldingCo. The Officer Bonus Payments will be made in the course of the Dissolution. The Board has determined that the efforts of Mr. Wang and Ms. Wang were essential to the successful sale of the Company's assets and the significant amount of work required to obtain the favourable tax ruling and the SAFE approval. See "*PARTICULARS OF MATTERS TO BE ACTED UPON – Approval of the Dissolution -Related Party Transactions*" for more details.

Compensation of Directors

Individual Director Compensation for Fiscal 2013

The following table provides a summary of all amounts of compensation provided to the directors of the Company during the fiscal year ended December 31, 2013. Messrs. Steve Fan Wang and Graham Warren, as members of management of the Company, did not receive any compensation in acting as directors of the Company.

DIRECTOR COMPENSATION TABLE

Name [1]	Year Ended Dec. 31	Fee Earned ($)	Option-Based Awards[2] ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Zhengquan Philip Chen	2013	18,000	Nil	Nil	Nil	18,000
Samuel Baker	2013	18,000	Nil	Nil	Nil	18,000
Tom Zhen Wang[2]	2013	210,896[3][4]	Nil	Nil	Nil	210,896

Notes:

(1) Messrs. Steve Fan Wang and Graham Warren do not appear in this table as they are Named Executive Officers. See "*EXECUTIVE COMPENSATION – Summary Compensation Table*" for information about Named Executive Officers.

(2) Mr. Tom Zhen Wang earned salaries as an officer of the Company.

(3) The Company reports in Canadian dollars in its financial statements and, accordingly, the table above is shown in Canadian dollars. Compensation for Mr. Tom Zhen Wang is paid in RMB but has been converted into Canadian dollars for the table above at the Bank of Canada average annual exchange rate of C$1 = RMB 5.97 for 2013.

(5) All salary for Mr. Tom Zhen Wang for the fiscal years ended 2013 has accrued and has not yet been paid.

Narrative Discussion

In fiscal 2013, each non-executive director of the Company was entitled to an annual retainer of $12,000. Each non-executive director was also entitled to fees for attending board meetings at a rate of $500 per board meeting held in person or by telephone conference, and $200 per committee meeting held in person or by telephone conference.

The directors are also entitled to reimbursement of expenses.

Directors are also entitled to receive stock options under the Company's Stock Option Plan. However, no options were granted during the fiscal year ended December 31, 2013 as the Company has been cease traded since April 2011. See "*EXECUTIVE COMPENSATION - Compensation of Directors - Option-Based Awards Outstanding*" for additional information on options held by directors.

Directors - Option-Based Awards

The table below reflects all option-based awards for each non–executive director of the Company outstanding as at December 31, 2013. The Company does not have any equity incentive plans other than the Stock Option Plan.

DIRECTOR OPTION–BASED AWARDS OUTSTANDING AS AT DECEMBER 31, 2013					
Name of Director[1]	**As at Dec. 31**	**Number of Securities Underlying Unexercised Options[2]**	**Option Exercise Price ($/Security)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options ($) [3]**
Zhengquan Philip Chen	2013	1,000,000	$0.11	June 15, 2014	$10,000
Sam Baker	2013	600,000	$0.11	June 15, 2014	$6,000
Tom Zhen Wang	2013	Nil	N/A	N/A	N/A

Notes:

(1) Messrs. Steve Fan Wang and Graham Warren do not appear in this table as they are Named Executive officers. See "*EXECUTIVE COMPENSATION – Named Executive Officers - Outstanding Option-Based Awards*" for more information about Named Executive Officers.

(2) Each option entitles the holder to purchase one common share.

(3) For the financial year end December 31, 2013, calculated using the closing price per Common Share of C$0.12 on the TSX on April 5, 2011, the last day before the Company was cease traded, less the exercise price of the applicable stock options.

Directors - Incentive Plan awards –value vested or earned during the year

The following table provides information concerning the value vested or earned under incentive award plans of the Company with respect to each non-executive director of the Company during the fiscal year ended December 31, 2013. The only incentive award plan of the Company during fiscal 2013 was the Stock Option Plan. See "*SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS - Stock Option Plan*" below.

INCENTIVE AWARD PLAN – VALUE VESTED OR EARNED DURING THE FISCAL YEARS ENDED DECEMBER 31, 2013			
Name of Director[1]	**Year Ended Dec. 31**	**Option-Based Awards – Value Vested During the Year($)[2]**	**Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)**
Zhengquan Philip Chen	2013	Nil	Nil
Sam Baker	2013	Nil	Nil
Tom Zhen Wang[3]	2013	Nil	Nil

Notes:

(1) Messrs. Steve Fan Wang and Graham Warren do not appear in this table as they are Named Executive officers. See "*EXECUTIVE COMPENSATION – Named Executive Officers - Incentive Award Plan – Value Vested or Earned During The Year*" for more information about Named Executive Officers.

(2) No options were granted in the fiscal year ended December 31, 2013 as the Company has been cease traded since April 2011. All options that were previously granted vested prior to the commencement of the fiscal year ended December 31, 2013.

Proposed Bonus payments to Certain Directors

Pursuant to the Director Bonus Agreements, subject to Shareholder approval, Mr. Zhengquan Philip Chen, Lead Director of the Company, will be entitled to a $50,000 bonus payment and each of Messrs. Sam Baker (a director of the Company) and Graham Warren (in his capacity as a director of the Company), will be entitled to a bonus payment of $30,000, in each case subject to Shareholders' approval and subject to the Company's receipt of part of the purchase price for the Tiancheng Investment from HoldingCo, to be paid in the course of the Dissolution. See

"*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution -Related Party Transactions-Bonus payments*".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth aggregated information as at December 31, 2013 with respect to compensation plans of the Company under which equity securities of the Company are authorized for issuance.

Plan Category [(1)]	As at Dec. 31	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights[(1)(2)(3)]	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ($)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in the third column)
Equity compensation plans approved by security holders	2013	2,200,000	$0.11	15,107,358
Equity compensation plans not approved by security holders	2013	Nil	Nil	Nil
TOTAL	2013	2,200,000	$0.11	15,107,358

Notes:

(1) The only equity compensation plan of the Company is the Stock Option Plan.

(2) The Cease Trade Orders have been in effect since April 5, 2011, and no options could be exercised as a result.

(3) All options expired on June 15, 2014.

Stock Option Plan

The Company provides a long-term incentive by granting stock options to directors, officers, consultants and full-time employees of the Company or its subsidiaries ("**Eligible Persons**") through its Stock Option Plan, as amended (the "**Stock Option Plan**"). The Stock Option Plan was first adopted by the Company on January 25, 2006 and was subsequently amended at the meeting of Shareholders held on June 27, 2007. In accordance with TSXV policies (to which the Company was formerly subject prior to its delisting from the TSX in May 2011), the Stock Option Plan required re-approval by directors and Shareholders every year in accordance with the policies of the TSXV and was last approved at a meeting of Shareholders on September 10, 2010. The summary of the Stock Option Plan is set forth below and is subject to and qualified in its entirety by the full text of the Stock Option Plan.

The purpose of the Stock Option Plan is to advance the interest of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire Common Shares on a favourable basis, thereby increasing their proprietary interest in the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its business and affairs.

The Stock Option Plan is administered by the Board and the Compensation Committee. Subject to the provisions of the Stock Option Plan, the Board is authorized in its sole discretion to make decisions regarding the administration of the Stock Option Plan.

The Stock Option Plan is a "rolling plan" whereby the Company is entitled to issue options in respect of a maximum number of Common Shares equal to 10% of the issued and outstanding Common Shares (excluding the outstanding Common Shares that were issued within the preceding one year period upon exercise of Options or under other share compensation arrangements). As at the Record Date, there were no options outstanding under the Stock Option Plan, and no Common Shares were issued pursuant to the exercise of options during the one year period

preceding that date. Due to the Cease Trade Orders which are still in effect, the Company does not expect to grant any options under the Stock Option Plan.

The Stock Option Plan has the following principal terms:

Grant of Options

Subject to the terms of the Stock Option Plan and after reviewing any recommendations from the Compensation Committee, if any, the Board selects the Service Providers (as defined in the Stock Option Plan) to whom options will be granted, the number of Common Shares to be optioned to each of them, the date or dates on which such options will be granted and the terms and conditions attaching to such options. The aggregate number of Common Shares reserved for issuance pursuant to all options granted to any one optionee shall not exceed 5% of the number of Common Shares outstanding on a non-diluted basis at the time of such grant. In addition, the issuance of Common Shares on the exercise of options to: (i) insiders (as such term is defined by the *Securities Act* (Ontario)) pursuant to the Stock Option Plan, within any one-year period, shall not exceed 10% of the outstanding issue; and (ii) insiders, at any time, pursuant to the Stock Option Plan, shall not exceed 10% of the outstanding issue.

Exercise Price

The Board shall fix the exercise price of an option which may not be lower than the closing price of the Common Shares on the applicable stock exchange on the day prior to the date of the grant of such options, less any discounts allowable by the applicable stock exchange.

Term of Options

The term of the options shall not be more than five years from the date the option is granted. Subject to the terms of the Stock Option Plan, the Board shall specify at the time of grant of options the maximum number of Common Shares that may be exercisable by such optionee in each year or other period during the term of the options.

Lapse of Options

In the event of the death of an optionee while a Service Provider, all options held by such optionee at the time of death which were exercisable at the time of death may be exercised by the optionee's legal representatives at any time until first anniversary of the date of death. In the event of the discharge of an optionee from the Company or a subsidiary for a wilful and substantial breach of such optionee's duties, all options granted to such optionee under the Stock Option Plan shall cease and terminate. In the event of the resignation or termination of an optionee (other than for a wilful and substantial breach of such optionee's duties), such optionee may exercise each option then held by such optionee to the extent that such optionee was entitled to do so at the time of such resignation for a period of 90 days following the effective date of such resignation (or such later day as the Board in its sole discretion may determine) or the expiry date of such options, whichever is earlier. In the event of a take-over, arrangement (such as a merger, amalgamation or other similar form of business combination transaction), change in control or the sale of substantially all of the assets of the Company, options may be exercised within certain fixed time limits.

In addition, in the event the expiry date occurs either during a black out period or within 10 business days following such period, the ending date of the term of the option shall be deemed to be the date that is the tenth business day following such period. For purposes of the foregoing, "blackout period" means the period during which trading in securities of the Company by insiders of the Company is restricted in accordance with the policies of the Company.

Adjustments

Appropriate adjustments in the number of Common Shares and in the exercise price of the options shall be made to give effect to adjustments in the number of Common Shares resulting from any subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by the Company or other relevant changes in the capital structure of the Company.

Non-Assignability and Non-Transferability of Options

Each option granted under the Stock Option Plan is non-assignable and non-transferable by the optionee.

Amendments to the Stock Option Plan

The Stock Option Plan expressly specifies the amendments that the Board is permitted to make without Shareholder approval, and the amendments that require Shareholder approval. The Stock Option Plan allows the Board to make the following amendments to the Stock Option Plan without having to obtain Shareholder approval: (i) a change in classes of Eligible Persons (subject to certain exceptions); (ii) a change made to ensure regulatory compliance; (iii) amendments of a "housekeeping" nature; (iv) a change to the method of determining the option price provided such price is not lower than the "market price" required under the rules of the applicable stock exchange; (v) changing the following terms governing options under the Stock Option Plan: (A) change to vesting provisions (B) exercise and payment method and frequency; (C) transferability or assignability, other than as provided for in the Stock Option Plan; (D) to fairly or properly take into account a sale, arrangement or take-over bid; (E) adjustments required in the circumstances of certain events such as consolidations and reorganizations; and (F) the effect of termination (for whatever reason) of the optionee's employment or service; (vi) determining that any of the provisions of the Share Option Plan or any agreement subject to the Share Option Plan concerning the effect of termination of the optionee's employment, service or consulting agreement/arrangement or cessation of the optionees directorships or office, shall not apply for any reason acceptable to the board ; (vii) adding or amending provisions necessary for options under the Stock Option Plan to qualify for favourable tax treatment to optionees and/or the Company under applicable tax laws; (viii) changing any terms relating to the administration of the Stock Option Plan and (ix) any other amendment, not requiring securityholder approval under applicable securities laws.

The Stock Option Plan expressly states that Shareholder approval is required for the following changes to the Stock Option Plan or options granted under it: (i) increasing the number of Common Shares that can be issued under the Stock Option Plan or any change from a fixed maximum number of Common Shares issuable to a fixed maximum percentage; (ii) reducing the exercise price of an outstanding option (including a cancellation and re-grant of an option, constituting a reduction of the exercise price of an option) other than for the purpose of maintaining option value in connection with an adjustment; (iii) extending the expiry date of an outstanding option or amending the Stock Option Plan to permit the grant of an option with an expiry date of more than 5 years from the grant date; (iv) any extension of eligibility to participate in the Stock Option Plan to non-employee directors of the Company; (v) permitting any option granted under the Stock Option Plan to be transferable or assignable other than for estate planning or normal estate settlement purposes; (vi) providing for the granting of equity bases kinds of award under the Stock Option Plan; and (vii) any other amendment requiring securityholder approval under applicable law including rules of any applicable stock exchange, in each case, unless the change results from application of the anti-dilution provisions of the Stock Option Plan.

There are no securities of the Company that are authorized for issuance under equity compensation plans as at the end of the Company's most recently completed financial year ended December 31, 2013.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Company nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein and below, or as previously disclosed, the Company is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any Shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the

preceding financial year or any proposed or ongoing transaction of the Company which has or will materially affect the Company.

The directors and officers have interest in the proposed Dissolution, as set out below in "*INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON*".

MANAGEMENT CONTRACTS

Other than as set forth herein, during the most recently completed financial year, no management functions of the Company were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein and below, no director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

Pursuant to the Officer Bonus Agreements, subject to Shareholder approval, Steve Fan Wang, an executive officer and a director of the Company, will be entitled to a bonus payment of $5 million, and Betty Sige Wang, an officer of the Company, will be entitled to a bonus payment of $1 million, in each case subject to Shareholders' approval and subject to the Company's receipt of part of the purchase price for the Tiancheng Investment from HoldingCo, to be paid in the course of the Dissolution. See *"EXECUTIVE COMPENSATION - Compensation Discussion and Analysis", "Termination and Change of Control Benefits", and "PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Related Party Transactions".*

Pursuant to the Director Bonus Agreements, subject to Shareholder approval, Mr. Zhengquan Philip Chen, Lead Director of the Company, will be entitled to a $50,000 bonus payment and each of Messrs. Sam Baker (as a director of the Company) and Graham Warren (in his capacity as a director of the Company) will be entitled to a bonus payment of $30,000, in each case subject to Shareholders' approval and subject to the Company's receipt of part of the purchase price for the Tiancheng Investment from HoldingCo, to be paid in the course of the Dissolution. See *"EXECUTIVE COMPENSATION - Compensation Discussion and Analysis", "Termination and Change of Control Benefits", and "PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Related Party Transactions".*

Pursuant to the Shanjin Sale Agreements, subject to Shareholder approval, HoldingCo, a company controlled by Mr. Steve Fan Wang, an executive officer and a director of the Company, will purchase the Company's Tiancheng Investment for RMB 401.94 million. See *"PARTICULARS OF MATTERS TO BE ACTED UPON -Dissolution-Approval of the Dissolution - Related Party Transactions".*

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and accountable to the Shareholders, and accounts for the role of management who are appointed by the Board and charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company, and the Board has formed a Corporate Governance and Nominating Committee (the "**CG&N Committee**") to oversee the Company's operations as they relate to corporate governance matters. The CG&N Committee is currently composed of the following two members: Sam Baker and Zhengquan Philip Chen, each of whom are independent directors. The CG&N Committee is responsible for: (i) developing the Company's approach to Board governance issues and the Company's response to the corporate governance guidelines set forth in National Policy 58-201 - *Corporate Governance Guidelines* as such policy may be amended, supplemented or replaced from time to time; (ii) reviewing the composition, compensation and contribution of the Board and its members and recommending Board nominees; (iii) producing a director's manual to use in the orientation program for new directors; (iv) helping to maintain an effective working

relationship between the Board and management; and (v) exercising, within the limits imposed by the by-laws of the Company, by applicable laws, and by the Board, the powers of the Board for the management and direction of the affairs of the Company ("**Executive Functions**") when (i) time or logistical constraints do not permit a meeting of the full Board during intervals between scheduled meetings or (ii) specific transactions or actions have previously been approved in principle by the full Board and subsequently require a specific resolution for formal approval.

