

Scheme Booklet

for the proposed merger of

Atlantic Gold NL

ABN 82 062 091 909 (ASX: ATV)

and

Spur Ventures Inc.

ARBN 600 024 397 (TSXV: SVU)

VOTE YES

Your directors unanimously recommend that you vote in favour of the Merger, in the absence of a Superior Proposal.

The Independent Expert has also concluded that, in the absence of a Superior Proposal, the Scheme is both fair and reasonable and it is therefore in the best interests of Atlantic Shareholders.

Financial adviser



Legal adviser

 **NORTON ROSE FULBRIGHT**

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Merger. If you are in any doubt as to how to deal with this document, you should consult your legal, investment or other professional adviser.

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Corporate Directory

Important information

IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SUBSECTION 411(1) OF CORPORATIONS ACT

The fact that under subsection 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how Atlantic Shareholders should vote (on this matter Atlantic Shareholders must reach their own decision); or
- (b) has prepared, or is responsible for the content of, the explanatory statement.

The Scheme Booklet

This Scheme Booklet is dated 26 June 2014. This Scheme Booklet sets out details of the Scheme and constitutes the explanatory statement for the Scheme for the purposes of section 412(1) of the Corporations Act.

It explains the manner in which the Scheme between Atlantic and Atlantic Shareholders (other than Excluded Shareholders) will be considered at the Scheme Meeting and implemented (if all of the conditions to the Scheme are satisfied or, if permitted, waived) and provides such information as is prescribed by law or is otherwise material to the decision of Atlantic Shareholders (other than Excluded Shareholders) whether or not to vote in favour of the Scheme. A copy of the proposed Scheme is included in this Scheme Booklet as Annexure G.

This Scheme Booklet also sets out details of the DDV Gold Alternative Transaction and constitutes the explanatory statement for the Notice of EGM. It explains the manner in which the EGM Resolution will be considered at the EGM and provides such information as is prescribed by law or is otherwise material to the decision of Atlantic Shareholders whether or not to vote in favour of the EGM Resolution. You should read this Scheme Booklet in its entirety before making a decision as to how to vote on the Scheme Resolution and the EGM Resolution to be considered at the Scheme Meeting and the EGM respectively. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

ASIC and ASX

A copy of this Scheme Booklet has been provided to ASIC in accordance with section 411(2) of the Corporations Act. It was then registered by ASIC for the purposes of section 412(6) of the Corporations Act before being sent to Atlantic Shareholders. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. ASIC's policy in relation to statements under section 411(17)(b) of the Corporations Act is that it will not provide such a statement until the Second Court Hearing. This is because ASIC will not be in a position to advise the Court until it has had an opportunity to observe the entire Scheme process. If ASIC provides that statement, then it will be produced to the Court at the Second Court Hearing. A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Investment decisions

The information contained in this Scheme Booklet does not constitute financial product advice. This Scheme Booklet does not take into account the investment objectives, financial situation, tax position or particular needs of individual Atlantic Shareholders or any other person. This Scheme Booklet should not be relied on as the sole basis for any decision in relation to the Scheme and/or the DDV Gold Alternative Transaction. Independent financial and taxation advice should be sought before making any decision in relation to the Scheme and/or the DDV Gold Alternative Transaction. You should consider whether any decision in relation to the Scheme and/or the DDV Gold Alternative Transaction is appropriate in light of your particular investment needs, objectives and financial circumstances.

Atlantic Shareholders outside Australia

This Scheme Booklet has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions.

This Scheme Booklet does not constitute or contain an offer to Atlantic Shareholders, or a solicitation of an offer from Atlantic Shareholders, in any jurisdiction outside Australia.

Restrictions in jurisdictions outside Australia may make it impractical or unlawful for New Spur Common Shares, either in the form of CDIs or New Spur Common Shares, or New Spur Share Purchase Warrants, either in the form of CDIs or New Spur Share Purchase Warrants, to be issued under the Scheme to, or received under the Scheme by, Atlantic Shareholders in those jurisdictions. Atlantic Shareholders outside Australia should refer to section 8.4.

Notice to Atlantic Shareholders in the United States

The Scheme Consideration may not be offered or sold in the United States unless it is registered under the US Securities Act of 1933 (the US Securities Act) or is exempt from such registration requirements. The Scheme Consideration issued pursuant to the Scheme has not been and will not be registered under the US Securities Act but will be issued in reliance on the exemption provided by Section 3(a)(10) thereof. The Scheme Consideration will not be registered under the securities laws of any state or other jurisdiction of the United States, and will be issued in the United States pursuant to the Scheme in reliance on available exemptions from such state law registration requirements.

For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Atlantic will advise the Court that its sanctioning of the Scheme will be relied on by Atlantic as an approval of the Scheme, following hearings on its fairness to Atlantic Shareholders, at which court hearings all Atlantic Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Atlantic Shareholders.

US Atlantic Shareholders should note that the Scheme is made for the shares of an Australian company in accordance with the laws of Australia. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States.

Certain financial statements included in this Scheme Booklet have been prepared in accordance with Australian Accounting Standards and/or IFRS and may not be comparable to the financial statements of US companies.

Australian corporations must comply with Australian Accounting Standards, which contain Australian equivalents to IFRS.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since Atlantic is located in Australia and most of its officers and directors are residents of Australia. You may not be able to sue Atlantic or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel Atlantic and its affiliates to subject themselves to a US court's judgment.

This Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Scheme Booklet. Any representation to the contrary is a criminal offence.

The Scheme Consideration to be issued pursuant to the Scheme to an Atlantic Shareholder who is neither an affiliate, for the purpose of the US Securities Act, of Atlantic on or prior to the Effective Date nor an affiliate of Spur after the Effective Date may be resold without restriction under the US Securities Act. Atlantic Shareholders who are affiliates of Atlantic on or prior to the Effective Date or affiliates of Spur after the Effective Date will be subject to certain restrictions under the US Securities Act on the resale of any Scheme Consideration received by them pursuant to the Scheme. For the purposes of the US Securities Act, an affiliate of either Atlantic or Spur is any person who directly or indirectly controls, or is controlled by, or is under common control with an Atlantic or Spur entity. Whether a person is an affiliate of either Atlantic or Spur for the purposes of the US Securities Act depends on the circumstances, but affiliates generally include officers, directors and significant shareholders. Persons who believe that they may be affiliates of either Atlantic, or after the Effective Date, Spur, should consult their own legal advisers prior to any sale of the Scheme Consideration received upon the implementation of the Scheme.

United Kingdom

This document does not constitute a prospectus within the meaning of section 85 of the Financial Services and Markets Act 2000 (as amended) (**FSMA**), and has not been drawn up in accordance with the Prospectus Rules published by the Financial Conduct Authority (**FCA**) and a copy has not been, and will not be, approved or filed with the FCA. This document contains no offer to the public under the meaning of FSMA, the Companies Act 2006 or otherwise and does not constitute an invitation or offer to sell or the solicitation of an invitation or offer to buy any security.

If you are in any doubt as to the content of this document or as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any applicable restrictions.

Important information

Responsibility statement

The Atlantic Information has been prepared by Atlantic and its directors and is the responsibility of Atlantic. Neither Spur nor any one of its directors, officers or advisers assumes any responsibility for the accuracy or completeness of the Atlantic Information.

The Spur Information has been prepared by Spur and is the responsibility of Spur. Neither Atlantic nor any of its directors, officers or advisers assumes any responsibility for the accuracy or completeness of the Spur Information.

Atlantic and Spur have prepared, and are responsible for, the pro forma financial information regarding the Merged Group and the Spur/DDV Gold Group set out in sections 5.4, 5.5 and 5.6 of this Scheme Booklet respectively.

DMR Corporate has prepared the Independent Expert's Report included as Annexure A to this Scheme Booklet and is responsible for that report only. Neither of Atlantic nor, Spur nor any of their respective directors, officers or advisers assumes any responsibility for the accuracy or completeness of the information in the Independent Expert's Report.

PricewaterhouseCoopers Securities Ltd has prepared, and is responsible for, the Investigating Accountant's Report included as Annexure B to this Scheme Booklet and is responsible for that report only. Neither of Atlantic nor Spur nor any of their respective directors, officers or advisers assumes any responsibility for the accuracy or completeness of the information in the Investigating Accountant's Report.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. All forward-looking statements in this Scheme Booklet, including all statements and information relating to the Merged Group, the Spur/DDV Gold Group and the transactions contemplated by the Merger Implementation Deed, reflect the expectations of either Atlantic or Spur (as the context requires) as at the date of this Scheme Booklet concerning future results and events and generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential" or other similar words. Similarly, statements that describe Atlantic's or Spur's objectives, plans, goals or expectations, estimates of reserves and resources, and future costs are or may be forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages anticipated to result from the Merger are also forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that may cause the actual results, performance or achievements of Atlantic, Spur, the Merged Group or the Spur/DDV Gold Group to be materially different from the results, performance or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Atlantic, Spur, the Merged Group and the Spur/DDV Gold Group will operate in the future, including the price of gold, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, among others, that the Scheme and the DDV Gold Alternative Transaction are each subject to the satisfaction of certain conditions, the number of securities issued is subject to certain adjustments, gold price volatility, discrepancies between actual and estimated production, Ore Reserves, Mineral Resources and metallurgical recoveries, mining operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), risks of sovereign investment, currency fluctuations, speculative nature of gold exploration, global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements and defective title to mineral claims or property. See Section 6 for a discussion of potential risk factors underlying and other information relevant to the forward looking statements and information. Forward-looking statements and information should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them.

Atlantic Shareholders should note that historical financial performance of Atlantic and Spur is no assurance of future financial performance of Atlantic, Spur, the Merged Group or the Spur/DDV Gold Group.

Any forward-looking statements in this Scheme Booklet are made, and reflect views held, only as at the date of this Scheme Booklet. Other than as required by law, neither Atlantic, Spur and their respective directors and officers, nor any other person gives any representation, assurance or guarantee that the occurrence of the events or the achievement of results expressed or implied in such statements will actually occur. You are cautioned not to place undue reliance on any forward-looking statement, and all subsequent written or oral forward-looking statements attributable to Atlantic or Spur, or any person acting on their behalf are qualified by this cautionary statement. Subject to any continuing obligations under the Listing Rules or the Corporations Act, and except as set out in section 12.16 Atlantic, Spur and their respective directors disclaim any obligation or undertaking to update or revise any forward-looking statements after the date of this Scheme Booklet other than with respect to information Atlantic and Spur respectively become aware of prior to the Scheme Meeting and the EGM which is material to

the making of a decision by Atlantic Shareholders regarding whether or not to vote in favour of the Scheme and/or the DDV Gold Alternative Transaction.

Estimates, targets and forecasts

Unless otherwise indicated, all references to estimates, targets and forecasts and derivations of the same in this Scheme Booklet are references to estimates, targets and forecasts by Atlantic or Spur management (as applicable). Management estimates, targets and forecasts are based on views held only at the date of this Scheme Booklet, and actual events and results may be materially different from them.

Each of Atlantic and Spur believes that any forecast attributed to it in this Scheme Booklet has been made on reasonable grounds. However, readers are cautioned that any production estimates, targets and forecasts are subject to a variety of factors that are likely to cause actual results to vary from them, and such variations may be material. Forward-looking information generally involves risks and uncertainties as described above, which are in many instances beyond Atlantic's or Spur's control, including: (i) global economic conditions; (ii) pricing and cost factors; (iii) unanticipated events or changes in current development plans, execution of development plans, future operating results, financial conditions or business over time; and (vi) unfavourable regulatory developments. These could cause actual events and results to vary significantly from those included in or contemplated by such statements. Any production estimates, targets or forecasts reflect certain assumptions by Atlantic and Spur, which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond Atlantic's and Spur's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of Atlantic's, Spur's, the Merged Group's or the Spur/DDV Gold Group's future performance or that actual events and results would not differ materially from them.

Ore Reserves and Mineral Resources

Atlantic's disclosure of Ore Reserve and Mineral Resource information is based on the reporting requirements of the JORC Code 2012. There can be no assurance that those portions of such Mineral Resources that are not Ore Reserves will ultimately be converted into Ore Reserves.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

Privacy and Personal Information

Atlantic, Spur and their respective registries and agents may need to collect personal information to implement the Scheme or the DDV Gold Alternative Transaction. The personal information may include the names, contact details and details of shareholdings of Atlantic Shareholders, plus contact details of individuals appointed by Atlantic Shareholders to act as proxies, corporate representatives or attorneys at the Scheme Meeting and the EGM. The primary purpose of the collection of personal information is to assist Atlantic in the conduct of the Scheme Meeting and the EGM, and to enable the Scheme or the DDV Gold Alternative Transaction to be implemented.

Atlantic Shareholders, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and can contact the Atlantic Registry on 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia) if they wish to exercise those rights.

Personal information may be disclosed to the share registrars of Atlantic and Spur, print and mail service providers, authorised securities brokers, Related Bodies Corporate of Atlantic and to Atlantic's and Spur's advisers to the extent necessary to effect the Scheme or the DDV Gold Alternative Transaction. If the information outlined above is not collected, Atlantic may be hindered in, or prevented from, conducting the Scheme Meeting or the EGM, or implementing the Merger effectively or at all. Atlantic Shareholders who appoint a named person to act as their proxy, corporate representative or attorney at the Scheme Meeting and/or the EGM should ensure that they inform that person of the matters outlined above.

Timetable and dates

Unless otherwise stated, a reference to time in this Scheme Booklet is a reference to time in Sydney, New South Wales, Australia. All dates and times relating to implementation of the Merger referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from the Court and other regulatory authorities. Any changes to the timetable will be announced on the ASX Market Announcements Platform which can be accessed on the ASX website at www.asx.com.au (Atlantic ASX Code: ATV) and on Atlantic's website at www.atlanticgold.com.au

Rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including those in respect of Scheme Consideration, are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

Defined terms and interpretation

Capitalised terms and certain abbreviations used in this Scheme Booklet are defined either in section 13 of this Scheme Booklet or in the body of this Scheme Booklet. Some annexures to this Scheme Booklet use their own terms and abbreviations, which may have different defined meanings to those set out in section 13.

Unless otherwise indicated, all references to sections, schedules and annexures are reference to sections, schedules and annexures of this Scheme Booklet.

Unless otherwise stated or where the context otherwise requires, all data contained in this Scheme Booklet, including in charts, graphs, tables, diagrams and maps is based on information available as at the date of this Scheme Booklet. Any charts, graphs, tables, diagrams and maps contained in this Scheme Booklet are illustrative only and may not be drawn to scale.

References to “A\$”, “\$” or dollars in this Scheme Booklet are to Australian dollars and references to “C\$” are to Canadian dollars, unless otherwise stated.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure I.

Notice of EGM

The notice of EGM is set out in Annexure J.

Further information

If you have any questions in relation to the Merger, the Scheme Meeting or the EGM, please contact your legal, investment or other professional adviser.

You can also contact Atlantic on +61 (0)2 9410 0993.

Tax

The tax consequences of the Merger for Atlantic Shareholders are discussed generally in sections 9 and 10. However, the comments in those sections are general in nature and Atlantic Shareholders should consult their tax adviser as to the tax consequences of the Merger relevant to their individual situation.

Date

This Scheme Booklet is dated 26 June 2014.

Overview of this Scheme Booklet

What is this Scheme Booklet for?

This Scheme Booklet contains information about the proposed Merger of Atlantic and Spur that was announced by Atlantic on the ASX Market Announcements Platform on 7 April 2014.

It is proposed that the Merger will be implemented through:

- the Scheme between Atlantic and the Atlantic Shareholders (other than the Excluded Shareholders); or
- the DDV Gold Alternative Transaction, under which Spur will acquire all of the outstanding securities on issue in DDV Gold from Atlantic.

This Scheme Booklet provides you, as an Atlantic Shareholder, with information to consider before voting on:

- the Scheme Resolution at the Scheme Meeting scheduled to be held at 10:00 am on Thursday 31 July 2014; and
- the EGM Resolution at the EGM scheduled to be held at 11:00 am on Thursday 31 July 2014 or immediately after the Scheme Meeting (whichever is later).

The DDV Gold Alternative Transaction is conditional on the Scheme not being approved by Atlantic Shareholders (other than the Excluded Shareholders) at the Scheme Meeting or by the Court at the Second Court Hearing.