National Policy 58-201 - *Corporate Governance Guidelines* of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards and the effectiveness and education of board members. National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires the Company to disclose annually in its Circular certain information concerning its corporate governance practices.

In the fiscal year ended December 31, 2013, the Board met formally two times and in the fiscal year ended December 31, 2012, the Board met formally one time.

Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

Independence of Board of Directors

NI 58-101 defines an "independent" director as a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgement. The Board is currently comprised of five members. The Board has determined that two out of the five members are "independent" directors within the meaning of NI 58-101.

Messrs. Steve Fan Wang, Graham C. Warren and Tom Zhen Wang are not considered "independent". Mr. Steve Fan Wang is not considered independent as a result of his position as Chief Executive Officer of the Company. Graham C. Warren is not considered independent as a result of his position as the Chief Financial Officer of the Company. Mr. Tom Zhen Wang is not considered independent as the result of his former employment as an executive officer of a subsidiary of the Company and his current role as an officer of the Company. The remaining directors, Messrs. Samuel Baker and Zhengquan Philip Chen, are considered to be independent directors of the Company. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2013, none of the independent directors have worked for the Company, received remuneration from the Company (other than in their role as directors) or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

To enhance its ability to act independent of management, the members of the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

Other Reporting Issuer Directorships

The following table sets forth the directors of the Company who currently hold directorships in other reporting issuers:

Name of Director	Other Issuer
Graham C. Warren	ChangFeng Energy Inc. (TSXV: CFY)
Samuel Baker	Kallo Inc. (KALO: OTCBB)

Position Descriptions

Mr. Steve Fan Wang, Chief Executive Officer of the Company, is also the Chairman of the Board. The Chair of the Board is responsible for taking all reasonable measures to ensure that the Board fully executes its responsibilities. The position description for the Chair of the Board provides, among other things, that the Chair will be responsible

for: (i) leading, managing and organizing the Board consistent with the approach to corporate governance adopted by the Board from time to time; (ii) promoting cohesiveness among the Directors; and (iii) being satisfied that the responsibilities of the Board and its Committees are well understood by the Directors.

The Board recognizes the importance of independent leadership on the Board, as evidenced by its designation of Mr. Zhengquan Philip Chen, an independent director, as Lead Director. As Lead Director of the Board, Mr. Chen provides leadership to independent directors of the Board.

At this time, the Board has not developed a formal written mandate of the Board or position descriptions for the CEO and the chairs of the committees of the Board. The roles and responsibilities of the Board, the CEO and the chairs of the committees of the Board are delineated, among other things, on the basis of customary practice and through the guidance of the committees and their respective mandates.

Orientation and Continuing Education

The CG&N Committee is responsible for producing a director's manual to use in the orientation program for new Board members. In addition, information such as recent annual reports, prospectuses, proxy solicitation materials, various other operating and budget reports and board and committee mandates are provided to new Board members to ensure that they are familiar with the Company's business and the procedures of the Board. In addition, directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

Ethical Business Conduct

Ethical business behaviour is of great importance to the Board and the management of the Company. The Company has instituted policies on disclosure, insider trading as well as a whistleblower policy for all staff and personnel to report any fraudulent or illegal acts on an anonymous basis directly to the Audit Committee chair.

The Board has adopted a Code of Business Conduct and Ethics, which code applies to all directors, officers and employees of the Company and its subsidiaries. The Code of Business Conduct and Ethics can be viewed at the Company's head office at 25 Adelaide St. East, Suite 1614, Toronto, Ontario. Any deviations from the Code of Business Conduct and Ethics are required to be reported to an employee's supervisor and, if appropriate, the Chief Financial Officer of the Company and the Board.

In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar activities, the Board must comply with the conflict of interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Each director is required to declare the nature and extent of his interest and is not entitled to vote at meetings which involve such conflict.

Nomination of Directors

The CG&N Committee is responsible for reviewing the composition, compensation and contribution of the Board and its members and recommending Board nominees.

While there are no specific criteria for Board membership, the CG&N Committee attempts to attract and maintain directors with business knowledge, such as mining, accounting and finance, which provide knowledge which assists in guiding management of the Company. As such, nominations tend to be the result of recruitment efforts by management of the Company and discussions among the members of the CG&N Committee prior to the consideration of the Board as a whole.

Compensation

The Company has established a Compensation Committee, currently comprised of Zhengquan Philip Chen and Sam Baker, both of whom are independent of management. Mr. Chen is Chair of this committee. The Compensation Committee meets at least once each year and is responsible for making recommendations to the Board regarding: (a) human resources policies and practices; (b) compensation policies and guidelines; (c) management incentive and perquisite plans; (d) senior management and officer appointments and compensation; (e) management succession and development plans and termination policies and arrangements; and (f) the human resources structure.

The Compensation Committee makes recommendations to the Board regarding director and CEO compensation, and various other matters, and the Board then determines whether to adopt such recommendations as submitted or otherwise.

Please see "*EXECUTIVE COMPENSATION – Compensation Discussion and Analysis*" below for details of compensation objective, compensation philosophy, application of the philosophy to the Company's executive compensation arrangements and an analysis of the Company's compensation design. The Compensation Committee has reviewed with senior management the Compensation Discussion and Analysis and, based on such review, has recommended to the Board that the Compensation Discussion and Analysis be included in this Circular.

Audit Committee Information

The Audit Committee is currently comprised of Messrs. Samuel Baker, Zhengquan Philip Chen and Graham C. Warren, with Mr. Baker as the chair. The Audit Committee is responsible for the Company's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company's external auditors. The Audit Committee also assists the Board in fulfilling its responsibilities in reviewing the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors. The Audit Committee is also responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets. In each of the fiscal years ended December 31, 2013 and 2012, the audit committee met four times. The full text of the Audit Committee's charter is attached as Schedule "B" to this Circular.

Composition of the Audit Committee

The Audit Committee of the Company is comprised of the following members of the Board:

Name	Position	Independent[(1)]	Financial Literacy
Samuel R. Baker	Director	Yes	Yes
Zhengquan Philip Chen	Director	Yes	Yes
Graham C. Warren	Director, CFO	No	Yes

Note:

(1) The Company is relying on the exemption provided by Section 6.1 of NI 52-110 - *Audit Committee* which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) of NI 52-110 - *Audit Committee*.

Audit Committee Member Information

The following table describes the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

Samuel R. Baker	Mr. Samuel R. Baker Q.C. is an international corporate/commercial lawyer with broad experience providing legal and business advice to multi-national corporations and ventures from a wide range of jurisdictions including China. As such, he has served on the boards of directors of the Canadian subsidiaries and affiliates of many such corporations; for instance, Canada Minmetals Ltd., a wholly owned subsidiary of China National Metals and Minerals Import & Export Corporation. A partner of the international law firm Baker & McKenzie for more than twenty years, he continues to practice law independently under the name Baker Law Firm.
Zhengquan Philip Chen	Mr. Zhengquan Philip Chen is president of Shanghai Songrui Forestry Products Inc. He is also co-founder of Macrovista Capital Inc. and Dynaco Capital Inc. based in Toronto, since their founding in September 2005 and 2007 respectively. He was founding president, CEO and director of Vendome Capital Corp., a TSX Venture listed CPC that completed the qualifying transaction in August, 2008. Prior to that, Mr. Chen has been a senior associate of Zeuspac Capital Bancorp Ltd., an international private investment bank, from February 1998 to June 2005, where he has been directly involved in numerous financial advisory assignments in a variety of sectors which include the acquisitions of two hydroelectricity power companies in China worth US$120 million in 1998 and 1999, through a New York Stock Exchange listed company. Prior to joining Zeuspac Capital Bancorp Ltd., Mr. Chen served as the Executive Vice President at Sturdy International Group Inc. (SIG) in New York from March 1996 to September 1997. Mr. Chen also worked for a government agency in Shanghai, China in public policy making and public facilities planning from 1992 to 1996. He began his career as a biochemist at a general hospital in Shanghai, China in 1982. Mr. Chen obtained his Bachelor of Science degree from East China Normal University in Shanghai, China (1982) and his Master of Business Administration degree from The University of Hawaii in Honolulu, USA (1995). In 1998, he obtained his LL.M degree from East China Polytechnic University in Shanghai. Mr. Chen is a Canadian citizen and a resident in Toronto, Ontario.
Graham C. Warren	Mr. Warren holds a C.M.A. designation from the Society of Management Accountants and has extensive experience in financial and business matters as a result of his extensive experience with both domestic and foreign public companies. Mr. Warren is currently a director of Changfeng Energy Inc. and Active Control Technology Inc. and serves as Chief Financial Officer of Pangolin Diamonds Corp. and Active Control Technology Inc.

External Auditor Service Fees

	2013 Fee Amount	**2012 Fee Amount**
Audit Fees[(1)]	$75,000	Nil
Audit-Related Fees[(2)]	Nil	Nil
Tax Fees[(3)]	Nil	Nil
All Other Fees[(4)]	Nil	Nil
Total:	**$75,000**	**Nil**

Notes:

(1) "Audit fees" include fees rendered by the Company's external auditor for professional services necessary to perform the annual audit and any quarterly reviews of the Company's financial statements. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements.

(2) "Audit-related fees" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not included in the "Audit Fees" category.

(3) "Tax fees" include fees for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.

(4) "All other fees" include fees for products and services provided by the Company's external auditor, other than services reported under the table headings "Audit Fees", "Audit-Related Fees" or "Tax Fees".

Pre-Approval Policy for Services of Independent Auditors

As part of its duties, the Audit Committee is required to pre-approve audit and non-audit services performed by the independent auditors in order to assure that the provision of such services does not impair the auditors' independence. In considering the appointment of the auditor for non-audit services, the Audit Committee will consider the compatibility of the service with the auditor's independence. The Committee may delegate to the Chair of the Audit Committee the responsibility for pre-approval of non-audit services that do not exceed $10,000 in fees, provided that any such pre-approval is reported to the full Audit Committee at its next scheduled meeting. The Audit Committee does not delegate to management its responsibilities to pre-approve services performed by the independent auditors.

Assessment of Board Performance

As noted above, the CG&N Committee is responsible for reviewing the contribution and effectiveness of the Board, its committees and its members. The CG&N Committee:

(i) reviews and reports to the Board annually on the size, composition and profile of the Board (age, geographical representation, disciplines, related vs. unrelated, etc.). In its review of the size of the Board, the CG&N Committee will evaluate the impact of the number of Board members upon its effectiveness and, if required, implement a program to modify the number of directors to facilitate more effective decision-making;

(ii) reviews annually the continued compliance by nominees to the Board to be named in the management proxy circular for re-election with the criteria underlying the appointment of each director;

(iii) reviews annually: (i) compliance by Board members with the Company's policy on conflicts of interest; (ii) the status and contribution of members of the Board and committees of the Board; and (iii) the performance of the Board and its committees, and reports to the Board thereon. This report, where appropriate, will include an assessment of the areas in which the CG&N Committee believes a better contribution could be made and recommendations to improve the performance of the Board, its members and its committees; and

(iv) reviews annually the Board/management relationship and recommends to the Board structures and procedures to ensure that the Board can function independently of management.

The CG&N Committee did not conduct a formal review as noted above for the fiscal year ended December 31, 2013.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

Report and Financial Statements

The Board has approved all of the information in the audited financial statements of the Company for the year ended December 31, 2013, 2012 and 2011, together with the report of the auditor thereon, copies of which are available on SEDAR at www.sedar.com.

Election of Directors

The board of directors of the Company (the "**Board**") is a variable board consisting of not fewer than three and not more than ten directors. The Board currently consists of five directors. The Board has determined that the number of directors to be elected at the Meeting be five. Accordingly, Shareholders will be asked to elect five directors at the Meeting. Each director elected will hold office until the next annual meeting or until his or her successor is appointed, unless his or her office is earlier vacated in accordance with the OBCA and the by-laws of the Company.

All five nominees (each of the five nominees a "**Nominee**", and together the "**Nominees**") are currently members of the Board and have been since the dates indicated below. Management does not contemplate that any of the Nominees will be unable to serve as a director. **However, if a Nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. The persons named in the enclosed form of proxy intend to vote for the election of all of the Nominees whose names are set forth below. In the absence of instructions to the contrary, Common Shares represented by proxies will be voted in favour of the election as directors of the Nominees whose names are set forth below.**

The following table and the notes thereto state the names of all persons proposed to be nominated for election as directors, all other positions or offices with the Company and its subsidiaries now held by them, their current principal occupations or employment, the year in which they became directors of the Company, the approximate number of Common Shares beneficially owned, directly or indirectly, by each of them, or over which they exert control or direction as of the Record Date and the number of options to acquire Common Shares held as of the Record Date.

Name and Municipality of Residence	Position(s) with the Company	Current Principal Occupation	Director Since	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised[1]	No. of Options Held
Steve Fan Wang [2] Beijing, China	Chief Executive Officer, Chairman, Director	Chief Executive Officer of the Company	March 2007	73,043,639	Nil
Zhengquan Philip Chen [3], (4)*, (5) Toronto, Ontario	Non-Executive Lead Director	President of Shanghai Songrui Forestry Products Inc.	October 2008	Nil	Nil
Tom Zhen Wang [6] Beijing, China	Director	Director and officer of the Company; Mining executive	March 2007	61,697,054	Nil
Graham C. Warren[3] Toronto, Ontario	Director and Chief Financial Officer of the Company	President of Graham C. Warren Consulting	April 2011	32,000	Nil
Samuel Baker [3]*, (4), (5) Toronto, Ontario	Director	Principal of Baker Law Firm	September 2008	Nil	Nil

Notes:

(1) Information supplied by Nominees individually. Does not include shares issuable upon exercise of options.

(2) Mr. Steve Fan Wang was appointed as the Chief Executive Officer of the Company on March 14, 2007 and took a leave of absence on March 19, 2008 to October 1, 2008 for health reasons. Mr. Steve Fan Wang resumed his role as the Chief Executive Officer after his return from a leave of absence for health reasons on October 1, 2008.