As the Second Court Hearing will occur after the date of the Scheme Meeting and the EGM (refer to the section entitled 'Key Dates' below for further details), the Atlantic Board proposes to hold the EGM immediately following the Scheme Meeting even if the Scheme is approved by Atlantic Shareholders at the Scheme Meeting. This will ensure that, subject to Atlantic Shareholders approving the DDV Gold Alternative Transaction at the EGM, the DDV Gold Alternative Transaction can proceed to closing under the DDV Gold Sale Agreement on the DDV Gold Sale Closing Date if the Scheme is not approved by the Court at the Second Court Hearing.

If the Scheme is approved by Atlantic Shareholders at the Scheme Meeting and Atlantic Shareholders also approve the DDV Gold Alternative Transaction at the EGM, Atlantic Shareholder approval for the DDV Gold Alternative Transaction will be conditional on the Court not approving the Scheme at the Second Court Hearing.

What will I be entitled to receive if the Scheme proceeds?

If the Scheme is implemented, Atlantic Shareholders (other than Excluded Shareholders and Ineligible Foreign Shareholders) holding Atlantic Fully Paid Shares will be entitled to receive, for each Atlantic Fully Paid Share held:

- 0.05564 of a New Spur Common Share (either in the form of Spur Common Share CDIs or New Spur Common Shares); and
- 0.02782 of a New Spur Share Purchase Warrant (either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants).

Each New Spur Share Purchase Warrant would be exercisable to acquire one Spur Share for a period of 4 years following the date of implementation of the Scheme at an exercise price of C\$0.60.

If the Scheme is implemented, Atlantic Shareholders (other than Excluded Shareholders and Ineligible Foreign Shareholders) holding Atlantic Partly Paid Shares will be entitled to receive for each Atlantic Partly Paid Share held 10% of the consideration otherwise payable to a holder of Atlantic Fully Paid Shares for each Atlantic Fully Paid Share held. That is, for each Atlantic Partly Paid Share held:

- 0.005564 of a New Spur Common Share (either in the form of Spur Common Share CDIs or New Spur Common Shares); and
- 0.002782 of a New Spur Share Purchase Warrant (either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants).

What should you do next?

• **Step 1: Read this Scheme Booklet in its entirety**

You should read and carefully consider the information included in this Scheme Booklet to help you make an informed decision in relation to your Atlantic Shares and how you will vote on the Scheme and the DDV Gold Alternative Transaction.

If you do not know what to do, you should promptly consult your financial, legal, tax or other professional adviser.

• **Step 2: Vote on the Merger**

As an Atlantic Shareholder, you have the right to vote on whether the Scheme and the DDV Gold Alternative Transaction should be approved.

You may vote on the Scheme either by attending the Scheme Meeting in person or by appointing a proxy, attorney or corporate representative to attend the Scheme Meeting and vote on your behalf. You can appoint a proxy by completing and returning the Scheme Proxy Form that accompanies this Scheme Booklet in accordance with the instructions on that form. The deadline for receipt of the Scheme Proxy Form by the Atlantic Registry is 48 hours before the Scheme Meeting (see the section entitled 'Key dates' below for the precise times).

Similarly, you may vote on the DDV Gold Alternative Transaction either by attending the EGM in person or by appointing a proxy, attorney or corporate representative to attend the EGM and vote on your behalf. You can appoint a proxy by completing and returning the EGM Proxy Form that accompanies this Scheme Booklet in accordance with the instructions on that form. The deadline for receipt of the EGM Proxy Form by the Atlantic Registry is 48 hours before the EGM (see the section entitled 'Key dates' below for the precise times).

An explanation on your eligibility to vote at the Scheme Meeting and the EGM, together with further details on how

you can vote at those meetings, is set out in the section entitled '*Scheme Meeting and EGM details and how to vote*' below.

- **Step 3: Determine your preferred form of Scheme Consideration**

If the Scheme becomes Effective and you are not an Ineligible Foreign Shareholder, you may elect to be entitled to receive Scheme Consideration in the form of Spur Common Share CDIs¹ and Spur Share Purchase Warrants CDIs² quoted on ASX or in the form of New Spur Common Shares and New Spur Share Purchase Warrants quoted on TSXV.

Please refer to section 8.3 for information on how to make an Election.

Questions?

If you have any questions after reading this Scheme Booklet, please call Atlantic on +61 (0)2 9410 0993.

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- 1 Each Spur Common Share CDI will represent a beneficial interest in 1 fully paid common share in the capital of Spur (see section 8.3). If the Scheme becomes Effective but Spur does not obtain admission to ASX and the condition in clause 3.1(10) of the Merger Implementation Deed is waived, you will be entitled to receive New Spur Common Shares listed on TSXV but not Spur Common Share CDIs listed on ASX.
 - 2 Each Spur Share Purchase Warrant CDI will represent a beneficial interest in 1 warrant in respect of an unissued fully paid common share in the capital of Spur (see section 8.3). If the Scheme becomes Effective but Spur does not obtain admission to ASX and the condition in clause 3.1(10) of the Merger Implementation Deed is waived, you will be entitled to receive New Spur Share Purchase Warrants listed on TSXV but not Spur Share Purchase Warrant CDIs listed on ASX.

Key dates

EVENT	DATE
Date of Scheme Booklet	Thursday 26 June 2014
Scheme Proxies – Last time and date by which Scheme Proxy Forms for the Scheme Meeting can be lodged	10:00 am (Sydney time) on Tuesday 29 July 2014
EGM Proxies – Last time and date by which EGM Proxy Forms for the EGM can be lodged	11:00 am (Sydney time) on Tuesday 29 July 2014
Time and date for determining eligibility to vote at Scheme Meeting and EGM – if you are registered as a Atlantic Shareholder (and are not an Excluded Shareholder) at 7:00 pm (Sydney time) on Tuesday 29 July 2014, you will be entitled to attend and vote at the Scheme Meeting and EGM	7:00 pm (Sydney time) on Tuesday 29 July 2014
Scheme Meeting – the Scheme Meeting will be held at Launceston Room, Lower Ground Floor North Wing, The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000	10:00 am (Sydney time) on Thursday 31 July 2014
EGM – the EGM will be held at Launceston Room, Lower Ground Floor North Wing, The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000	11:00 am (Sydney time) ¹ on Thursday 31 July 2014
If the Scheme Resolution is passed by the requisite majorities of Atlantic Shareholders (other than Excluded Shareholders) at the Scheme Meeting:	
Second Court Hearing for approval of the Scheme	Wednesday 6 August 2014
Effective Date	Thursday 7 August 2014
Last day of trading in Atlantic Shares on ASX	Thursday 7 August 2014
Spur Common Share CDIs and Spur Share Purchase Warrant CDIs commence trading on ASX (deferred settlement basis)	Friday 8 August 2014
Record Date – time and date for determining entitlements to Scheme Consideration under the Scheme	5:00 pm (Sydney time) on Thursday 14 August 2014
Deadline for receipt of Election Forms by the Atlantic Registry	5:00 pm (Sydney time) on Thursday 14 August 2014
Implementation Date – transfer of Scheme Shares to Spur	Thursday 21 August 2014
Issue of Scheme Consideration – commencement of despatch of holding statements for Spur Common Share CDIs and Spur Share Purchase Warrant CDIs and certificates, DRS Advice or holding statements for New Spur Common Shares and New Spur Share Purchase Warrants	Thursday 21 August 2014
New Spur Common Shares and New Spur Share Purchase Warrants commence trading on TSXV ²	Thursday 21 August 2014 (Toronto time)
Spur Common Share CDIs and Spur Share Purchase Warrant CDIs commence trading on ASX (normal settlement basis) ²	Friday 22 August 2014
If the EGM Resolution is passed at the EGM by Atlantic Shareholders, and EITHER:	
- the Scheme Resolution is <u>not</u> passed by the requisite majorities of Atlantic Shareholders (other than Excluded Shareholders) at the Scheme Meeting; or - the Scheme is not approved by the Court at the Second Court Hearing:	
Completion under DDV Gold Sale Agreement – Transfer by Atlantic of all of the shares on issue in DDV Gold to Spur in consideration for the issue to Atlantic of Spur Series A Preferred Shares and Spur Preferred Share Warrants	Thursday 7 August 2014

Notes:

1 Or immediately after the Scheme Meeting (whichever is later).

2 The exact number of New Spur Common Shares and New Spur Share Purchase Warrants to be issued to you under the Scheme will not be known until after the Record Date and will not be confirmed to you until you receive your holding statement (for Spur Common Share CDIs and Spur Share Purchase Warrant CDIs) or certificates (for New Spur Common Shares and New Spur Share Purchase Warrants) following the Implementation Date. **It is your responsibility to confirm your holding of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants (as appropriate) before you trade them to avoid the risk of committing to sell more than will be issued to you.**

All times referred to in this Scheme Booklet are references to time in Sydney, New South Wales, unless otherwise stated. This timetable is indicative only, and the actual timetable will depend on many factors which are outside the control of Atlantic. These factors include the Court approval process and the time at which the conditions precedent to the Scheme or the DDV Gold Alternative Transaction are satisfied or waived (as applicable). The conditions precedent to the Scheme are set out in section 7.17 and the conditions precedent to the DDV Gold Alternative Transaction are set out in section 7.19. Atlantic has the right to vary the timetable set out above subject to the approval of Spur, the Court and the ASX where required. Any variation to the timetable will be announced to the ASX and published on Atlantic's website. This timetable assumes that Spur will be admitted to the official list of ASX and approval given for the official quotation on ASX of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs.

Dear Atlantic Shareholder

It is with pleasure that I present this Scheme Booklet to you in relation to the proposed merger between Atlantic and Spur Ventures Inc.

As Atlantic Shareholders are aware, the major hurdle to developing a gold mine at Touquoy is raising the required equity portion of the Touquoy Gold Project financing. The Touquoy Gold Project is now well advanced with all environmental permitting in place, the mineral lease granted, a current update for the definitive feasibility study completed, and all private land titles over the Touquoy Gold Project footprint effectively acquired.

After considering various options, it became apparent to the Atlantic Directors that the potential to raise a substantial amount of the equity portion of the Touquoy Gold Project financing could be achieved through a merger proposal.

On 7 April 2014, Atlantic announced entering into a Heads of Agreement with Spur Ventures Inc. (TSXV:SVU) to pursue a merger transaction under which Spur will acquire all of the Atlantic Shares on issue by way of a scheme of arrangement under Part 5.1 of the Corporations Act 2001. Spur's major asset at the time of the announcement was approximately C\$28.7 million in cash.

On 15 May 2014, Atlantic further announced signing a definitive Merger Implementation Deed in respect of the proposed Merger with Spur. Under the terms of the Merger Implementation Deed, Spur will acquire, subject to obtaining the requisite approvals and the satisfaction or waiver of conditions contained in the Merger Implementation Deed, all of the Atlantic Fully Paid Shares and Atlantic Partly Paid Shares on issue.

If the Scheme is implemented, Atlantic Shareholders (other than Excluded Shareholders and Ineligible Foreign Shareholders) holding Atlantic Fully Paid Shares will be entitled to receive 0.05564 of a New Spur Common Share and 0.02782 of a New Spur Share Purchase Warrant (either in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants) for each Atlantic Fully Paid Share held. Each New Spur Share Purchase Warrant would be exercisable to acquire one Spur Share for a period of 4 years following the date of implementation of the Scheme at an exercise price of C\$0.60.

If the Scheme is implemented, Atlantic Shareholders (other than Excluded Shareholders and Ineligible Foreign Shareholders) holding Atlantic Partly Paid Shares will be entitled to receive for each Atlantic Partly Paid share held 10% of the consideration otherwise payable to a holder of Atlantic Fully Paid Shares for each Atlantic Fully Paid Share held; that is 0.005564 of a New Spur Common Share and 0.002782 of a New Spur Share Purchase Warrant (either in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants) for each Atlantic Partly Paid Share held.

Subject to receipt of all necessary regulatory approvals, Atlantic Shareholders (other than Excluded Shareholders and Ineligible Foreign Shareholders) can elect to receive the Scheme Consideration either in the form of Spur Common Share CDIs¹

and Spur Share Purchase Warrant CDIs² or New Spur Common Shares and New Spur Share Purchase Warrants. It is proposed that, subject to receipt of all necessary regulatory approvals, the Spur Common Share CDIs and Spur Share Purchase Warrant CDIs will be quoted on the ASX. If Spur does not obtain admission to the official list of ASX and the condition in clause 3.1(10) (ASX Quotation) of the Merger Implementation Deed is waived, Atlantic Shareholders (other than Excluded Shareholders and Ineligible Foreign Shareholders) will be entitled to receive New Spur Common Shares and New Spur Share Purchase Warrants listed on TSXV.

Under the terms of the Merger Implementation Deed, if the Scheme is not approved by Atlantic Shareholders or the Court, Spur will acquire, subject to obtaining the requisite approvals and the satisfaction or waiver of conditions contained in the DDV Gold Sale Agreement, all of the shares on issue in DDV Gold, the wholly-owned Canadian subsidiary of Atlantic which holds all of Atlantic's Canadian assets, directly from Atlantic in return for the issue to Atlantic of the DDV Gold Sale Consideration.

Atlantic Directors unanimously recommend that you vote in favour of the Scheme and the DDV Gold Alternative Transaction, in the absence of a Superior Proposal. Each Atlantic Director intends to vote in favour of the Scheme and the DDV Gold Alternative Transaction in relation to the Atlantic Shares held by him or on his behalf at the Scheme Meeting and EGM respectively, in the absence of a Superior Proposal.

The Atlantic Directors believe the Merger is in the best interest of Atlantic Shareholders for the reasons set out in section 1 of this Scheme Booklet.

At the date of this Scheme Booklet, no Atlantic Director had a Relevant Interest in any marketable securities of Spur. In addition, none of the Atlantic Directors had any interest in any contract with Spur, other than set out in section 12.4 of this Scheme Booklet.

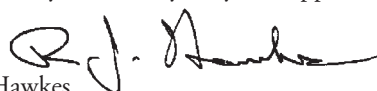
The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is both fair and reasonable and it is therefore in the best interests of Atlantic Shareholders.

The largest shareholder of Atlantic, holding approximately 16% of Atlantic Fully Paid Shares, is Au Mining Limited. Au Mining Limited has advised the Atlantic Directors it intends to vote all of the Atlantic Fully Paid Shares it holds in favour of the Merger, in the absence of a Superior Proposal.

I encourage you to read this Scheme Booklet carefully as it contains important information in relation to the Merger and will assist you in making an informed decision at the Scheme Meeting and EGM.

It is very important that you cast your vote either by attending the Scheme Meeting and EGM or completing and returning the Scheme Proxy Form and EGM Proxy Form that accompany this Scheme Booklet.

Thank you sincerely for your support.

A handwritten signature in black ink, appearing to read "R. J. Hawkes".

Ron Hawkes
Chairman
Atlantic Gold NL.

¹ Each Spur Common Share CDI will represent a beneficial interest in 1 Spur Share (see section 8.3)

² Each Spur Share Purchase Warrant CDI will represent a beneficial interest in 1 Spur Warrant in respect of an unissued Spur Share (see section 8.3).

Dear Atlantic Shareholder,

On behalf of the Spur Board, it is my pleasure to write to you today to present the opportunity to participate in the combination of Atlantic and Spur, creating what we believe is a well-financed, growth-oriented company that will be well positioned to capitalize on the significant development potential at Atlantic's Touquoy and Cochrane Hill gold projects in Nova Scotia.

The combination of Atlantic and Spur is unanimously supported by the boards of both companies, and we encourage you to vote in favour of the Scheme at the Scheme Meeting.

Following Spur's sale of its project interests in 2012, the Spur Board agreed to a strategy to re-position the company to focus its management strengths on creating a mid-tier gold production group focused on manageable, executable projects in mining friendly jurisdictions. We believe that Atlantic and its asset base in Nova Scotia is well suited to become a pillar of our project portfolio.

The Merged Group combines Atlantic's advanced project portfolio and technical team with Spur's complementary management experience in project development, mine operations and finance. Together with Spur's strong cash position, we believe the Merged Group will be well positioned to advance Atlantic's assets through to the next stage of development and towards production.