(3) Member of the Audit Committee.

(4) Member of the Compensation Committee.

(5) Member of the Corporate Governance and Nominating Committee.

(6) Mr. Tom Zhen Wang was appointed on March 19, 2008 as the interim Chief Executive Officer of the Company until the return of Mr. Steve Fan Wang on October 1, 2008.

* Denotes committee chair.

Set forth below is a description of the educational experience and principal occupations of each Nominee during the past five years:

Steve Fan Wang – Chief Executive Officer, Director and Chairman

Mr. Steve Fan Wang has been the President, Chief Executive Officer and a director of the Company since March 14, 2007 and the chairman of the board since September 29, 2008. Mr. Steve Fan Wang has served as Chairman, director and Chief Executive Officer of Baiyinhanshan Mining Group Limited based in Inner Mongolia, China since 1998.

Mr. Wang was also the chairman of the supervisory board of Arehada Mining Corporation, the former Chinese operating subsidiary of the Company, until November 2010 when Shanjin Mining Corporation acquired 100% of the shares of Arehada Mining Corporation pursuant to the Shanjin Sale.

In 2003, Mr. Wang received an M.B.A. from Beijing University.

Zhengquan Philip Chen – Lead Director

Mr. Zhengquan Philip Chen is president of Shanghai Songrui Forestry Products Inc. He is also co-founder of Macrovista Capital Inc. and Dynaco Capital Inc. based in Toronto, since they were founded in September 2005 and 2007 respectively. He was founding president, CEO and director of Vendome Capital Corp., a TSXV listed CPC that completed its qualifying transaction in August, 2008. Prior to that, Mr. Chen has been a senior associate of Zeuspac Capital Bancorp Ltd., an international private investment bank, from February 1998 to June 2005, where he has been directly involved in numerous financial advisory assignments in a variety of sectors which include the acquisitions of two hydroelectricity power companies in China worth US$120 million in 1998 and 1999, through a New York Stock Exchange listed company. Prior to joining Zeuspac Capital Bancorp Ltd., Mr. Chen served as the Executive Vice President at Sturdy International Group Inc. (SIG) in New York from March 1996 to September 1997. Mr. Chen also worked for a government agency in Shanghai, China in public policy making and public facilities planning from 1992 to 1996. He began his career as a biochemist at a general hospital in Shanghai, China in 1982. Mr. Chen obtained his Bachelor of Science degree from East China Normal University in Shanghai, China (1982) and his Master of Business Administration degree from The University of Hawaii in Honolulu, USA (1995). In 1998, he obtained his LL.M degree from East China Polytechnic University in Shanghai. Mr. Chen is a Canadian citizen and a resident in Toronto, Ontario.

Tom Zhen Wang – Director

Mr. Tom Zhen Wang is a director of the Company. He served as Managing Director and Chief Executive Officer of Arehada Mining Corporation, the former Chinese operating subsidiary of the Company, from 2005 until November 2010 when Shanjin Mining Corporation acquired 100% of the shares of Arehada Mining Corporation pursuant to the Shanjin Sale. He has also acted as the chairman of the supervisory board of HoldingCo Mining Group Limited since 1998. In 2002, Mr. Wang received his M.B.A. from Peking University in Beijing.

Graham C. Warren – Director and Chief Financial Officer

Mr. Graham Warren is currently President of Graham C. Warren Consulting, a private consulting firm (1993 to present). Mr. Warren currently serves as a director of ChangFeng Energy Inc. (TSXV: CFY) (May 2010 to present) and Active Control Technologies Inc. ("**Active Control**") (2006 to present). Mr. Warren currently serves as the Chief Financial Officer for Active Control (September 2011 to present) and Pangolin Diamonds Corp. (March 2011

to present). Previously, Mr. Warren served as Chief Financial Officer of Exile Resources Inc. (TSXV: ERI) (2006 to Feb 2011), Changfeng Energy Inc. (TSXV: CFY) (2006 to May 2010), Active Control (2004 to 2009), Hanfeng Evergreen Inc. (TSX: HF) (2003 to 2008), Umedik Inc. (2001 to 2002) and Medtech Environmental Ltd. (1995 to 2001), as well as interim CEO for Active Control from January to September 2011. Mr. Warren also previously served as a director of Active Control (2006 to 2010), Hanfeng Evergreen Inc. (2003 to 2008) and Exile Resources Inc. (2005 to 2006). Mr. Warren holds a B.Comm. degree from Concordia University and a C.M.A. designation from the Society of Management Accountants.

Samuel Baker – Director

Mr. Samuel R. Baker Q.C. is an international corporate/commercial lawyer with broad experience providing legal and business advice to multi-national corporations and ventures from a wide range of jurisdictions including China. As such, he has served on the boards of directors of the Canadian subsidiaries and affiliates of many such corporations; for instance, Canada Minmetals Ltd., a wholly owned subsidiary of China National Metals and Minerals Import & Export Corporation. A partner of the international law firm Baker & McKenzie for more than twenty years, he continues to practice law independently under the name Baker Law Firm.

Cease Trade Orders and Sanctions

Other than as described below, to the knowledge of the Company, as of the date hereof, no Nominee:

(a) is, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or

(ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

(b) is, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while such Nominee was acting in that capacity, or within a year of such Nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Nominee.

For the purposes of the above section, the term "order" means:

(a) a cease trade order, including a management cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

Other than as described below, to the knowledge of the Company, as of the date hereof, no Nominee has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body.

As a result of the Company's failure to file audited financial statements for the year ended December 31, 2010, the accompanying management's discussion and analysis, related CEO and CFO certifications and annual information form (collectively, the "**2010 Annual Filings**") by the prescribed deadline, the Ontario Securities Commission (the "**OSC**"), issued a temporary cease trade order against the Company on April 6, 2011. The OSC, the British Columbia Securities Commission (the "**BCSC**") and the Alberta Securities Commission (the "**ASC**") issued permanent cease trade orders against the Company on April 18, 2011, April 8, 2011 and July 21, 2011, respectively, which cease trade orders still remain in effect as of the date of this Circular (the "**Cease Trade Orders**"). Due to the delay in filing of the 2010 Annual Filings, the Company was also unable to file the unaudited interim financial statements for the periods ended March 31, 2011, June 30, 2011 and September 30, 2011, the accompanying management's discussion and analysis and related CEO and CFO certifications (collectively, the "**2011 Interim Filings**") by the prescribed deadline. The Company subsequently filed the 2010 Annual Filings and 2011 Interim Filings but abandoned an application to revoke the Cease Trade Orders. In addition, the Company failed to file the audited financial statements for the years ended December 31, 2011 and 2012, the accompanying management's discussion and analysis, related CEO and CFO by the prescribed deadline, and the Company has failed to file any interim financial statements, the interim accompanying management's discussion and analysis and related CEO and CFO certifications for any interim period since September 30, 2011. As a result, the Cease Trade Orders are still in effect and the Company does not expect the Cease Trade Orders to be revoked.

In addition, in April 2011, the Company received notice from the Toronto Stock Exchange ("**TSX**") that the Common Shares would be delisted from the TSX for failure to meet the original and continued listing requirements of the TSX. The Common Shares were suspended from the TSX on May 9, 2011. The Company obtained a listing on the NEX board of the TSXV on May 24, 2011. On October 14, 2014, the Company's Common Shares were delisted from the NEX board of the TSXV for filing to pay sustaining fees. Currently the Common Shares are not listed on any stock exchange.

All of the current directors of the Company held their respective offices and positions with the Company when the above-noted Cease Trade Orders and notice from the TSX were issued, and when the Common Shares were suspended from the TSX or delisted from the NEX board of the TSXV.

The Company was also subject to a temporary management cease trade order issued by each of the Ontario Securities Commission (the "**OSC MCTO**") and the British Columbia Securities Commission (the "**BCSC MCTO**") on May 18, 2007 for failing to file its interim financial statements for the three month period ended March 31, 2007 and related management's discussion and analysis by the prescribed deadline. The BCSC MCTO was revoked on July 24, 2007 and the OSC CTO expired. Only Tom Zhen Wang and Steve Fan Wang were directors of the Company when the OSC MCTO and the BCSC MCTO was in effect.

Appointment of Auditor

Management recommends the re-appointment of Deloitte LLP, Chartered Accountants, as the auditor of the Company to hold office until the close of the next annual meeting of Shareholders.

Deloitte LLP, Chartered Accountants were first appointed auditors of the Company in 2006.

The persons named in the enclosed form of proxy intend to vote the common shares represented by such proxy in favour of a resolution re-appointing Deloitte LLP, Chartered Accountants as auditors of the Company, to hold office until the next annual meeting of Shareholders and authorizing the directors to fix the

remuneration of the auditors, unless the Shareholder who has given such proxy has directed that the common shares be withheld from voting in respect of the appointment of auditors.

Ratification of Shanjin Sale and the Tiancheng Investment

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve, with or without variation, the Ratification Resolution, the text of which is set out below, ratifying the Shanjin Sale and the Tiancheng Investment.

Shanjin Sale and Tiancheng Investment

Shanjin Sale

In 2010, the Company's operating subsidiary was Arehada Mining Corporation, a company governed under the laws of the People's Republic of China ("**Arehada China**"). Arehada China held all mining properties of the Company. The Company's holding in Arehada China was through an intermediary wholly-owned subsidiary, Arehada Barbados

In February 2010, Arehada Barbados entered into a tentative purchase and sale agreement (the "**Shanjin Sale Agreement**") with Shanjin Mining Corporation ("**Shanjin**"), a Shandong based Chinese mining company at arm's length to the Company. Pursuant to the Shanjin Sale Agreement, Arehada Barbados agreed to sell to Shanjin all of the shares Arehada Barbados held in Arehada China (the "**Shanjin Sale**"). The agreement only became effective upon the satisfaction of certain conditions, including without limitation, receipt of approvals from the regulatory authorities of the Inner Mongolia Autonomous Region and Shandong Province of China.

The principal terms of the Shanjin Sale Agreement were as follows:

Arehada Barbados would sell 100% of the shares in Arehada China to Shanjin.

The total cash purchase price would be based on the net asset value of Arehada China shown in Shanjin's audit report and Shanjin's valuation report with a valuation date of September 30, 2009, with a minimum cash purchase price of RMB 600 million.

Shanjin and Arehada Barbados would establish a jointly-controlled bank account to receive installment payments of the cash purchase price. Until the agreement became effective, the funds in the jointly-controlled bank account could only be accessed by authorization of both Shanjin and Arehada Barbados. Once the agreement became effective, Shanjin would unconditionally relinquish control of the bank account to Arehada Barbados. If the agreement was terminated or the agreement did not become effective because one of the conditions could not be fulfilled, Arehada Barbados would unconditionally relinquish control of the bank account to Shanjin.

Total cash purchase price would be paid by Shanjin into the jointly-controlled bank account in four installments.

- The first installment to the jointly-controlled bank account of approximately 16% of the cash purchase price (RMB 120 million) was paid on May 12, 2010 upon receipt by Shanjin of certain documentation from Arehada Barbados with respect to the transaction.

- The second installment to jointly-controlled bank account of approximately 19% of the cash purchase price, (RMB 140.74 million) was paid on March 15, 2011.

- The third installment to jointly-controlled bank account of 12% of the cash purchase price (RMB 91.10 million) was paid on May 31, 2014, which was within 3 working days of obtaining all regulatory approvals for the Shanjin Sale and registration of the transfer of ownership, after Shanjin deducting applicable taxes of RMB 74.41 million.

- The fourth installment of 52% of the cash purchase price (RMB 383.14 million) was paid on August 25, 2014 to a bank account designated by Arehada Barbados after deducting any liabilities which should be assumed by Arehada Barbados in according to the agreement

Upon payment of the first installment of 20%, the parties entered into a transition period until the share transfer was completed. During the transition period, Shanjin would be responsible for the mining operation of Arehada China and would be liable for the costs incurred. If the agreement was terminated without completion of the share transfer, Shanjin would return the mining operation to Arehada Barbados in good condition.

With respect to liabilities of Arehada China, Shanjin would assume certain liabilities incurred prior to the commencement of the transition period not exceeding RMB 240 million in aggregate. The assumption of liabilities by Shanjin would be in addition to the cash purchase price. If after two years from the transition period, Shanjin discovered that Arehada China incurred additional liabilities prior to the commencement of the transition, such additional liabilities would be assumed by Baiyinhanshan Mining Group Limited, a related party to Arehada Barbados.

For receivables of Arehada China accrued prior to the commencement of the transition period, Shanjin and Arehada would from the transition period use best efforts to collect the receivables. If the receivables had not been collected within two years, the amount would be deducted from the cash purchase price.

The final purchase price for the Shanjin Sale was determined to be RMB 735 million, based on the valuation on Arehada China performed by Shanjin and the amount of Arehada China's liabilities determined by Shanjin.

The Company obtained the final approval of the applicable tax rate on the Shanjin Sale in March 2014, which was determined to be 10% on taxable assets of approximately RMB 744 million. In August 2014, after deduction of RMB 74.41 million in tax payment made by Shanjin on behalf of Arehada Barbados but before payment of other liabilities of Arehada Barbados, Arehada Barbados received the last installment payment from Shanjin and Shanjin released the funds in the jointly-controlled bank account to Arehada Barbados, resulting in a total of approximately RMB 621.77 million released to Arehada Barbados from Shanjin.

Tiancheng Investment

The SAFE approval is the last regulatory approval required to release the sale proceeds to the Company from the bank account jointly controlled by the Company and Shanjin. In the process of applying for SAFE approval, SAFE advised that it would more likely approve the funds being remitted to a foreign seller (Arehada Barbados) if the funds were first reinvested in a Chinese subsidiary. As Arehada Barbados already sold all of the shares it held in Arehada China, it needed to acquire or establish another Chinese subsidiary. Arehada believed that it was more efficient for Arehada Barbados to acquire a subsidiary instead of establishing another wholly foreign owned entity ("**WFOE**") as a new WFOE would also involve additional governmental approval. In addition, SAFE had indicated that they would prefer that Arehada Barbados invest the money in another Chinese business. As a result, Arehada began negotiations with Tiancheng during the SAFE application process with a view to satisfying SAFE requirements.

The SAFE approval required that the proceeds to be held in a company in China. As a result, the funds received by Arehada Barbados was invested in Yunnan Xuming Tiancheng Tourism Development Co. Ltd. ("**Tiancheng**"), a company acquired by Arehada Barbados in August 2014. The total initial investment amount in Tiancheng was RMB 621.77 million (the "**Tiancheng Investment**"), comprised of two parts: the registered capital of RMB 225 million (the "**Tiancheng Equity Investment**"), and Shareholder's loan in the initial principal amount of RMB 396.77 million (the "**Tiancheng Shareholder Loan**"). Both the equity and loan investment in Tiancheng Investment have been approved by SAFE subject to Shareholder ratification.

Tiancheng was established in the year 2011, and its scope of business is: scenic area development, tourism product development and sales. If the above business involves in special approval according the state laws and

administrative regulations, the operation activities of the business should be carried out in accordance with the scope and timeline approved.

Tiancheng was acquired by Arehada Barbados investing in Tiancheng which was previously wholly-owned by three Chinese shareholders:

Lijiang Golden Pagoda Tourism Co. Ltd., a PRC company located in Lijiang, Yunnan

Lanka Zhaxi, a Chinese citizen

Zhang Heng, a Chinese citizen

After investment by Arehada Barbados, the paid up capital of Tiancheng is as follows

Name of Shareholder	Contributions (RMB thousand)	Percentage in the total amount of equity
Arehada (Barbados) Corporation	225,000	92.98%
Lijiang Golden Pagoda Tourism Co. Ltd.	11,900	4.92%
Lanka Zhaxi	4,250	1.75%
Zhang Heng	850	0.35%

Tiancheng was at arm's length to the Company prior to the Tiancheng Investment. Arehada confirms that none of Tiancheng or the other shareholders of Tiancheng are related to Arehada or any of its directors, officers or its principal Shareholders, and to Arehada's knowledge, to any other Arehada Shareholders.

The Tiancheng Shareholder Loan was evidenced by a loan agreement between Arehada Barbados and Tiancheng dated as of April 1, 2014, as amended (the "**Tiancheng Shareholder Loan Agreement**"). The Tiancheng Shareholder Loan can be repaid any time upon demand by the shareholder in accordance with the terms of the Tiancheng Shareholder Loan Agreement. The Tiancheng Shareholder Loan Agreement is subject to ratification by the Company's Shareholders.

Since the time the Tiancheng Shareholder Loan was made, a total of RMB 219.83 million has been repaid by Tiancheng to Arehada Barbados, resulting in the current principal amount under the Tiancheng Shareholder Loan being RMB 176.94 million. As a result, the current amount of the Tiancheng Investment is RMB 401.94 million. The repayment from Tiancheng to Arehada Barbados was used to satisfy outstanding liabilities of Arehada Barbados in the amount of RMB 219.83 million.

SAFE approval will be required to use the Tiancheng Shareholder Loan repayment amount to purchase foreign currency and to remit the foreign currency out of China. Steve Fan Wang, the Company's President, CEO, Chairman and principal of HoldingCo, the Company's largest Shareholder, advised that HoldingCo would receive its Distribution in RMB in China. Accordingly, the Company believes that it only needs to use approximately RMB 60 million to purchase Canadian dollars to be expropriated to Canadian for distribution to Canadian resident Shareholders based on the current exchange rate. The Company will need to apply for SAFE approval for this amount. The Company's Chinese management has advised that they had been in contact with the SAFE office in the Yunnan province, and has recorded the Tiancheng Shareholder Loan Agreement with the SAFE. To apply, the Company needs to obtain the Shareholders' ratification of the Tiancheng Shareholder Loan and provide such approval to SAFE as the support document to purchase foreign currency and remit to Canada.

Board Approval

On February 23, 2010, the board of directors of the Company approved the Shanjin Sale, subject to ratification of the Shanjin Sale by Shareholders, and subject to receipt of all necessary regulatory approvals.

On March 29, 2014, the board of directors of the Company approved the Tiancheng Investment, subject to ratification of the Tiancheng Investment by Shareholders, and subject to receipt of all necessary regulatory approvals.

Shareholder Approval Requirements

Because the Shanjin Sale is a sale of "all or substantially all" of the assets of the Company, under Section 184(3) of the OBCA, it must be approved by at least 2/3 of Shareholders represented in person or by proxy at the Meeting. All Common Shares are entitled to vote on the Ratification Resolution.

Although the Shanjin Sale occurred several years ago, the Sale proceeds had been held in the jointly-controlled bank account pending regulatory approvals in China, mainly the approval from the tax authority and SAFE. Regulatory approvals were only obtained in April 2014 and the Shanjin Sale proceeds were not released to Arehada China until May and August of 2014.

Until the release of the funds from the jointly controlled bank account by Shanjin, the Company was not able to access the Shanjin Sale proceeds, and the Shanjin Sale had therefore been in effect in "escrow". The Company had planned to seek Shareholders ratification for the Shanjin Sale when the escrow was about to be terminated. The Company had not expected that it would take such a long time to obtain the tax authority approval which was only obtained in April 2014, which in turn also delayed the application for SAFE approval. The Company was not able to call a Shareholders' meeting to ratify the Shanjin Sale when the Company was aware of the escrowed nature of the sale proceeds and knew that the Company would not be able to satisfy the dissent right obligations under the OBCA. As the tax authority approval and SAFE approvals have now been obtained, and Arehada Barbados had received the Sale proceeds from Shanjin by investing in Tiancheng, the Company felt appropriate to call a Shareholders' meeting to ratify the Shanjin Sale and the Tiancheng Investment.

Because the SAFE approval for the Shanjin Sale requires that the Tiancheng Investment be ratified by shareholders of Arehada Barbados, the board of directors of the Company have determined to seek Shareholders' approval at the Meeting for ratifying the Tiancheng Investment.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought appropriate, approve the following special resolution, with or without variation, ratifying the Shanjin Sale and the Tiancheng Investment (the "**Ratification Resolution**"):

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the execution and delivery of the share purchase agreement dated as of February 2010 between Arehada (Barbados) Corporation, the Company's wholly-owned subsidiary ("**Arehada Barbados**") and Shanjin Mining Corporation ("**Shanjin**"), and all amendments thereto (collectively, the "**Shanjin Sale Agreement**") providing for the sale of all of the issued and outstanding shares Arehada Barbados held in Arehada Mining Corporation ("**Arehada China**"), and the sale of Arehada Barbados of all issued and outstanding shares in Arehada China in accordance with the Shanjin Sale Agreement (the "**Shanjin Sale**") be and are hereby ratified, confirmed and approved;

2. the execution and delivery of: (i) the investment agreement dated as of April 1, 2014 between Arehada Barbados and shareholders of Yunnan Xuming Tiancheng Tourism Development Co. Ltd. ("**Tiancheng**"), as amended, provided for an equity investment by Arehada Barbados in Tiancheng in the amount of RMB 225 million (the "**Tiancheng Equity Investment**"), and (ii) the shareholder loan agreement dated as of April 1, 2014 between Arehada Barbados and Tiancheng, as amended, provided for a shareholder loan by Arehada Barbados in Tiancheng in the initial principal amount of RMB 396.77 million (the "**Tiancheng Shareholder Loan**") be and is hereby ratified, confirmed and approved;

2. the Company be and is hereby authorized and directed to provide to Arehada Barbados a shareholder's resolution evidencing the shareholder ratification of the Shanjin Sale, the Tiancheng Equity Investment and the Tiancheng Shareholder Loan; and

3. any one director or officer of the Company be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, agreements, deeds and documents, and any amendments thereto, under corporate seal or otherwise, as may be necessary or advisable in order to give effect to the foregoing resolution."

In order to be effective, the Ratification Resolution must be approved by at least two-thirds of the votes cast by Shareholders in respect thereof at the Meeting.

After giving careful consideration to the circumstances of the Shanjin Sale and the Tiancheng Investment, the Board of Directors of Arehada hereby unanimously recommend that Shareholders vote FOR the Ratification Resolution. **Common Shares represented by proxies in favour of management will be voted in favour of the Ratification Resolution, unless a Shareholder has specified otherwise in his proxy.**

Right of Dissent

Under the provisions of Section 185 of the OBCA, a registered Shareholder is entitled to exercise dissent rights by sending to the Company a written objection to the Ratification Resolution at or before the time fixed for the Meeting and otherwise complying strictly with the requirements of that section. In addition to any other right a Shareholder may have, if the Ratification Resolution becomes effective, a registered Shareholder who complies with the dissent procedure under Section 185 of the OBCA is entitled to be paid the fair value of the Common Shares held by the Shareholder in respect of which he, she or it dissents, determined as at the close of business on the day before the Ratification Resolution is adopted.

The dissent procedure provided by Section 185 of the OBCA is summarized in Schedule "B" to this Circular and the text of Section 185 of the OBCA is set forth in Schedule "C" to this Circular. Shareholders who may wish to consider exercising dissent rights are referred to those Schedules. A Shareholder may exercise the right to dissent under Section 185 of the OBCA only in respect of Common Shares which are registered in that Shareholder's name. Failure to comply strictly with the provisions of the OBCA may result in the loss or unavailability of the right to dissent.

The execution or exercise of a proxy or voting instruction form does not constitute a written objection for the purposes of exercising dissent rights under Section 185 of the OBCA.

Approval of the Dissolution

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve, with or without variation, the Dissolution Resolution, the text of which is set out in Schedule "A" to this Circular, which if passed, will result in the Company carrying out the Dissolution.

Liquidation of Tiancheng Investment

The assets of the Company consist primarily of the Tiancheng Investment. If the Dissolution Resolution is approved, the Company intends to liquidate the Tiancheng Investment by selling the Tiancheng Investment.

Mr. Steve Fan Wang, the Company's President, CEO, Chairman and principal of HoldingCo, the Company's largest shareholder, has advised that HoldingCo is willing to purchase the Tiancheng Investment and is willing to accept the Distributions due to it in RMB. Accordingly, subject to Shareholder approval, the Company and Arehada Barbados entered into an investment purchase agreement with HoldingCo and Tiancheng on March 31, 2015 (the "**HoldingCo Agreement**") pursuant to which HoldingCo will purchase the Tiancheng Investment for RMB 401.94 million, comprised of RMB 225 million for the Tiancheng Equity Investment and RMB 179.64 million for the Tiancheng Shareholder Loan. HoldingCo also agreed to accept all Distributions payable to HoldingCo in RMB, and accordingly the HoldingCo Agreement also provides for a set-off of the Distributions due to HoldingCo in the Dissolution against the purchase price payable by HoldingCo to Arehada Barbados. HoldingCo will pay from the purchase price (following the set-off) certain amounts in RMB to Arehada Barbados to cover certain costs of Arehada Barbados in China and to pay the Officer Bonus Payments in RMB, and to remit the balance of the

purchase price in Canadian dollars to the Company. The HoldingCo Agreement sets out certain conditions for the sale of the Tiancheng Investment to HoldingCo, including Shareholders approval of the Ratification Resolution and the Dissolution Resolution. The sale of the Tiancheng Investment will be a related party transaction. Please see "*PARTICULARS OF MATTERS TO BE ACTED ON – Approval of the Dissolution-Related Party Transaction*" for more details.

After the liquidation of the Tiancheng Investment, Company intends to distribute the cash on hand less the Company's liabilities in one or more instalments as part of the Distribution.

Distribution of Cash by Way of a Reduction of Capital

The Dissolution Resolution includes a resolution to approve the payment of a Distribution. The Company proposes to reduce the stated capital of the Common Shares equal to the amount of the Distribution which amount will be paid with cash available after payment of, or provision for, the liabilities and obligations of the Company.

The Company anticipates having net cash on-hand of approximately $71,774,629 to $77,295,754, and expects that Shareholders will receive between $0.36 and $0.39 in cash per Common Share, which amount will be paid in one or more instalments. The amount of the Distribution(s) shall be determined by the Board after repayment of the Company's liabilities and reviewing tax and other potential liabilities of the Company, which are currently estimated to be between approximately $10,060,238 and $10,155,919, including costs incurred in China and Barbados regarding the Shanjin Sale ($608,750 to $655,507), costs of the Company in China ($635,098 to $683,952), Officer Bonus Payments ($6,000,000), Director Bonus Payments ($110,000), costs relating to the Distributions and Dissolution ($706,390) and a contingency reserve ($2,000,000) for contingent liabilities under securities laws. Although management of the Company believes that the estimates of the liabilities set forth herein are reasonable based on information currently available to the Company, the actual amounts of such liabilities may differ materially from the estimates presented above, thereby affecting the amount of cash available to be distributed to Shareholders. The Board is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs not factored into the above estimated liabilities and obligations which would materially reduce the amount of cash available for distribution to Shareholders, but there is no assurance this will remain the case.

As of the date of this Circular, the Company does not have reasonable grounds to believe that, after giving effect to the reduction in the stated capital account of the Common Shares, as contemplated by the Dissolution Resolution, the Company would be unable to pay its liabilities as they become due or that the realizable value of the Company's assets would be less than the aggregate of its liabilities.

The anticipated amount of cash to be distributed to the Shareholders was calculated using the following estimates of: (i) cash on hand (including accounts receivable); and (ii) all of the liabilities of the Company that must be satisfied prior to the Distribution:

RMB	**RMB**
Sale Proceeds	621,768,453
Less: Liabilities Paid	
- Exploration Rights	70,000,000
- Fees for Taxation Intermediary	50,000,000
- Commission on Sale	53,616,302
- Guarantee Fee for Share Transfer	20,000,000
- Shareholder Loan Repayment	26,214,229
Total Liabilities Paid	219,830,531
Net Available for Distribution and Dissolution Costs	401,937,922

	Range	
	High	**Low**
1 CDN $ =	**5.2 RMB**	**5.6 RMB**
Canadian Dollars	C$	C$
Net Available for Distribution and Dissolution Costs	77,295,754	71,774,629
Estimated Liabilities		
Stamp Tax	78,654	73,036
China Costs 2014	683,952	635,098
Estimated China and Barbados Costs	576,923	535,714
Bonus payment	6,000,000	6,000,000
Directors Bonuses	110,000	110,000
Estimated expenses of the Distribution and Dissolution Canada	706,390	706,390
(administrative, legal, accounting, transfer agency, etc.)		
Contingency	2,000,000	2,000,000
Subtotal Estimated Liabilities	10,155,919	10,060,238
Estimated Net Cash for Distribution	67,139,835	61,714,391
Number of outstanding Common Shares	173,073,577	173,073,577
Estimated Net Cash per Common Share	0.39	0.36

Although management of the Company believes that the estimates of the liabilities of the Company are reasonable based on information currently available to the Company, the actual amounts of such liabilities may differ materially from the estimates presented above, and the cash amount distributed to Shareholders may be lower than the ranges presented above for a variety of reasons, including: (i) to the extent that the estimated liabilities incurred to complete the Dissolution are greater than the anticipated range of $0.36 to $0.39; (ii) to the extent there are material unforeseen costs or liabilities that must be satisfied by the Company; (iii) to the extent that there are any unforeseen contingent liabilities that will adversely affect the Company's cash balances; and (iv) fluctuations of the currency exchange rate between Canadian dollars and Chinese Renminbi.

As soon as practicable after the Company completes its sale of the Tiancheng Investment to HoldingCo and receives that portion of the purchase price payable in Canadian dollars from HoldingCo, and after the Board reviews the potential liabilities of the Company, the Board shall distribute a reasonable amount of the net cash to the Shareholders, while maintaining a reserve for remaining costs and liabilities in an amount determined by the Board in their discretion acting reasonably. Before the final distribution of cash to the Shareholders, the Board will cause all outstanding obligations of the Company to be satisfied and, in connection therewith, if in the directors' discretion they determine it is advisable, obtain a tax clearance certificate from CRA.

If the Dissolution is approved by the Shareholders, the Company will provide instructions to Shareholders describing the procedures to be followed to effect the Distributions. In addition, further details regarding the timing of, and amount of funds available for, Distributions will be provided through news release(s) of Arehada. The Company will, to the extent permitted by the OBCA, reduce the stated capital of the Common Shares in respect of each Distribution by the lesser of the amount of the Distribution and the balance of the stated capital of the Common Shares determined immediately before the Distribution.