Spur's management, listing and shareholder base in Canada will offer greater exposure to North American capital markets, where Atlantic's story currently appears to be under-appreciated. We are confident that heightened exposure along with a strong treasury position will allow for the unlocking of greater value for all shareholders within the Merged Group. It is anticipated that the Merged Group will enjoy an enhanced global market presence by virtue of its listings on the TSXV and ASX, its expected increased market capitalisation, potential expansion of broker research coverage and expected increased access to global capital markets to facilitate future growth ambitions.

Upon implementation of the Scheme, Atlantic Shareholders will hold approximately 43% of the Merged Group on an undiluted basis, and will hold share purchase warrants exercisable over a four year period, providing Atlantic Shareholders with additional optionality and leverage to the continued development potential of Touquoy and Cochrane Hill, as well as any additional investments or acquisitions that the Merged Group may undertake in the future.

The independent expert, DMR Corporate, has concluded that the Scheme is in the best interest of Atlantic Shareholders. The Atlantic Board unanimously recommends that, in the absence of a Superior Proposal, you vote in favour of the Scheme and the DDV Gold Alternative Transaction.

I am excited about the collective opportunities for the Merged Group going forward, and am pleased in particular that Wally Bucknell has agreed to join the Spur Board. As an

Atlantic Shareholder, your vote is extremely important in order to ensure that the combination of Atlantic and Spur is implemented, unlocking expected benefits for all shareholders. On behalf of the Spur Board, I encourage you to vote in favour of the Scheme.

I believe that the combination of Atlantic and Spur will result in value accretion to Atlantic Shareholders and I look forward to welcoming you as a new Spur shareholder or new Spur CDI holder following the successful implementation of the transaction.

Yours sincerely

"Steven Dean"

Steven Dean
Chairman
Spur Ventures Inc.

Key considerations relevant to your vote

Summary of reasons why you might vote in favour of the Merger

- The Atlantic Directors unanimously recommend that you vote in favour of the Scheme and the DDV Gold Alternative Transaction, in the absence of a Superior Proposal.
- As at the Announcement Date, the Scheme Consideration represents an attractive upfront premium to the trading price of Atlantic Shares.
- The Merger combines Spur's cash with Atlantic's assets at an implied price per Atlantic Share well in excess of that which could have been achieved by Atlantic conducting a similar sized capital raising, thereby materially reducing the dilution experienced by Atlantic Shareholders.
- Atlantic Shareholders will be able to participate in the potential benefits resulting from the combination of excellent gold assets in Nova Scotia together with substantial cash which provide the ingredients for the potential early development of the Touquoy Gold Project.
- The Merged Group will have an experienced highly motivated mining staff with the capability of progressing the Touquoy Gold Project development.
- Atlantic Shareholders have the opportunity to maintain their exposure to a gold development in a politically stable, supportive and safe jurisdiction with very good infrastructure and an eager labour force.
- The Scheme is likely to result in increased stock market appeal through enhanced liquidity and visibility and a Canadian stock exchange listing (TSXV) which matches well with the Canadian assets.
- The invitation for Mr Wally Bucknell to join the Spur Board as a non-executive director after the Merger will provide excellent continuity for the Touquoy Gold Project going forward.
- Atlantic's largest shareholder, Au Mining Limited, has indicated its intention to vote in favour of the Merger.
- Atlantic Shareholders who are Australian residents for taxation purposes and receive Spur Common Share CDIs or Spur Shares should generally be able to obtain CGT scrip-for-scrip roll-over relief to partially defer any capital gains.
- If the Merger is not implemented, it is possible that there will be changes to the Atlantic Board with attendant uncertainties as to the future of Atlantic.
- If the Merger is implemented, the holders of Atlantic Partly Paid Shares will no longer be subject to the prospect of a call on their Atlantic Partly Paid Shares.
- If the Scheme and the DDV Gold Alternative Transaction are not approved, and no alternative proposal emerges, Atlantic will need to raise additional working capital and the Atlantic Share price may fall.
- In the view of the Atlantic Directors, the Scheme will produce a cleaner result than the DDV Gold Alternative Transaction and avoid the expenses associated with the distribution to the Atlantic Shareholders of the consideration received by Atlantic under the DDV Gold Alternative Transaction.
- The Independent Expert, DMR Corporate, has concluded that, in the absence of a Superior Proposal, the Scheme is both fair and reasonable and it is therefore in the best interests of Atlantic Shareholders.

The reasons why you might vote in favour of the Merger are explained in more detail in section 1.

Summary of reasons why you might considering voting against the Merger

- Change in risk profile and risks of investment in the Merged Group or, if the DDV Gold Alternative Transaction proceeds to closing, the Spur/DDV Gold Group.
- Atlantic Shareholders may consider that the time is not yet right for the Merger.
- A Superior Proposal for Atlantic may yet emerge.
- The exact value of the Scheme Consideration on implementation of the Scheme is not certain.
- Following implementation of the Scheme, the price of ASX listed Spur Common Share CDIs and Spur Share Purchase Warrant CDIs, and TSXV listed New Spur Common Shares and New Spur Share Purchase Warrants might change.
- The holders of Atlantic Partly Paid Shares might be reluctant to exchange the optionality of the Atlantic Partly Paid Shares for the Scheme Consideration proposed for the Atlantic Partly Paid Shares.
- If the Scheme is not approved by Atlantic Shareholders or the Court and the DDV Gold Alternative Transaction proceeds to closing, Atlantic will require, after closing, additional working capital to fund its ongoing corporate costs, as well as the costs and expenses associated with the proposed equal access buy-back contemplated in section 7.5(7).

The reasons why you might considering voting against the Merger are explained in more detail in section 2.

Scheme Meeting and EGM details and how to vote

The Scheme Meeting will be held for Atlantic Shareholders to consider and, if thought fit, pass the Scheme Resolution to approve the Scheme.

The EGM will be held immediately afterwards for Atlantic Shareholders to consider and, if thought fit, pass the EGM Resolution to approve the DDV Gold Alternative Transaction. If the Scheme is approved by Atlantic Shareholders at the Scheme Meeting and Atlantic Shareholders also approve the DDV Gold Alternative Transaction at the EGM, Atlantic Shareholder approval for the DDV Gold Alternative Transaction will be conditional on the Court not approving the Scheme at the Second Court Hearing.

You may attend and vote at each meeting for which you meet the eligibility criteria set out below.

The Scheme Meeting and EGM will be held at Launceston Room, Lower Ground Floor North Wing, The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000 on 31 July 2014.

MEETING	PROXY FORM FOR MEETING	TIME OF MEETING
Scheme Meeting	Blue	10:00 am (Sydney time)
EGM	Yellow	11:00 am (Sydney) or immediately after the Scheme Meeting (whichever is later)

Eligibility and voting entitlements

Atlantic Shareholders who are registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014 (other than the Excluded Shareholders) may attend and vote at the Scheme Meeting.

Atlantic Shareholders who are registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014 (other than the EGM Excluded Shareholders) may attend and vote at the EGM.

As noted in the Notice of Scheme Meeting and Notice of EGM, voting at the Scheme Meeting and the EGM will be conducted by way of a poll. In accordance with rule 15.1(b) of the Articles of Association of Atlantic, each Atlantic Shareholder who is registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014 will have the following voting rights at the Scheme Meeting and EGM:

- 1 vote for each Atlantic Fully Paid Share held; and
- 9/20ths of a vote for each Atlantic Partly Paid Share held (being, the fraction of a vote which represents the amount in cash paid up on each Atlantic Partly Paid Shares over the issue price of each Atlantic Partly Paid Share).

Voting in person

If you are entitled to vote and wish to do so in person, you should attend the Scheme Meeting and EGM.

When attending each meeting, please bring your meeting registration forms to facilitate your admission (this is the coloured proxy form for the relevant meeting that accompanies this Scheme Booklet).

Voting by proxy

If you are entitled to vote at the Scheme Meeting or the EGM and wish to appoint a proxy to attend and vote on your behalf, you should complete and return the Scheme Proxy Form for the Scheme Meeting and/or the EGM Proxy Form for the EGM (as applicable) that accompanies this Scheme Booklet.

You can obtain new Scheme Proxy Forms and EGM Proxy Forms by contacting the Atlantic Registry on 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia).

To be effective, a validly completed Scheme Proxy Form must be returned to the Atlantic Registry in accordance with the instructions on the form so that it is received by no later than 48 hours before the Scheme Meeting. Similarly, to be effective, a validly completed EGM Proxy Form must be returned to the Atlantic Registry in accordance with the instructions on the form so that it is received by no later than 48 hours before the EGM.