Procedural Steps for Dissolution

If the Shareholders vote in favour of the Dissolution Resolution, the Board intends to (unless it has determined that the Dissolution is no longer in the best interests of Shareholders) proceed with the Dissolution in the following manner:

1. The Company will issue a press release confirming receive of Shareholder approval of the Dissolution;

2. The Company will complete the sale of the Tiancheng Investment from Arehada Barbados to HoldingCo, and Arehada Barbados will collect the purchase price payable to Arehada Barbados by HoldingCo;

3. Arehada Barbados will obtain SAFE approval to remit part of the purchase price received from HoldingCo to the Company in Canadian funds;

4. The Company will apply for clearance certificates from the CRA under the Tax Act and the *Excise Tax Act* (Canada) to confirm that no taxes are payable or remittable up to the date of Dissolution;

5. The Company will apply for a letter of consent from the CRA to the Dissolution which will be obtained and filed with the articles of dissolution.

6. The Company will send a statement of intent to dissolve in prescribed form to the Director.

7. Upon receipt of such statement of intent to dissolve, the Director under OBCA will issue a certificate of intent to dissolve to the Company.

8. Upon the issuance of the certificate of intent to dissolve, the Company will cease to carry on business except to the extent necessary for the Distribution, but its corporate existence will continue until the Distribution and Dissolution has been completed and the Director under OBCA issued a certificate of dissolution.

9. The Company will set a record date for the purpose of determining the Shareholders entitled to participate in the (final) Distribution of assets upon the Dissolution, and will issue a press release announcing such record date.

10. After issuance of the certificate of intent to dissolve, the Company will immediately cause notice of the issuance of the certificate to be sent or delivered to each known creditor of the Company, forthwith publish notice of the issue of the certificate in the Director under OBCA's periodical or The Ontario Gazette and in a newspaper published or distributed in the place where the Company has its registered office, and take reasonable steps to give notice of the issue of the certificate in every jurisdiction where the Company was carrying on business at the time it sent the statement of intent to dissolve to the Director under OBCA.

11. The Company anticipates that the Distribution to Shareholders of the cash after the settlement of its obligations as part of the Dissolution will be made in one or more instalments. Such Distributions will be made to Shareholders as a reduction of stated capital of the Common Shares to the extent thereof, and thereafter, if necessary as dividends, with Shareholders sharing rateably, share for share, in the Distribution proceeds. A record date will be established in connection with each distribution to determine the Shareholders entitled to participate therein. Subsection 238(4) of the OBCA provides that where any Shareholder is unknown or its whereabouts is unknown, the Company, by agreement with the Public Trustee, may deliver or convey the Shareholder's share of the property or cash to be distributed on a winding up and dissolution to the Public Trustee to be held in trust for the Shareholder. Such delivery or conveyance is deemed to be a distribution to that Shareholder of his, her or its rateable share for the purposes of the OBCA. Subsection 238(6) of the OBCA provides that any such property or cash delivered or conveyed to the Public Trustee that has not been claimed by the Shareholder within 10 years shall vest in the Public Trustee, for the use of Ontario (provided that any person beneficially entitled thereto at any time thereafter may establish his, her or its right thereto to the satisfaction of the Lieutenant Governor in Council, in which case such amount shall be paid over to the applicable person).

12. The first Distribution to be made during the Dissolution is currently expected to be made as promptly as practicable after the satisfaction of statutory requirements (which may include obtaining tax clearance certificates), and the remaining instalments(s) are expected to be made after all liabilities (including contingent liabilities, if any) of the Company are satisfied, including payment of all expenses of the Distribution and Dissolution. The Company will reduce the stated capital of the Common Shares in respect of each Distribution by the amount of the Distribution (or, if less, the stated capital of the Common Shares immediately before the Distribution).

13. After all obligations and liabilities (including contingent liabilities, if any) of the Company have been satisfied or otherwise provided for, payment of all of the Company's expenses has been made, and the remaining property of the Company has been distributed to Shareholders (which may be made pursuant to a depositary agreement between the Company and a depositary), the Company will file articles of dissolution with the Director under OBCA and will take all necessary actions to formally dissolve and terminate the Company's existence. Upon receipt of the articles of dissolution, the Director under OBCA will issue a certificate of dissolution. The Company will cease to exist on the date shown on the certificate of dissolution and the Common Shares that remain outstanding will be cancelled on that date.

Liability of Shareholders to Creditors

Section 242 of the OBCA provides that despite the Dissolution of the Company under the OBCA,

(a) a civil, criminal or administrative action or proceeding, which includes a power of sale proceeding relating to land commenced pursuant to a mortgage ("**Proceeding**"), commenced by or against the Company before its dissolution may be continued as if the Company had not been dissolved;

(b) a civil, criminal or administrative action or Proceeding may be brought against the Company as if the Company had not been dissolved;

(c) any property that would have been available to satisfy any judgment or order if the Company had not been dissolved remains available for such purpose; and

(d) title to land belonging to the Company immediately before the dissolution remains available to be sold in power of sale proceedings.

Moreover, section 243 of the OBCA provides that despite the dissolution of the Company, each Shareholder, including their heirs and legal representatives, to whom any of the Company's property has been distributed is liable to any person claiming under section 242 of the OBCA to the extent of the amount received by that Shareholder upon the distribution, and an action to enforce such liability may be brought.

The Board of Directors is not aware of any civil, criminal or administrative action or Proceeding involving or which may involve the Company or of any judgment or order against the Company. However, there is no assurance that such action or Proceeding will not be brought against the Company in the future.

See *"PARTICULARS OF MATTERS TO BE ACTED UPON- Approval of the Dissolution Resolution - Risk Factors - Return of Capital and Dissolution"*.

Stock Exchange Listing and Reporting Issuer Status

The Common Shares are currently not listed on any stock exchange after the Company was delisted from the NEX board of the TSXV on October 14, 2014.

The Company is also a reporting issuer in each of Ontario, British Columbia, Alberta and Saskatchewan. The Company has not complied with the continuous disclosure requirements by failing to file certain required annual audited and interest unaudited financial statements, related management discussion and analysis and related

certifications and as a result the Cease Trade Orders have been issued against the Company and are currently still effective. The Company may make applications to ceased to be a reporting issuer in the dissolution process.

Risk Factors

Consummation of the Distributions and Dissolution as contemplated in the Circular are subject to a number of risks. Shareholders should carefully consider the risks described below in evaluating whether or not to approve the Dissolution Resolution:

Collection Risks

The sale of the Tiancheng Investment to HoldingCo is subject to a number of risks, including:

Arehada Barbados may not receive the purchase price from HoldingCo for the Tiancheng Investment; and

Arehada Barbados may not have SAFE approval to remit funds to Canada.

Distribution Risks

The Distribution(s) made by the Company to Shareholders pursuant to the Dissolution is subject to a number of risks, including the following:

the timing, amount or nature of any Distributions to Shareholders cannot be predicted with certainty;

the Company's estimate of the amount available for Distribution to Shareholders could be reduced if the Company's expectations regarding operating expenses and Dissolution costs are inaccurate;

the Company's estimate of the amount available for Distribution to Shareholders is based on a number of assumptions, including with respect to administrative and professional expenses incurred during the Dissolution;

a delay in the completion of the Company's current work-in progress and in collecting outstanding receivables could potentially decrease the funds available for distribution to Shareholders as the Company will continue to be subject to ongoing operating expenses and may continue to be subject to certain continuous disclosure expenses; and

the Board may determine not to proceed with the Dissolution.

Foreign Exchange Risks

The purchase price to be paid by HoldingCo to Arehada Barbados for the Tiancheng Investment will be in Chinese RMB. Arehada Barbados will need to purchase Canadian dollar to remit a portion of the purchase price to the Company. The Canadian amount to be remitted will vary depending on the exchange rate between the Chinese RMB and the Canadian dollar at the time of remittance. If the Canadian dollar increases in value against the Chinese RMB, the amount to be remitted to Canada will decrease and the Distribution to the Shareholders will decrease. The Company has used a range of exchange rate of 5.2 to 5.6 RMB to each Canadian dollar for the calculation of the amount of Distribution payable per Common Share. There is no assurance that the exchange rate will not vary beyond the estimated range. If the exchange rate increases beyond 5.6 RMB to C$1.0, the per share Distribution amount will fall below $0.36 per share as estimated.

Return of Capital and the Dissolution

The process of voluntarily liquidating and dissolving up a public company such as the Company involves significant uncertainties that affect both the amount that can be distributed to Shareholders and the time to complete the Dissolution. Some of the principal uncertainties relate to the timing, the process of obtaining tax clearance

certificates and the potential for tax liabilities or other contingent liabilities. In addition, ongoing corporate costs of the Company will reduce the amount available for distribution to Shareholders and, in the event the Dissolution is delayed these costs will continue to be incurred. Until completion of the Dissolution process, the Company will remain a reporting issuer and will incur the attendant costs. Accordingly, the amount of cash to be distributed to Shareholders cannot currently be quantified with certainty, and Shareholders may receive substantially less than their pro rata share of the current estimated amounts available for distribution to Shareholders under the Dissolution.

Under Section 243 of the OBCA, Shareholders will be required to return their portion of a liquidation Distribution, if any, in the circumstances described under *"PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution Resolution – Liabilities of Shareholders to Creditors"*. As such, under the OBCA, despite the Dissolution of the Company, each Shareholder to whom any of the Company's property has been distributed may be liable to any person claiming under Section 227 of the OBCA to the extent of the amount received by that Shareholder upon the Distribution. The potential for Shareholder liability regarding a Distribution continues until the statutory limitation period for the applicable claim has expired.

Other risks relating to the affairs, business, operations and future prospects of the Company are set forth and described in the continuous disclosure documents of the Company on the SEDAR website at www.sedar.com.

Recommendation of the Board

The Board's decision-making process that evaluated the Company's strategic alternatives, including its prospects of obtaining a new listing on the TSXV or a going private transaction, determined that neither option was reasonably likely to create greater value for the Shareholders than the value obtained for the Shareholders pursuant to the Dissolution. Notwithstanding the foregoing, until such time as Shareholder approval is received for the Dissolution Resolution, Arehada will continue to evaluate other opportunities that have the potential of providing a superior return to its Shareholders.

Reasons for the Dissolution

In reaching the determination to proceed with the Dissolution, the Board has spent considerable time over the past several years after the Shanjin Sale consulting with management as well as legal and financial advisors, and considered a number of factors. These factors included, but are not limited to, the following material factors which our Board viewed as supporting its determination:

- the Company has already sold its mining operations;
- the Company’s securities have already been cease traded under the Cease Trade Orders;
- the increasing costs to Arehada operating as a non-operating public company, including to maintain a listing on the TSXV or TSX and compliance with the continuous disclosure obligations under applicable securities law;
- the Company's strategic review included reviewing other strategic alternatives available to the Company, including a "going private" transaction, or a reactivation transaction to use the net proceeds from the Shanjin Sale to acquire another operating business to obtain a listing on the TSXV or the TSX, have been rejected by the board of directors due to the difficulties in implementing the proposed alternative transactions and lower likelihood of success;
- the Dissolution must be approved by a special resolution passed by the affirmative vote of Shareholders representing at least 66 2/3% of/be Common Shares represented and voted at the Meeting.

The Board also considered certain material risks or potentially adverse factors in making its determination and recommendation, including, but not limited to, the following:

the sale of the Tiancheng Investment to HoldingCo may not be completed and Arehada Barbados may not receive the purchase price from HoldingCo;

Arehada Barbados may not remit to the Company part of the purchase price for the sale of the Tiancheng Investment received from HoldingCo;

some of the executive officers of Arehada may have interests that are different from, or in addition to, the interests of Shareholders;

the risk that there might be unanticipated delays in implementing the Dissolution, including making the Distributions.

the uncertainty of the amounts distributable to Shareholders following the dissolution of Arehada's business, including with respect to unknown or contingent liabilities, and the costs and expenses related to dissolving Arehada; and

the determination by the Board, after conducting a review of Arehada's alternatives, that attempting to obtain a new listing by acquiring a new business or conducting a going private transaction was not reasonably likely to create greater value for our Shareholders than the value obtained for Shareholders pursuant to the Dissolution.

After considering various factors described above, and other relevant matters, the Board unanimously recommends a vote FOR the Dissolution Resolution approving the Dissolution. It is the intention of the Management Designees named in the accompanying form of proxy to vote for the Dissolution Resolution unless a Shareholder has specified in its proxy that its Common Shares are to be voted against the foregoing resolution.

Related Party Transactions

In recognition of the work and contribution of Mr. Steve Fan Wang, President , CEO and Chairman of the Company, and Ms. Betty Sige, Secretary of the Company, in securing the Shanjin Sale, obtaining all regulatory approvals in the Shanjin Sale and the Tiancheng Investment, the Company entered into the Officer Bonus Agreements with Mr. Wang and Ms. Wang. Under the Officer Bonus Agreements, subject to Shareholder approval, Steve Fan Wang will be entitled to a bonus payment of $5 million, and Betty Sige Wang will be entitled to a bonus payment of $1 million, in each case subject to Shareholders' approval and subject to the Company's receipt of part of the purchase price for the Tiancheng Investment from HoldingCo, to be paid in the course of the Dissolution.

In recognition of the contribution of the Canadian management, being Messrs. Zhengquan Philip Chen, Sam Baker and Graham Warren, the Company entered into the Director Bonus Agreements. Under the Director Bonus Agreements, subject to Shareholder approval, Mr. Zhengquan Philip Chen, Lead Director of the Company, will be entitled to a $50,000 bonus payment, and each of Messrs. Sam Baker (a director of the Company) and Graham Warren (in his capacity as a director of the Company), will be entitled to a bonus payment of $30,000, in each case subject to Shareholders' approval and subject to the Company's receipt of part of the purchase price for the Tiancheng Investment from HoldingCo, to be paid in the course of the Dissolution.

Mr. Steve Fan Wang, the Company's President, CEO, Chairman and principal of HoldingCo, the Company's largest Shareholder, has advised that HoldingCo is willing to purchase the Tiancheng Investment and is willing to accept the Distributions due to it in RMB. Accordingly, the Company and Arehada Barbados entered into an investment purchase agreement with HoldingCo and Tiancheng on March 31, 2015 (the "**HoldingCo Agreement**") pursuant to which HoldingCo will purchase the Tiancheng Investment for RMB 401.94 million, comprised of RMB 225 million for the Tiancheng Equity Investment and RMB 179.64 million for the Tiancheng Shareholder Loan. HoldingCo also agreed to accept all Distribution payable to HoldingCo in RMB, and accordingly the HoldingCo Agreement also provides for a set-off of the Distribution due to HoldingCo in the Dissolution against the purchase price payable by HoldingCo to Arehada Barbados. HoldingCo will pay from the purchase price (following the set-off) certain amounts in RMB to Arehada Barbados to cover certain costs of Arehada Barbados in China and to pay the Officer Bonus Payments in RMB, and to remit the balance of the purchase price in Canadian dollars to the Company. The

HoldingCo Agreement sets out certain conditions for the sale of the Tiancheng Investment to HoldingCo, including Shareholders approval of the Ratification Resolution and the Dissolution Resolution.

Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions

Each of the proposed bonus payments under the Officer Bonus Agreements and the Director Bonus Agreements, and the proposed sale of the Tiancheng Investment to HoldingCo, will be a "related party transaction" subject to the requirements of MI 61-101 (collectively, the "**Related Party Transactions**"). MI 61-101 was designed to protect investors by imposing added fairness and disclosure requirements in the context of related party transactions. The two most significant safeguards under MI 61-101 are the valuation and minority voting requirements, although exemptions from both such requirements are available under certain circumstances. With respect to the formal valuation requirement, the Company is relying on the exemption set out at Section 5.5(b) of MI 61-101 (Issuer Not Listed on Specified Markets) for the Related Party Transactions. However, as more particularly described below under "*PARTICULARS OF MATTERS TO BE ACTED UPON – Approval of the Dissolution - Shareholder Approval of Dissolution Resolution*", Arehada is required to comply with the minority voting provisions of MI 61-601.

In accordance with MI 61-101, the following table summarizes Arehada's securities presently held by Arehada's directors, officers and other insiders.

Name and Municipality of Residence	Relationship to Arehada	Number and percentage of Arehada Shares outstanding (non-diluted)	Other outstanding Arehada Securities
Steve Fan Wang Beijing, China	Chief Executive Officer, Chairman, Director	73,043,639()	Nil
Zhengquan Philip Chen Toronto, Ontario	Non-Executive Lead Director	Nil	Nil
Tom Zhen Wang Beijing, China	Director	61,697,054(1)	Nil
Graham C. Warren Toronto, Ontario	Director and Chief Financial Officer	32,000	Nil
Samuel Baker Toronto, Ontario	Director	Nil	Nil
Betty Sige Wang Beijing, China	Secretary	Nil	Nil

Notes:

(1) Held indirectly through HoldingCo, and Steve Fan Wang owns 51.5% of HoldingCo.

(2) Held indirectly through HoldingCo, and Tom Zhen Wang owns 43.5% of HoldingCo.

During the past 12 months, no securities of the Company were issued as the Cease Trade Orders have been in place since April 6, 2011.

Special Committee Review

The Arehada Board determined that it was appropriate to form a special committee (the "**Special Committee**") of independent directors to consider the Dissolution including the Related Party Transactions (other than the Director

Bonus Payments), due, in part, to the fact that, on the advice of its advisors, the Arehada Board concluded that the Dissolution, due to the Related Party Transaction components, was subject to the requirements of MI 61-101.

By unanimous resolution of the Arehada Board (excluding the vote of Steve Fan Wang who abstained from voting) passed on July 7, 2014, the Special Committee was established with Messrs. Zhengquan Philip Chen, Sam Baker and Graham Warren as members.

No member of the Special Committee is an officer or principal securityholder of HoldingCo. No member of the Special Committee will benefit from the Dissolution in a manner that is different from the other disinterested Arehada Shareholders, except that they will receive the Director Bonus Payments. In addition, at the time the Special Committee was formed and at the time the Special Committee made its recommendation to the Arehada Board regarding approval of the Dissolution, it had not been determined that the Director Bonus Payments will be paid.

Accordingly, it was determined that Messrs. Chen, Baker and Warren were sufficiently independent and free from conflicts of interest to serve as members of the Special Committee.

The mandate of the Special Committee is to consider, evaluate and make a recommendation to the Arehada Board concerning the Dissolution or other strategic alternatives that may be open to Arehada. The Special Committee also oversees any negotiations with Mr. Steve Fan Wang and Ms. Betty Sige Wang regarding the Officer Bonus Payments and with HoldingCo regarding the sale of Tiancheng Investment, and the preparation of any legal agreements or other documentation. The Special Committee was also granted all such powers as it reasonably required to discharge its mandate including the ability to retain such independent advisors as it considered necessary or desirable, on such terms as the Special Committee considered appropriate. All directors, officers and employees of Arehada were authorized and directed to make available any and all information regarding Arehada that may have been requested by the Special Committee from time to time during the course of carrying out its mandate. The Special Committee believes that the Dissolution presents a vital exit opportunity to Arehada Shareholders.

After considering a variety of factors and materials, the Special Committee unanimously recommended the Dissolution (including the Related Party Transactions) for approval by the Arehada Board.

Board Approval of Related Party Transactions

The Officer Bonus Payments were approved by the Board on September 4, 2014, with Mr. Steve Fan Wang abstaining from voting on the this matter. Messrs. Zhengquan Philip Chen, Sam Baker and Graham Warren and Tom Zhen Wang, who do not have any interest in the Officer Bonus Payments, voted in favour.

The Director Bonus Payments were approved by the Board on September 4, 2014, with Messrs. Chen, Baker and Warren each abstaining from voting on the particular Director Bonus Payment to Messrs. Chen, Baker and Warren, respectively, but voted in favour of the Director Bonus Payments to other directors. Messrs. Steve Fan Wang and Tom Zhen Wang, who do not have any interest in the Director Bonus Payments, voted in favour.

The sale of Tiancheng Investment to HoldingCo was approved by the Board on March 31, 2015, with Messrs. Steve Fan Wang and Tom Zhen Wang each abstaining from voting on this matter. Messrs. Zhengquan Philip Chen, Sam Baker and Graham Warren, who do not have any interest in HoldingCo, voted in favour.

Shareholder Approvals Required

In order to proceed with the Distribution and Dissolution, Shareholder approval by way of a special resolution is required by at least 66 2/3% of the votes cast by Shareholders present in person or represented by proxy at the Meeting. In addition, in connection with the Officer Bonus Payments and Director Bonus Payments to certain executive officers of the Company, and the proposed sale of the Tiancheng Investment to HoldingCo, to be triggered by the Dissolution, Canadian securities law requires that the Dissolution Resolution must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting excluding votes in respect of Common Shares held by officers, directors and insiders of the Company for the purposes of MI 61-101.

To the knowledge of the management of the Company, as at the date of the Circular, for the purposes of voting under MI 61-101, a total of 134,772,693 Common Shares held by the Shareholders, their associates, affiliates and joint actors will be excluded from the vote in respect of the Dissolution Resolution for the purpose of satisfying the MI 61-101 requirement. All Common Shares will be entitled, however, to vote on the Dissolution Resolution for the purpose of satisfying the OBCA requirement.

Pursuant to Section 4.2 of MI 61-101, the following table provides the votes attached to the Common Shares that, to the knowledge of the Company after reasonable inquiry, will be excluded in determining whether approval for the Dissolution Resolution is obtained for the purpose of MI 61-101, and includes the identity of the relevant Shareholders and the number of Common Shares held:

Shareholder	No. of Common Shares	No. of Votes Attaching to Common Shares	Percentage of Outstanding Common Shares
Steve Fan Wang	73,042,639	73,042,639[(1)]	42.20%
Tom Zhen Wang	61,697,054	61,697,054[(2)]	35.65%
Graham Warren	32,000	32,000	0.02%
Total:	**134,772,693**	**134,772,693**	**77.87%**

Notes:

(1) Held indirectly through HoldingCo, and Steve Fan Wang owns 51.5% of HoldingCo.

(2) Held indirectly through HoldingCo, and Tom Zhen Wang owns 43.5% of HoldingCo.

Notwithstanding Shareholder approval of the Dissolution Resolution, the Board will retain the discretion not to proceed with the Dissolution if it determines that the Dissolution is no longer in the best interests of the Company and the Shareholders.

Certain Canadian Federal Income Tax Considerations

The following is a general summary, as of the date hereof, of certain Canadian federal income tax consequences of the Dissolution under the Tax Act generally applicable to Shareholders who, for the purposes of the Tax Act and at all relevant times, hold their Common Shares as capital property, are not affiliated with the Company and deal at arm's length with the Company ("**Holders**"). Common Shares, or any fraction thereof, generally will constitute capital property to a Holder unless the Holder holds such shares in the course of carrying on a business of trading or dealing in securities or has acquired such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act and the regulations issued thereunder (the "**Regulations**") and on the current published administrative practices of the Canada Revenue Agency (the "**CRA**"). This summary takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), but does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or changes in administrative practices of the CRA. No assurances can be given that the Tax Proposals will be enacted as proposed, if at all. This summary does not take into account the tax legislation or considerations of any province or territory of Canada or any non-Canadian jurisdiction which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is not applicable to a Holder: (i) that is a "financial institution" (for the purposes of the "mark-to-market" rules in the Tax Act), (ii) that is a "specified financial institution" as defined in the Tax Act, (iii) an interest in which would be a "tax shelter investment" as defined in the Tax Act, (iv) to whom the functional currency reporting rules apply, or (v) that acquired its Common Shares on the exercise of employee stock options. Holders in such circumstances should consult their own tax advisors.

The following summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder and no representations with respect to the income tax consequence to any particular Holder are made. Holders are encouraged to consult their own tax advisors regarding the possible tax consequences of the Dissolution. In this summary, any term in quotation marks that is not otherwise defined means that term as defined in the Tax Act.

Distributions to Holders

Each Holder will be deemed, in respect of each Distribution that the Holder receives in the course of the Dissolution, to have received a taxable dividend equal to the amount, if any, by the which the receipt exceeds the amount by which the "paid-up capital" (as computed for the purposes of the Tax Act ("**PUC**")) of the Resident Holder's Common Shares is reduced by the Distribution. Any deemed taxable dividend so arising will be subject to tax as described below (see *"Residents of Canada — Taxation of Dividends" or "Non-residents of Canada — Taxation of Dividends", as applicable).*

Management of the Company has advised that it expects that the aggregate amount of all Distributions will exceed the PUC of the Common Shares. Provided that this expectation is correct, a deemed taxable dividend or dividends should arise once the aggregate Distribution amount exceeds the PUC of the Common Shares. However, and notwithstanding that management's expectation appears to be reasonable, whether the proviso is satisfied is a question of fact that can only be determined after payment of all Distributions.

The Holder will be required to reduce the "adjusted cost base" ("**ACB**") of the Holder's Common Shares by the amount by which the PUC of those shares is reduced by the Distribution. If the ACB of the Holder's Common Shares thereby becomes a negative amount, the Holder will be deemed to have realized a capital gain from the disposition of property equal to the negative amount, and the ACB of the Holder's Common Shares will then be restored to nil. Any capital gain so arising will be subject to tax as described below (see *"Residents of Canada — Taxation of Capital Gains and Losses" or "Non-residents of Canada — Taxation of Capital Gains and Losses", as applicable).*

Cancellation of Common Shares on Conclusion of Dissolution

Each Holder will realize a capital loss on cancellation of the Holder's Common Shares on the final dissolution of the Company equal to the positive amount, if any, of the ACB of the Holder's Common Shares determined immediately before that time. Any capital loss so arising will be deductible as described below (see "*Residents of Canada — Taxation of Capital Gains and Losses*" or "*Non-residents of Canada — Taxation of Capital Gains and Losses*" as applicable).

Residents of Canada

The following portion of the summary is applicable only to Holders who, at all relevant times and for the purposes of the Tax Act and any applicable income tax treaty, are resident solely in Canada (each a "**Resident Holder**").

Taxation of Dividends

A Resident Holder who is an individual will be required to include in income for a taxation year the amount of each taxable dividend, if any, that he or she is deemed to receive in the year as a consequence of a Distribution, subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by a Canadian resident individual from a taxable Canadian corporation including (provided the Company validly designates the deemed taxable dividend as an "eligible dividend" in accordance with the Tax Act) the enhanced gross-up and dividend tax credit rules applicable to eligible dividends.

A Resident Holder that is a corporation generally will be required to include in income for a taxation year the amount of each taxable dividend, if any, that it is deemed to receive in the year as a consequence of a Distribution, and entitled to deduct an equivalent amount from the Resident Holder's taxable income for the year. A corporate

Resident Holder that is a "private corporation" and certain other corporations may be liable to pay refundable tax under Part IV of the Tax Act at a rate of 33 1/3% of the amount of the deemed taxable dividend.

Taxation of Capital Gains and Losses

A Resident Holder who realizes or is deemed to realize a capital gain in a taxation year in respect of an actual or deemed disposition of the Resident Holder's Common Shares (including as a result of having a negative ACB in respect of those shares as described above) generally will be required to include one half of any such capital gain (a "**taxable capital gain**") in the Resident Holder's income for the year. The Resident Holder generally will be entitled to deduct one half of any capital loss (an "**allowable capital loss**") that the Resident Holder realizes on an actual or deemed disposition of Common Shares (including as a result of the cancellation of those shares on the final dissolution of the Company as described above) in the year and, to the extent not so deductible, in any of the three preceding taxation years or any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

The amount of a capital loss realized on the disposition of a Common Share by a Resident Holder that is a corporation may, to the extent and under the circumstances set out in the Tax Act, be reduced by the amount of any dividends that the Resident Holder previously received or was deemed to have received on the holder's Common Shares. Similar rules may apply where Common Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisers in this regard.

A Resident Holder that is a "Canadian-controlled private corporation" may be liable to pay an additional refundable tax equal to 6 2/3% of its "aggregate investment income" for the year, which includes an amount in respect of taxable capital gains.

Alternative Minimum Tax

A Resident Holder who is an individual (including most trusts) and realizes a capital gain or receives or is deemed to receive a dividend in respect of Common Shares may thereby incur a liability for alternative minimum tax under the Tax Act. Resident Holders to whom these rules may apply should consult their own tax advisers.

Non-residents of Canada

The following portion of the summary is applicable to Holders each of whom, at all relevant times for purposes of the Tax Act, is not resident or deemed to be resident in Canada, does not use or hold, and is not deemed to use or hold, any Common Shares in connection with carrying on a business in Canada, and holds no Common Shares that are deemed by any provision of the Tax Act to be "taxable Canadian property" (each a "**Non-resident Holder**"). Special rules not discussed in this summary may apply to an insurer carrying on an insurance business in Canada and elsewhere, and any such insurers should consult their own tax advisors.

This portion of this summary further assumes, based on representations of management of the Company, that no Common Shares will, at any time after the incorporation of the Company, derive more than 50% of its value from, or from any combination of, real property situated in Canada, "Canadian resource properties", "timber resource properties", (as those terms are defined in the Tax Act) or options in respect of any such property, and this portion of this summary is qualified accordingly.

Taxation of Dividends

Each Non-resident Holder will be subject to Canadian withholding tax ("**Part XIII Tax**") at a rate of 25% (or such lower rate as may be available under an applicable income tax treaty, if any) of the gross amount of each dividend, if any, that the Non-resident Holder receives or is deemed to receive on the Holder's Common Shares as a consequence of a Distribution. The Canada - United States Income Tax Convention (1980) (the "**Treaty**") will generally reduce the rate of Part XIII Tax to 15% (or 5% if the Non-resident Holder is a corporation that beneficially owns at least 10% of the Company's voting shares) on any such dividend paid or deemed to be paid or credited to a

Non-resident Holder who is a resident of the United States for the purposes of the Treaty and entitled to its benefits. The Company will be required to withhold the required amount of Part XIII Tax, if any, from the Non-resident Holder's share of the Distribution, and to remit the withheld amount to the CRA for the Non-resident Holder's account.

If, as management of the Company expects, the aggregate of all Distributions will exceed the PUC of the Common Shares, the amount of any such excess would constitute a dividend and be subject to Part XIII Tax. *See "General - Distributions to Holders" above.*

Taxation of Capital Gains and Losses

No Non-resident Holder should be subject to Canadian federal income tax in respect of any capital gain realized on any actual or deemed disposition of Common Shares (including as a result of having a negative ACB in the Non-resident Holder's Common Shares).

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Common Shares is TMX Equity Transfer Services Inc. at its principal office in Toronto, Ontario.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. In addition, the Dissolution Resolution will also need to be passed by 50% of the Common Shares held by minority Shareholders excluding all Common Shares held by directors, officers and insiders of the Company in accordance with MI 61-101. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested Shareholders require the approval of the Shareholders not affected by, or interested in, the matter to be approved.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information of the Company's most recently completed financial year is provided, or will be provided, in the Company's comparative financial statements and management's discussion and analysis available on SEDAR, and at the Meeting. A Shareholder may contact the Company at:

Arehada Mining Limited
Suite 1614, 25 Adelaide Street East
Toronto, ON, M5C 3A1
Attention: Graham Warren

to obtain a copy of the Company's most recent financial statements and management's discussion and analysis.

BOARD APPROVAL

The contents and the sending of this Circular have been approved by the Board of Directors of the Company.

SCHEDULE "A"
DISSOLUTION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the voluntary liquidation and dissolution (the "**Dissolution**") of Arehada Mining Limited (the "**Company**") pursuant to Section 237 of the *Business Corporations Act* (Ontario) is hereby authorized and approved;

2. the distribution to shareholders of the Company, as part of the Dissolution and at such time or times and in such amount or amounts as may be determined at the discretion of the board of directors (the "**Board**") of the Company (each such distribution, a "**Distribution**"), of the cash on hand, less any reserves and payments made in respect of the Company's ongoing costs and liabilities, is hereby authorized and approved;

3. subject to subsection 34(3) of the *Business Corporations Act* (Ontario), the Company, in respect of each Distribution, reduce the stated capital of the Common Shares pursuant to subsection 34(1) of the *Business Corporations Act* (Ontario) forthwith on making the Distribution by an amount equal to the lesser of:

   (a) the aggregate amount of the Distribution; or

   (b) the stated capital of the Common Shares immediately before the Distribution;

4. the payment of bonus payments to each of Steve Fan Wang, Betty Sige Wang, Zhengquan Philip Chen, Same Baker and Graham Warren, and sale of the Tiancheng Investment (as defined in the Circular) to Arehada (Barbados) Holing Corporation, each of whom is considered a "related party" to the Company, as more particularly described in the Circular, is hereby ratified and approved, such approval being expressly intended to satisfy the minority shareholder approval requirements of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions;

5. notwithstanding that this resolution has been passed (and the Dissolution adopted) by the shareholders of the Company, the Board is hereby authorized and empowered, in its discretion to and without further approval of the shareholders of the Company, not to proceed with the Dissolution if the Board has determined the Dissolution to be no longer in the best interests of the Company and its shareholders; and

6. any director or officer of the Company is hereby authorized, for, on behalf of, and in the name of the Company (whether under the corporate seal of the Company or otherwise), to execute, deliver and file all other documents and instruments and to take all such other actions as in the opinion of such director or officer may be necessary or advisable to implement this special resolution and the matters authorized and approved hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action."

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

1. OVERALL PURPOSE / OBJECTIVES

(a) The committee will assist the Board of Directors of the Company (the "**Board**") in fulfilling its responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. The committee will also be responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets.

(b) To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

2. AUTHORITY

The Board authorizes the committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.

3. ORGANIZATION

(a) Membership

(i) The committee will be comprised of at least three directors of the Company, a majority of whom are not officers or employees of the Company or any of its affiliates.

(ii) The chairman of the audit committee will be nominated by the committee from time to time.

(iii) A quorum for any meeting will be two members.

(iv) The secretary of the committee will be the company secretary, or such person as nominated by the Chairman.

(b) Attendance at Meetings

(i) The committee may invite such other persons (e.g. the CEO) to its meetings, as it deems appropriate.

(ii) The external auditors should be present at each quarterly audit committee meeting and be expected to comment on the financial statements in accordance with best practices.

(iii) Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

(iv) The proceedings of all meetings will be minuted.

4. ROLES AND RESPONSIBILITIES

The committee will:

(a) Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

(b) Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

(c) Review the Company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.

(d) Review management's plans to access the equity and debt markets and to provide the Board with advice and commentary.

(e) Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

(f) Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.

(g) Review the annual and quarterly financial statements including Management's Discussion and Analysis and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.

(h) Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

(i) Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

(j) Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

(k) Meet with management and the external auditors to review the annual financial statements and the results of the audit.

(l) Assess the fairness of the interim financial statements and disclosures, and obtain explanations from management on whether:

(i) actual financial results for the interim period varied significantly from budgeted or projected results;

(ii) generally accepted accounting principles have been consistently applied;

(iii) there are any actual or proposed changes in accounting or financial reporting practices;

(iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

(m) Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

(n) Review the performance of the external auditors and approve in advance provision of services other than auditing.

(o) Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.

(p) Make recommendations to the Board regarding the reappointment of the external auditors.

(q) Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

(r) Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

(s) Obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.

(t) Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

(u) Perform other functions as requested by the full Board.

(v) If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.

(w) Review and update the charter; receive approval of changes from the Board.

SCHEDULE "C"
SUMMARY OF PROCEDURE TO EXERCISE DISSENT RIGHT

The following is a summary of the procedure set out in Section 185 of the *Business Corporations Act* (Ontario) ("**OBCA**") to be followed by a Shareholder who intends to dissent from the special resolution approving the amendment to the articles of the Company to remove restriction on transfer of common shares described in the accompanying Information Circular and who wishes to require the Company to acquire his or her Common Shares any pay him or her the fair value thereof, determined as of the close of business on the day before the Special Resolution is adopted.

Section 185 provides that a Shareholder may only make such a claim with respect to all the shares of a class held by him or her on behalf of anyone beneficial owner and registered in the Shareholder's name. A Shareholder may only exercise the right to dissent under section 185 in respect of shares which are registered in that Shareholder's name. In many cases, shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the shares (such as banks, trust companies, securities dealers and brokers, trustees or administrators of self administered RRSPs, RRIFs, RESPs and similar plans, and their nominees); or (b) in the name of a clearing agency (such as CDS) of which the intermediary is a participant. Accordingly, a Non-Registered Holder will not be entitled to exercise the right to dissent under section 185 directly (unless the shares are re-registered in the Non-Registered Holder's name). A Non-Registered Holder who wishes to exercise the right to dissent should immediately contact the intermediary whom the Non-Registered Holder deals with in respect of the shares and either: (i) instruct the intermediary to exercise the right to dissent on the Non-Registered Holder's behalf (which, if the shares are registered in the name of CDS or other clearing agency, would require that the shares first be re-registered in the name of the intermediary); or (ii) instruct the intermediary to re-register the shares in the name of the Non-Registered Holder, in which case the Non-Registered Holder would have to exercise the right to dissent directly.

A registered Shareholder who wishes to invoke the provisions of section 185 of the OBCA must send to the Company a written objection to the Special Resolution (the "**Notice of Dissent**") at or before the time fixed for the Meeting at which the Special Resolution is to be voted on. The sending of a Notice of Dissent does not deprive a registered Shareholder of his or her right to vote on the Special Resolution but a vote either in person or by proxy against the Special Resolution does not constitute a Notice of Dissent. A vote in favour of the Special Resolution will deprive the registered Shareholder of further rights under section 185 of the OBCA.

Within 10 days after the adoption of the Special Resolution by the Shareholders, the Company is required to notify in writing each Shareholder who has filed a Notice of Dissent and has not voted for the Special Resolution or withdrawn his or her objection (a "**Dissenting Shareholder**") that the Special Resolution has been adopted. A Dissenting Shareholder shall, within 20 days after he or she receives notice of adoption of the Special Resolution or, if he or she does not receive such notice, within 20 days after he or she learns that the Special Resolution has been adopted, send to the Company a written notice (the "**Demand for Payment**") containing his or her name and address, the number of common shares in respect of which he or she dissents, and a demand for payment of the fair value of such common shares. Within 30 days after sending his or her Demand for Payment, the Dissenting Shareholder shall send the certificates representing the common shares in respect of which he or she dissents to the Company or its transfer agent. The Company or the transfer agent shall endorse on the share certificates a notice that the holder thereof is a Dissenting Shareholder under section 185 of the OBCA and shall forthwith return the share certificates to the Dissenting Shareholder.

If a Dissenting Shareholder fails to send the Notice of Dissent, the Demand for Payment, or his or her share certificates, he or she has no right to make a claim under section 185 of the OBCA.

After sending a Demand for Payment, a Dissenting Shareholder ceases to have any rights as a holder of the Common Shares in respect of which he or she has dissented other than the right to be paid the fair value of such Common Shares as determined under section 185 of the OBCA, unless: (i) the Dissenting Shareholder withdraws his or her Demand for Payment before the Company makes a written offer to pay (the "**Offer to Pay**"); (ii) the Company fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws his or her Demand for Payment; or (iii) the directors of the Company revoke the Special Resolution, in all of which cases the Dissenting Shareholder's rights as a Shareholder are reinstated as of the date of the Demand for Payment.

Not later than seven days after the later of the day on which the action approved by the Special Resolution is effective and the day the Company receives the Demand for Payment, the Company shall send, to each Dissenting Shareholder who has sent a

Demand for Payment, an Offer to Pay for the common shares of the Dissenting Shareholder in respect of which he or she has dissented in an amount considered by the directors of the Company to be the fair value thereof, accompanied by a statement showing how the fair value was determined or a notification that the Company is unable lawfully to pay Dissenting Shareholders for their common shares if the Company is, or after the payment, would be unable to pay its liabilities as they become due or the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities. Every Offer to Pay made to Dissenting Shareholders for Common Shares shall be on the same terms. The amount specified in an Offer to Pay which has been accepted by a Dissenting Shareholder shall be paid by the Company within 10 days of the acceptance, but an Offer to Pay lapses if the Company has not received an acceptance thereof within 30 days after the Offer to Pay has been made.

If an Offer to Pay is not made by the Company or if a Dissenting Shareholder fails to accept an Offer to Pay, the Company may, within 50 days after the action approved by the Special Resolution is effective or within such further period as a court may allow, apply to the court to fix a fair value for the common shares of any Dissenting Shareholder. If the Company fails to so apply to the court, a Dissenting Shareholder may apply to the court for the same purpose within a further period of 20 days or within such further period as the court may allow. A Dissenting Shareholder is not required to give security for costs in any application to the court.

Before making application to the court or not later than seven days after receiving notice of an application to the court by a Dissenting Shareholder, the Company shall give to each Dissenting Shareholder who has sent to the Company a Demand for Payment and has not accepted an Offer to Pay, notice of the date, place and consequences of the application and of his or her right to appear and be heard in person or by counsel. A similar notice shall be given to each Dissenting Shareholder who, after the date of the first mentioned notice and before termination of the proceedings commenced by the application, sends the Company a Demand for Payment and does not accept an Offer to Pay, such notice to be sent within three days thereafter. All such Dissenting Shareholders shall be joined as parties to any such application to the court to fix a fair value and shall be bound by the decision rendered by the court in the proceedings commenced by such application. The court is authorized to determine whether any other person is a Dissenting Shareholder who should be joined as a party to such application.

The court shall fix a fair value for the common shares of all Dissenting Shareholders and may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the effective date of the article amendment until the date of payment of the amount ordered by the court. The fair value fixed by the court may be more or less than the amount specified in an Offer to Pay. The final order of the court in the proceedings commenced by an application by the Company or a Dissenting Shareholder shall be rendered against the Company and in favour of each Dissenting Shareholder who, whether before or after the date of the order, sends the Company a Demand for Payment and does not accept an Offer to Pay. The costs of any application to a court by the Company or a Dissenting Shareholder will be in the discretion of the court. Where, however, the Company fails to make an Offer to Pay, the costs of the application by a Dissenting Shareholder are to be borne by the Company unless the court otherwise orders.

The above is only a summary of the dissenting Shareholder provisions of the OBCA, which are technical and complex. The full text is attached as Schedule "F" to this Circular. It is suggested that a Shareholder of the Company wishing to exercise a right to dissent should seek legal advice, as failure to comply strictly with the provisions of the OBCA may result in the loss or unavailability of the right to dissent.

SCHEDULE "D"
BUSINESS CORPORATIONS ACT, R.S.O. 1990, c. B.16

Rights of dissenting shareholders

185. (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in

respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee. R.S.O. 1990, c. B.16, s. 185 (14).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or

within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22)(a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).

This is **Exhibit "G"** referred to in the

Affidavit of Graham C. Warren,

sworn before me

this 31st day of January, 2023

Kelin K. Algayer

A Commissioner for Taking Affidavits

AREHADA Announces Results of Annual and Special Meeting

TORONTO, Ontario – June 4, 2015: Arehada Mining Limited ("**Arehada**" or the "**Company**") (NEX: AHD.H) is pleased to announce the results of its annual and special meeting of shareholders (the "**Meeting**") held on April 29, 2015.

A total of 152,463,393 common shares were represented at the Meeting, representing 88.09% of the issued and outstanding common shares of the Company. All matters presented for approval at the Meeting were duly authorized and approved, as follows:

	For	**Withheld**
(i) election of all management nominees to the board of directors of the Company		
Samuel Baker	100.00%	0.00%
Steve Fan Wang	99.98%	0.02%
Graham Warren	99.92%	0.08%
Zhengquan Philip Chen	99.98%	0.02%
Tom Zhen Wang	99.98%	0.02%
(ii) re-appointment of Deloitte LLP as auditors of the Company for the ensuing year and authorization of the directors to fix their remuneration	100.00%	0.00%
	For	**Against**
(iii) ratification of the previously announced sale by the Company's subsidiary of all of the shares in Arehada Mining Limited to Shanjin Mining Corporation (the "**Shanjin Sale**") and the investment of the net proceeds of the Shanjin Sale in Yunnan Yuming Tiancheng Tourist Development Co., Ltd. (the "**Tiancheng Investment**")	100.00%	0.00%
(iv) approval of the voluntary liquidation and dissolution of the Company (the "**Dissolution**") and the distribution to shareholders of the cash assets of the Company remaining after settlement of the Company's obligations and liabilities, which will involve certain related party transactions (the "**Related Party Transactions**") comprised of bonus payments to two officers, bonus payments to three Canadian directors and the sale of the Tiancheng Investment	100.00% 100.00% (minority shareholders excluding shares held	0.00% 0.00%

to Arehada (Barbados) Holdings Corporation, a related party of the Corporation.	by insiders)	

As the Dissolution involves the Related Party Transactions, under Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transaction*s, the Dissolution and the Related Party Transactions were put to vote at the Meeting by minority shareholders excluding common shares held by insiders of the Corporation. The minority shareholders at the Meeting unanimously approved the Dissolution and the Related Party Transactions.