If you have an attorney sign the Scheme Proxy Form and/or the EGM Proxy Form on your behalf, the original or a certified copy of the power of attorney or other evidence of your attorney's authority must be received by the Atlantic Registry at the same time as the Scheme Proxy Form and/or EGM Proxy Form (as applicable) (unless previously provided to the Atlantic Registry).

If you complete and return the Scheme Proxy Form for the Scheme Meeting or the EGM Proxy Form for the EGM, you may still attend the Scheme Meeting or EGM (as applicable), revoke the relevant proxy and vote in person.

Voting in person through an attorney or body corporate representative

If you are entitled to vote at the Scheme Meeting and EGM, you may have an attorney or, if you are a body corporate, a body corporate representative attend and vote on your behalf.

Persons attending the Scheme Meeting or EGM as:

- an attorney should bring the original or a certified copy of the power of attorney or other evidence of their authority; or
- a body corporate representative should bring the original or a certified copy of the certificate of appointment and any authority under which the appointment was made, to the Scheme Meeting or EGM (as applicable) or lodge it with the Atlantic Registry before the Scheme Meeting.

Frequently asked questions

This section includes brief answers to some questions you may have about the Merger. The information contained in this section is a summary only and is not intended to address all relevant issues for Atlantic Shareholders. You should read the entire Scheme Booklet before deciding how to vote on the Scheme and the DDV Gold Alternative Transaction.

QUESTIONS	ANSWERS	WHERE TO FIND MORE INFORMATION
The Merger		
What is the Merger?	On 15 May 2014, Atlantic and Spur entered into the Merger Implementation Deed and DDV Gold Sale Agreement, both of which establish the framework for the merger of Atlantic and Spur. The Merger is proposed to be implemented by one of the following alternatives: - the Scheme; or - if the Scheme is not approved by the Atlantic Shareholders or the Court, the DDV Gold Alternative Transaction.	Section 7.1
Who is Spur?	Spur is a natural resources company based in Vancouver, Canada, and listed on the TSXV. Spur has traditionally evaluated corporate transactions or investments in advanced development stage projects or operating businesses in low risk jurisdictions. Its primary focus has been on opportunities in the precious metals space, in particular gold, with a long term strategic goal to create a mid-tier gold production group. The Spur Group's only material asset is cash which is held in Canadian dollar cash deposits and short term guaranteed investment certificates with major Canadian financial institutions. As at the Last Practicable Date, the Spur Net Cash balance is approximately C\$27.5 million. It is anticipated that the Spur Net Cash balance at the proposed Implementation Date of 21 August 2014 will be approximately C\$26.6 million. As of the date of this Scheme Booklet, Spur does not hold any interests in Atlantic securities.	Section 4
What is the effect of the Scheme?	If the Scheme is approved by Atlantic Shareholders and the Court, then all Atlantic Shares outstanding at 5:00 pm on the Record Date, and not already owned by Spur or another Excluded Shareholder, will be transferred to Spur in return for the issue to Scheme Shareholders of the Scheme Consideration.	Section 7.4
What is the effect of the DDV Gold Alternative Transaction?	The DDV Gold Sale Agreement will only become effective and the rights and obligations of the parties under the DDV Gold Sale Agreement (other than certain specified rights and obligations) will only become legally binding if the Merger Implementation Deed is terminated by either Atlantic or Spur as a result of either: (1) the Scheme Resolution not being approved by the requisite majorities of Atlantic Shareholders (other than Excluded Shareholders); or (2) the Court not approving the Scheme in accordance with section 411(4)(b) of the Corporations Act on the Second Court Hearing Date. If the DDV Gold Sale Agreement becomes legally binding and the DDV Gold Sale Conditions Precedent are satisfied or waived, which includes the approval of the DDV Gold Alternative Transaction by Atlantic Shareholders, all of the shares on issue in DDV Gold will be transferred to Spur in return for the issue by Spur to Atlantic of the DDV Gold Sale Consideration. DDV Gold is a wholly-owned Canadian subsidiary of Atlantic and holds the Touquoy Property and Cochrane Hill Property and other mining tenements or claims of the Atlantic Group.	Section 7.5
Assessment of the Merger		
What are Atlantic Shareholders being asked to consider?	Atlantic Shareholders who are registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014 have the right to vote on whether the Merger should be approved. At the Scheme Meeting, you will be asked to consider the Scheme and whether it should be approved. At the EGM you will be asked to consider the DDV Gold Alternative Transaction and whether it should be approved.	Sections 7.4 and 7.5
What do the Atlantic Directors recommend in relation to the Merger?	The Atlantic Directors unanimously recommend that you: (1) vote in favour of the Scheme at the Scheme Meeting; and (2) vote in favour of the DDV Gold Alternative Transaction at the EGM, in the absence of a Superior Proposal.	Section 7.6

Frequently asked questions

QUESTIONS	ANSWERS	WHERE TO FIND MORE INFORMATION
What are the intentions of Atlantic Directors in relation to the Merger?	Each Atlantic Director intends to vote in favour of the Scheme at the Scheme Meeting and the DDV Gold Alternative Transaction at the EGM, in the absence of a Superior Proposal.	Section 7.6
What is the Independent Expert's conclusion in respect of the Scheme?	The Independent Expert's conclusion in respect of the Scheme is that, in the absence of a Superior Proposal the Scheme is both fair and reasonable and it is therefore in the best interests of Atlantic Shareholders. The Independent Expert's Report can be found in Annexure A to this Scheme Booklet.	Section 7.7
Are there any conditions to the Scheme being implemented?	There are a number of conditions which must be satisfied before the Scheme can become Effective, including 3 conditions which cannot be waived by either Spur or Atlantic. These 3 conditions are in respect of the approval of the Scheme by Atlantic Shareholders and the Court, and are compulsory requirements which must be satisfied under the Corporations Act.	Section 7.17
What happens if a Scheme Condition Precedent is not satisfied or, if permitted, waived?	If a Scheme Condition Precedent is not satisfied or waived, the Scheme cannot become Effective. At the date of this Scheme Booklet, neither Atlantic nor Spur is aware of any reason why the Scheme Conditions Precedent will not be satisfied.	Section 7.17
What happens if the Court does not approve the Scheme or the Scheme does not otherwise proceed?	If the Court refuses to approve Scheme and the DDV Gold Alternative Transaction has been approved by the Atlantic Shareholders at the EGM, the DDV Gold Alternative Transaction will proceed to closing under the DDV Gold Sale Agreement on the DDV Gold Sale Closing Date (refer to section 7.5).	Section 7.9
Are there any conditions to the DDV Gold Alternative Transaction closing?	There are a number of conditions which must be satisfied before the DDV Gold Alternative Transaction may be implemented.	Section 7.19
What happens if a DDV Gold Sale Condition Precedent is not satisfied or, if permitted, waived?	If a DDV Gold Sale Condition Precedent is not satisfied or waived by the DDV Gold Sale End Date, the DDV Gold Alternative Transaction cannot proceed. At the date of this Scheme Booklet, neither Atlantic nor Spur is aware of any reason why the DDV Gold Sale Conditions Precedent will not be satisfied.	Section 7.20
Is there an exclusivity arrangement?	Yes, under the Merger Implementation Deed, Atlantic has agreed to certain restrictions during the Exclusivity Period, including not to: (1) solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion which would reasonably be expected to encourage or lead to a Competing Proposal; (2) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion which would reasonably be expected to encourage or lead to a Competing Proposal; (3) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal; (4) disclose or otherwise provide any non-public information about the business or affairs of the Atlantic Group to a Third Party with a view to obtaining, or which would reasonably be expected to encourage or lead to a Competing Proposal; or (5) communicate any intention to do anything referred to in (1) to (4) above.	Section 7.21
Is there a matching right for a Superior Proposal?	Yes, Spur has the right to provide a matching or superior proposal to any Superior Proposal received by Atlantic, within 5 Business Days of Atlantic providing Spur with information regarding the Superior Proposal.	Section 7.21(4)