Additional information regarding the above matters, including the report of voting results thereon, are set forth in the Company's Meeting materials accessible on the Company's SEDAR reference page at www.sedar.com.

The Company intends to, through its subsidiary, Arehada Barbados Limited, apply for the approval of China's State Administration of Foreign Exchange ("**SAFE**") for remittance of funds to Canada, and to liquidate the Tiancheng Investment. Once the Company receives the funds from China, the Company will proceed with the dissolution process including satisfying outstanding obligations and making interim distributions to shareholders.

Forward Looking Information

The above contains forward looking information that is subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward looking statements. Generally, forward looking information can be identified by the use of forward looking terminology such as "plans", "expects", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward looking information in this press release relates to the management's expectation on the Company's plan to apply for SAFE approval, to liquidate its assets and to receive funds from its subsidiary, to satisfy its liabilities and to make interim distributions to shareholders. Although we believe the expectations reflected in our forward looking information are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements. Readers should not place undue reliance on forward looking information.

For further information, contact:

Betty Si-Ge Wang
Assistant Secretary
Arehada Mining Limited
Email: bestarehada@aliyun.com

Graham Warren
Chief Financial Officer
Arehada Mining Limited
Tel: 416-594-0473
Email: gwarren@arehadamining.com

TAB 3

Court File No. CV-23-00692786-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF an application under Section 207 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;

AND IN THE MATTER OF the liquidation and dissolution of **AREHADA MINING LIMITED**

CONSENT TO ACT

ALBERT GELMAN INC. consents to the following:

1. To act as Liquidator of Arehada Mining Limited.

DATED at Toronto, Ontario this 30th day of January 2023

ALBERT GELMAN INC.,
Licensed Insolvency Trustee

Per: _____
Tom McElroy, *CIRP, LIT*

TAB 4

~~Revised: January 21, 2014~~
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File. No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	~~WEEKDAY~~[Weekday], THE #[Day]
	)	
JUSTICE ~~—~~[…]	)	DAY OF ~~MONTH~~[Month], ~~20YR~~2022

~~**PLAINTIFF**~~[1]

~~Plaintiff~~

~~– and –~~

~~**DEFENDANT**~~

~~Defendant~~

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED;

AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED;

AND IN THE MATTER OF THE LIQUIDATION AND DISSOLUTION OF AREHADA MINING LIMITED

ORDER
~~(appointing Receiver)~~

~~[1] The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

(Appointing Liquidator)

THIS ~~MOTION~~**APPLICATION**, made by the ~~Plaintiff~~[2]Applicant for an Order pursuant to ~~section 243(1)~~sections 207 of the ~~*Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice*~~*Business Corporations Act*, R.S.O., 1990, c. ~~C.43~~B-16, as amended (the ~~"CJA"~~"**BCA**") appointing ~~[RECEIVER'S NAME] as receiver [and manager]~~Albert Gelman Inc. ("**AGI**") as liquidator (in such capacities, the ~~"Receiver"~~"**Liquidator**") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~Arehada Mining Limited (the ~~"Debtor"~~"**Company**") acquired for, or used in relation to a business carried on by the ~~Debtor~~Company, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ~~affidavit~~Notice of ~~[NAME]~~Application and the Affidavit of Graham C. Warren sworn ~~[DATE]~~on ** **, 2023 and the ~~Exhibits~~exhibits thereto, and ~~on hearing~~the Factum of the Applicant, **AND ON HEARING** the submissions of counsel for ~~[NAMES]~~the Applicant, no ~~one~~other person appearing ~~for [NAME]~~ although ~~duly~~properly served as appears from the ~~affidavit~~Affidavit of ~~service~~Service of ~~[NAME]~~** sworn ~~[DATE]~~on ** **, 2022, and on reading the consent of ~~[RECEIVER'S NAME]~~AGI to act as the ~~Receiver~~Liquidator,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated[3]

[2] ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

[3] ~~If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in~~

so that this ~~motion~~application is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that within two business days of the date of this Order, the Company shall provide notice of the within proceeding and of this Order to the shareholders of the Company by issuance of a press release and filing of same on the System for Electronic Document Analysis and Retrieval (SEDAR).

WINDING UP AND APPOINTMENT

3. ~~2.~~ THIS COURT ORDERS that pursuant to section ~~243(1)~~207 of the ~~BIA and~~BCA, the Company be wound up.

4. THIS COURT ORDERS that pursuant to section ~~101~~210 of the ~~CJA~~BCA, ~~[RECEIVER'S NAME]~~AGI is hereby appointed ~~Receiver~~Liquidator, without security, of all of the assets, undertakings and properties of the ~~Debtor~~Company acquired for, or used in relation to ~~a~~the business carried on by the ~~Debtor~~Company, including all proceeds thereof (the ~~"~~"**Property**~~"~~").

~~RECEIVER'~~LIQUIDATOR'S POWERS

5. ~~3.~~ THIS COURT ORDERS that ~~the Receiver~~in addition to all powers provided to the Liquidator pursuant to Part XVI of the BCA, the Liquidator is hereby empowered and

~~validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the ~~Receiver~~Liquidator is hereby expressly empowered and authorized to do any of the following where the ~~Receiver~~Liquidator considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the ~~Debtor~~Company, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor~~Company;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the ~~Receiver~~Liquidator's powers and duties, including without limitation those conferred by this Order;

~~(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;~~

(e) ~~(f)~~ to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Company and to exercise all remedies of the ~~Debtor~~Company in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Company;

(f) ~~(g)~~ to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Company;

(g) ~~(h)~~ to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the ~~Receiver~~Liquidator's name or in the name and on behalf of the ~~Debtor~~Company, for any purpose pursuant to this Order;

(h) ~~(i)~~ to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Company, the Property or the ~~Receiver~~Liquidator, and to settle or compromise any such proceedings.[4] The authority hereby conveyed shall extend

D R A F T

[4] ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(i) ~~(j)~~ to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the ~~Receiver~~Liquidator in its discretion may deem appropriate;

(j) ~~(k)~~ to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

~~(i)~~ (i) without the approval of this Court in respect of any transaction not exceeding $~~_____~~5,000.00, provided that the aggregate consideration for all such transactions does not exceed $~~_____~~50,000.00; and

~~(ii)~~ (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

~~and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,][5] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.~~

D R A F T

~~[5] If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

~~- 7 -~~

(k) ~~(l)~~ to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(l) ~~(m)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the ~~Receiver~~Liquidator deems appropriate on all matters relating to the Property ~~and the receivership~~, and to share information, subject to such terms as to confidentiality as the ~~Receiver~~Liquidator deems advisable;

~~(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;~~

(m) ~~(o)~~ to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the ~~Receiver~~Liquidator, in the name of the ~~Debtor;~~

~~(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor~~Company;

(n) ~~(q)~~ to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Company may have; and

(o) to apply to the court for an order dissolving the Company;

(p) ~~(r)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the ~~Receiver~~Liquidator takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the ~~Debtor~~Company, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE ~~RECEIVER~~LIQUIDATOR

6. ~~4.~~ THIS COURT ORDERS that (i) the ~~Debtor~~Company, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "~~"~~**Persons**~~"~~" and each being a "~~"~~**Person**~~"~~") shall forthwith advise the ~~Receiver~~Liquidator of the existence of any Property in such Person~~'~~'s possession or control, shall grant immediate and continued access to the Property to the ~~Receiver~~Liquidator, and shall deliver all such Property to the ~~Receiver~~Liquidator upon the ~~Receiver~~Liquidator's request.

6. ~~5.~~ THIS COURT ORDERS that all Persons shall forthwith advise the ~~Receiver~~Liquidator of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the

""**Records**"") in that Person's possession or control, and shall provide to the ReceiverLiquidator or permit the ReceiverLiquidator to make, retain and take away copies thereof and grant to the ReceiverLiquidator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 56 or in paragraph 67 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the ReceiverLiquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. 6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the ReceiverLiquidator for the purpose of allowing the ReceiverLiquidator to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the ReceiverLiquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the ReceiverLiquidator. Further, for the purposes of this paragraph, all Persons shall provide the ReceiverLiquidator with all such assistance in gaining immediate access to the information in the Records as the ReceiverLiquidator may in its discretion require including providing the ReceiverLiquidator with instructions on the use of any computer or other system and providing the ReceiverLiquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVERLIQUIDATOR

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a ""**Proceeding**"") shall be commenced or continued against the ReceiverLiquidator except with the written consent of the ReceiverLiquidator or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORCOMPANY OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the DebtorCompany or the Property shall be commenced or continued except with the written consent of the ReceiverLiquidator or with leave of this Court and any and all Proceedings currently under way against or in respect of the DebtorCompany or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the ~~Debtor~~Company, the ~~Receiver~~Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the ~~Receiver~~Liquidator or leave of this Court, provided however that this stay and suspension does not apply in respect of any ~~"~~"eligible financial contract~~"~~" as defined in the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 (the "**BIA**"), and further provided that nothing in this paragraph shall (i) empower the ~~Receiver~~Liquidator or the ~~Debtor~~Company to carry on any business which the ~~Debtor~~Company is not lawfully entitled to carry on, (ii) exempt the ~~Receiver~~Liquidator or the ~~Debtor~~Company from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE ~~RECEIVER~~LIQUIDATOR

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Debtor~~Company, without written consent of the ~~Receiver~~Liquidator or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the ~~Debtor~~Company or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other

services to the ~~Debtor~~Company are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Receiver~~Liquidator, and that the ~~Receiver~~Liquidator shall be entitled to the continued use of the ~~Debtor~~Company's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Receiver~~Liquidator in accordance with normal payment practices of the ~~Debtor~~Company or such other practices as may be agreed upon by the supplier or service provider and the ~~Receiver~~Liquidator, or as may be ordered by this Court.

~~RECEIVER~~LIQUIDATOR TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the ~~Receiver~~Liquidator from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the ~~Receiver~~Liquidator (the ~~"~~"**Post ~~Receivership~~Liquidation Accounts**~~"~~") and the monies standing to the credit of such Post ~~Receivership~~Liquidation Accounts from time to time, net of any disbursements provided for herein, shall be held by the ~~Receiver~~Liquidator to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the ~~Debtor~~Company shall remain the employees of the ~~Debtor~~Company until such time as the ~~Receiver~~Liquidator, on the ~~Debtor~~Company's behalf, may terminate the employment of such employees. The ~~Receiver~~Liquidator shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the ~~Receiver~~Liquidator may specifically agree in writing to pay~~, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*~~.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act,* the ~~Receiver~~Liquidator shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "~~"~~**Sale**~~"~~"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the ~~Receiver~~Liquidator, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use

of such information by the ~~Debtor~~Company, and shall return all other personal information to the ~~Receiver~~Liquidator, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the ~~Receiver~~Liquidator to occupy or to take control, care, charge, possession or management (separately and/or collectively, ""**Possession**"") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act,* the Ontario *Environmental Protection Act,* the *Ontario Water Resources Act,* or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the ""**Environmental Legislation**""), provided however that nothing herein shall exempt the ~~Receiver~~Liquidator from any duty to report or make disclosure imposed by applicable Environmental Legislation. The ~~Receiver~~Liquidator shall not, as a result of this Order or anything done in pursuance of the ~~Receiver~~Liquidator's duties and powers under this Order, be deemed to be in ~~Possession~~possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE ~~RECEIVER'~~LIQUIDATOR'S LIABILITY

17. THIS COURT ORDERS that the ~~Receiver~~Liquidator shall incur no liability or obligation as a result of its appointment or ~~the~~ carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part~~, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*~~. Nothing in this Order shall derogate from the protections afforded the ~~Receiver~~Liquidator by ~~section 14.06~~Part XVI of the ~~BIA~~BCA or by any other applicable legislation.

~~RECEIVER~~LIQUIDATOR'S ACCOUNTS

18. THIS COURT ORDERS that the ~~Receiver~~Liquidator and counsel to the ~~Receiver~~Liquidator shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the ~~Receiver~~Liquidator and counsel to the ~~Receiver~~Liquidator shall be entitled to and are hereby granted a charge (the ~~"Receiver"~~"**Liquidator's Charge**"") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the ~~Receiver'~~Liquidator's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.[6]

[6] ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

19. THIS COURT ORDERS that the ~~Receiver~~Liquidator and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the ~~Receiver~~Liquidator and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the ~~Receiver~~Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the ~~Receiver~~Liquidator or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

~~**FUNDING OF THE RECEIVERSHIP**~~

~~21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $_____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.~~

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

21. 25. THIS COURT ORDERS that the E-Service Protocol of theThe Guide Concerning Commercial List E-Service (the **"Protocol"**) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/)https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/ shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'****.

22. 26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the ReceiverLiquidator is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the DebtorCompany's creditors or other interested parties at their respective addresses as last shown on the records of the DebtorCompany and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

23. 27. THIS COURT ORDERS that the ReceiverLiquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

24. 28. THIS COURT ORDERS that nothing in this Order shall prevent the ReceiverLiquidator from acting as a trustee in bankruptcy of the DebtorCompany.

25. 29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada ~~or in the United States~~ to give effect to this Order and to assist the ReceiverLiquidator and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ReceiverLiquidator, as an

officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the ReceiverLiquidator and its agents in carrying out the terms of this Order.

26. 30. THIS COURT ORDERS that the ReceiverLiquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the ReceiverLiquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. 32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the ReceiverLiquidator and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

D

R

A

F

T

D

R

A

F

T

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

~~- 22 -~~

~~6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.~~

~~7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.~~

~~DATED the _____ day of _____, 20__.~~

~~[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity~~

~~Per:~~ _____

~~Name:~~

~~Title:~~

D

R

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B.16, AS AMENDED;
AND IN THE MATTER OF RULE 14.05(2) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED;
AND IN THE MATTER OF THE LIQUIDATION OF AREHADA MINING LIMITED

Court File No. _____

	ONTARIO **SUPERIOR COURT OF JUSTICE** **(COMMERCIAL LIST)** Proceeding commenced at Toronto
	ORDER

~~23~~

(Appointing Liquidator)

WEIRFOULDS LLP
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Philip Cho
LSO# 45615U
pcho@weirfoulds.com

Tel: (416) 619-6296
Lawyers for the Applicant

R

A

F

T

Document comparison by Workshare Compare on January 31, 2023 10:22:19 AM

Input:	
Document 1 ID	file://C:\Users\pcho\Downloads\receivership-order-EN.doc
Description	receivership-order-EN
Document 2 ID	iManage://im10.weirfoulds.com/ACTIVE/18287966/3
Description	#18287966v3<im10.weirfoulds.com> - DRAFT Appointment Order
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:

	Count
Insertions	275
Deletions	301
Moved from	1
Moved to	1
Style changes	0
Format changes	0
Total changes	578

IN THE MATTER OF AN APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED;
AND IN THE MATTER OF THE LIQUIDATION AND DISSOLUTION OF AREHADA MINING LIMITED

Court File No. CV-23-00692786-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

APPLICATION RECORD
(APPLICATION RETURNABLE ON FEBRUARY 10, 2023)

WEIRFOULDS LLP
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Philip Cho
LSO# 45615U
pcho@weirfoulds.com

Tel: (416) 619-6296
Lawyers for the Applicant