QUESTIONS	ANSWERS	WHERE TO FIND MORE INFORMATION
Are any break fees or reimbursement fees payable and when will Atlantic become liable to pay Spur those fees?	Atlantic has agreed to pay the Break Fee to Spur if: (1) the Court orders the convening of the Scheme Meeting and the Scheme Resolution is not approved by Atlantic Shareholders at the Scheme Meeting; and (2) if the EGM Resolution in respect of the DDV Gold Alternative Transaction is not approved by Atlantic Shareholders at the EGM. Atlantic has also agreed to pay the Reimbursement Fee to Spur in certain circumstances. Please refer to section 7.22(1) for further details.	Section 7.22
Information about the Merged Group		
How will the Merged Group differ from Atlantic?	Following implementation of the Scheme, the Merged Group will have its registered office in Vancouver. It is intended that Atlantic will become a wholly-owned subsidiary of Spur, and will remove itself from the official list of the ASX. The current Atlantic Shareholders will collectively own approximately 43% of the Merged Group, or approximately 51% assuming the exercise of all the New Spur Share Purchase Warrants.	Sections 7.19 and 7.20
What are Spur's intentions for the Merged Group?	Spur's intentions for the Merged Group included in this Scheme Booklet represent the current intentions of Spur which have been formed on the basis of facts and information concerning the Atlantic Group, and the general economic and business environment, which are known by Spur at the time this Scheme Booklet was prepared. Some of Spur's specific intentions for the Merged Group include: (1) to conduct a targeted review of the Merged Group after implementation of the Scheme; (2) that Atlantic will remove itself from the official list of the ASX and become a wholly-owned subsidiary of Spur; (3) that the strategic direction of the Merged Group will be to focus on the development of the Touquoy Gold Project and Cochrane Hill Gold Project, conduct additional exploration in the Meguma Terrane gold region, and to create a mid-tier gold production group through further acquisitions and investments; and (4) to use some of Spur's cash reserves to progress the development of the Touquoy Gold Project and the Cochrane Hill Gold Project.	Section 5.3
What are the risks associated with the Merger?	There are various potential risk factors relating to the Merger and the Merged Group, which are discussed in detail in the body of this Scheme Booklet.	Section 6
Scheme Meeting and voting on the Scheme		
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at Launceston Room, Lower Ground Floor North Wing, The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000 at 10:00 am on Thursday 31 July 2014.	Refer to the section entitled 'Key dates' above
Who will be entitled to vote at the Scheme Meeting?	All Atlantic Shareholders (excluding the Excluded Shareholders) are entitled to vote at the Scheme Meeting.	Refer to the section entitled 'Key dates' above
What vote is required to approve the Scheme?	The Scheme Resolution will be passed if: (1) a majority in number (more than 50%) of Atlantic Shareholders (other than Excluded Shareholders) who vote at the meeting; and (2) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Atlantic Shareholders (other than Excluded Shareholders), vote in favour of the Scheme Resolution. If either one of these thresholds is not satisfied, the Scheme will not be approved, other than in specific circumstances where the Court has the discretion to approve the Scheme despite the first threshold not being satisfied. Even if the Scheme is approved by Atlantic Shareholders (other than Excluded Shareholders) at the Scheme Meeting, the Scheme is still subject to the approval of the Court.	Section 7.4(4)
Is voting compulsory?	No, voting is not compulsory. However, your vote is important in determining whether the Scheme will become Effective. If you cannot attend the Scheme Meeting, you should complete and return the Scheme Proxy Form enclosed with this Scheme Booklet.	

Frequently asked questions

QUESTIONS	ANSWERS	WHERE TO FIND MORE INFORMATION
Why should I vote?	Your vote will be important in determining whether the Scheme will proceed. If you do not vote, but the Scheme is approved by the requisite majorities of Atlantic Shareholders (other than the Excluded Shareholders), the Scheme may still proceed.	
What happens if I do not vote or vote against the Scheme?	If you do not vote, or vote against the Scheme, then it may not be approved and the Scheme may not proceed. If the Scheme does not proceed, the DDV Gold Alternative Transaction may proceed, subject to the requirements set out in section 7.5(1).	
What are the reasons to vote in favour of the Scheme?	There are several reasons why Atlantic Shareholders should vote in favour of the Scheme, including: (1) the Scheme Consideration represents an attractive premium to the trading price of Atlantic Shares; (2) the Scheme allows Atlantic Shareholders to participate in the benefits which substantial cash will provide to the gold assets in Nova Scotia and the development of the Touquoy Gold Project; (3) the Scheme is likely to lead to increased stock market appeal through Spur's Canadian stock exchange listing; (4) Atlantic's largest shareholder has indicated its intention to vote in favour of the Scheme; and (5) CGT roll-over relief will enable Atlantic Shareholders who are Australian tax residents (who receive Spur Common Share CDIs or Spur Shares as Scheme Consideration) to partially defer any CGT liability. A summary of all the reasons why you might vote in favour of the Scheme is set out in the section entitled '<i>Key considerations relevant to your vote</i>' above.	Section 1
What are the possible reasons to consider voting against the Scheme?	There are possible reasons to consider voting against the Scheme, such as: (1) the Scheme will change the risk profile which Atlantic Shareholders are exposed to; (2) a Superior Proposal may yet emerge; (3) the exact value of the Scheme Consideration is not certain; and (4) the holders of Atlantic Partly Paid Shares may be reluctant to exchange them for the Scheme Consideration.	Section 2
EGM and voting on the DDV Gold Alternative Transaction		
When and where will the EGM be held?	The EGM will be held at 11:00 am on Thursday 31 July 2014 or immediately following the Scheme Meeting.	Refer to the section entitled ' <i>Key dates</i> ' above
Who will be entitled to vote at the EGM?	All Atlantic Shareholders (other than the EGM Excluded Shareholders) are entitled to vote at the EGM.	Refer to the section entitled ' <i>Key dates</i> ' above
What vote is required to approve the DDV Gold Alternative Transaction?	A majority in number (more than 50%) of votes cast on the EGM Resolution by Atlantic Shareholders entitled to vote (whether in person or by proxy, attorney or, in the case of Corporate Atlantic Shareholders, corporate representative) at the EGM.	Section 7.5
Is voting compulsory?	No, voting is not compulsory. However, your vote is important in determining whether the DDV Gold Alternative Transaction will proceed. If you cannot attend the EGM, you should complete and return the EGM Proxy Form enclosed with this Scheme Booklet.	
Why should I vote?	Your vote will be important in determining whether the DDV Gold Alternative Transaction will proceed. If the Scheme is not approved by Atlantic Shareholders or the Court, the DDV Gold Alternative Transaction may still proceed if it is approved by a majority in number of votes cast on the EGM Resolution by Atlantic Shareholders entitled to vote (whether in person or by proxy, attorney or, in the case of Corporate Atlantic Shareholders, Corporate representative) at the EGM. If you do not vote at the EGM, but the DDV Gold Alternative Transaction is approved by a majority of Atlantic Shareholders entitled to vote, the DDV Gold Alternative Transaction may still proceed.	

QUESTIONS	ANSWERS	WHERE TO FIND MORE INFORMATION
What happens if I do not vote or vote against the DDV Gold Alternative Transaction?	If you do not vote, or vote against the DDV Gold Alternative Transaction, then it may not be approved and the DDV Gold Alternative Transaction may not proceed.	
What are the reasons to vote in favour of the DDV Gold Alternative Transaction?	The reasons to vote in favour of the DDV Gold Alternative Transaction are the same as the reasons to vote in favour of the Scheme.	Section 1
What are the possible reasons to consider voting against the DDV Gold Alternative Transaction?	The possible reasons to consider voting against the DDV Gold Alternative Transaction are the same as the possible reasons to consider voting against the Scheme.	Section 2
What you will be entitled to receive under the Scheme		
Who is entitled to receive the Scheme Consideration?	If the Scheme becomes Effective, the Atlantic Shareholders who hold Atlantic Shares on the Record Date (other than Excluded Shareholders and Ineligible Foreign Shareholders) will be entitled to receive the Scheme Consideration.	Section 8.2
What will I be entitled to receive if the Scheme proceeds?	The consideration that Scheme Shareholders will be entitled to receive for their Scheme Shares depends on whether they hold Scheme Shares Category 1 (being Atlantic Fully Paid Shares) or Scheme Shares Category 2 (being Atlantic Partly Paid Shares). A Scheme Shareholder Category 1 (other than an Ineligible Foreign Shareholder) is entitled to receive the following for each Scheme Share Category 1 held: (1) 0.05564 New Spur Common Shares (either in the form of Spur Common Share CDIs or New Spur Common Shares); and (2) 0.02782 New Spur Share Purchase Warrants (either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants). A Scheme Shareholder Category 2 (other than an Ineligible Foreign Shareholder) will be entitled to receive the following for each Scheme Share Category 2 held: (1) 0.005564 New Spur Common Shares (either in the form of Spur Common Share CDIs or New Spur Common Shares); and (2) 0.002782 New Spur Share Purchase Warrants (either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants). You may elect to receive New Spur Common Shares and New Spur Share Purchase Warrants which are listed on TSXV and which can only be traded on the TSXV, instead of Spur Common Share CDIs and Spur Share Purchase Warrants CDIs, which are quoted on ASX and which can only be traded on ASX. If you do not make an Election, you will be deemed to have elected to receive Spur Common Share CDIs and Spur Share Purchase Warrant CDIs. If you wish to make this Election, you should contact the Atlantic Registry on 1300 850 505 (within Australia) and +61 (0) 3 9415 4000 (outside Australia) and ask them to provide you with an Election Form. You should then complete and return the Election Form in accordance with the instructions on that form. The deadline for receipt of Election Forms is by 5:00pm on Thursday 14 August 2014.	Section 8.2
When can I start trading my Spur Common Share CDIs and Spur Share Purchase Warrant CDIs?	Spur Common Share CDIs and Spur Share Purchase Warrant CDIs can be traded on ASX following the quotation of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs on ASX. Spur Common Share CDIs and Spur Share Purchase Warrant CDIs are expected to commence trading on ASX on a normal settlement basis on Friday 22 August 2014.	Section 8.3(4)(g)
When can I start trading my New Spur Common Shares and New Spur Share Purchase Warrants?	New Spur Common Shares and New Spur Share Purchase Warrants can be traded on TSXV following the listing of New Spur Common shares and New Spur Share Purchase Warrants on TSXV. New Spur Common Shares and New Spur Share Purchase Warrants are expected to commence trading on TSXV on Thursday 21 August 2014 (Toronto time).	Section 8.3

Frequently asked questions

QUESTIONS	ANSWERS	WHERE TO FIND MORE INFORMATION
Can I sell my Atlantic Shares on ASX?	You can continue to trade your Atlantic Shares on ASX up to the Effective Date. However, if you sell your Atlantic Shares on ASX: (1) you may pay brokerage fees and trading fees on the sale; and (2) you will not be eligible to participate in the Merger.	Section 7.11
What you will be entitled to receive under the DDV Gold Alternative Transaction		
What will I be entitled to receive under the DDV Gold Alternative Transaction (if the Scheme is not approved by Atlantic Shareholders or the Court)?	If the DDV Gold Alternative Transaction is approved and proceeds to closing, as soon as reasonably practicable thereafter, subject to obtaining all Regulatory Approvals, the Atlantic Board currently intends to seek Atlantic Shareholder approval for a proposed equal access share buy-back under which Atlantic Shareholders may elect to have their Atlantic Shares bought back by Atlantic in consideration for the transfer to them of Spur Series A Preferred Shares and Spur Preferred Share Warrants comprising the DDV Gold Sale Consideration. There can be no guarantee that Atlantic will be able to transfer the DDV Gold Sale Consideration to Atlantic Shareholders.	Section 7.5(7)
Additional information		
What are the tax consequences of the Scheme for me?	The Scheme has tax consequences for Atlantic Shareholders, which are discussed generally in this Scheme Booklet. However, the comments in this Scheme Booklet are general in nature, and you should obtain specific tax advice prior to voting at the Scheme Meeting and the EGM.	Sections 9 and 10
Will I have to pay broker fees or stamp duty in relation to the Scheme?	Ineligible Foreign Shareholders will have to pay brokerage fees in respect of New Spur Common Shares and New Spur Share Purchase Warrants sold under the Sale Facility by the Sale Agent. The brokerage fees payable by each Ineligible Foreign Shareholder will be equal to 1% of the proceeds of the New Spur Common Shares and New Spur Share Purchase Warrants sold under the Sale Facility by the Sale Agent on behalf of that Ineligible Foreign Shareholder.	Section 9.2(2)
Have I given any warranties in respect of my Atlantic Shares?	Yes, the Scheme provides that each Scheme Shareholder (being each Atlantic Shareholder on the Record Date) warrants to both Atlantic and Spur on the Implementation Date, that: (1) all their Scheme Shares are, in the case of Scheme Shares Category 1, fully paid, and in the case of the Scheme Shares Category 2, partly paid; (2) their Scheme Shares are free from all encumbrances, security interests, restrictions and interests of third parties of any kind; (3) they have full power and capacity to transfer their Scheme Shares; and (4) they have no existing right to be issued any Atlantic Shares, Atlantic options, Atlantic performance rights, Atlantic convertible notes or any other Atlantic securities.	Section 7.4(5)
Do I have to sign anything to transfer my Atlantic Shares under the Scheme?	No, you do not have to sign anything to transfer your Atlantic Shares under the Scheme. However, if you are unable to attend the Scheme Meeting but still wish to vote at the Scheme Meeting, you must complete a Scheme Proxy Form. If the Scheme is implemented, you will automatically be entitled to receive the Scheme Consideration.	
What are the forms that accompanied this Scheme Booklet?	The following forms accompanied this Scheme Booklet: Scheme Proxy Form: this proxy form is the blue proxy form which accompanies this Scheme Booklet and must be completed and submitted to the Atlantic Registry by 10:00 am on Tuesday 29 July 2014; and EGM Proxy Form: this proxy form is the yellow proxy form which accompanies this Scheme Booklet and must be completed and submitted to the Atlantic Registry by 11:00 am on Tuesday 29 July 2014. If you are missing either or both proxy forms, you can obtain new forms from the Atlantic Registry by contacting 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia). Each proxy form includes instructions for its completion and return. An Election Form does not accompany this Scheme Booklet. If you would like an Election Form, you can obtain one from the Atlantic Registry by contacting 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia).	
Who can help answer my questions about the Scheme?	If you have any other questions after reading this Scheme Booklet, please call Atlantic on +61(0)2 9410 0993. If you do not know what to do, you should consult your financial, legal, tax or other professional adviser promptly.	

1 Explanation of why you should vote in favour of the Merger



1.1 The Atlantic Directors unanimously recommend that you vote in favour of both the Scheme and the DDV Gold Alternative Transaction, in the absence of a Superior Proposal

In reaching their recommendation, the Atlantic Directors have assessed the Merger having regard to the reasons to vote in favour of, or against, the Merger, as set out in this Scheme Booklet.

Relevantly, the Merger represents an opportunity to advance development of Atlantic's Touquoy Gold Project and Cochrane Hill Gold Project and to build value for Atlantic Shareholders. The Atlantic Directors believe the continued development of Atlantic's Touquoy Gold Project and Cochrane Hill Gold Project is not sustainable in the absence of accessing a substantial cash contribution which the Merger provides.

In the absence of a Superior Proposal, each Atlantic Director intends to vote all the Atlantic Shares held or controlled by them in favour of the Merger. The Relevant Interests held by Atlantic Directors in marketable securities of Atlantic are set out in section 12.2.

1.2 As at the Announcement Date, the Scheme Consideration represents an attractive upfront premium to the trading price of Atlantic Shares

As at the Announcement Date, Spur had approximately C\$28.7 million in cash. Based on Spur's cash, the consideration proposed under the Scheme represents 3.5 cents per Atlantic Fully Paid Share, which is:

- a premium of 30% over the last trading price of Atlantic Fully Paid Share of 2.7 cents prior to the Announcement Date; and
- a premium of 16.5% over the 20 trading day VWAP of Atlantic Fully Paid Share in the period prior to the Announcement Date.

1.3 The Merger combines Spur's cash with Atlantic's assets at an implied price per Atlantic Share well in excess of that which Atlantic could have achieved by conducting a similar sized capital raising, thereby materially reducing the dilution experienced by Atlantic Shareholders

As at the Last Practicable Date, the price per Atlantic Fully Paid Share of 2.0 Australian cents gave Atlantic a market capitalisation of A\$16.6 million. Many junior exploration and mining companies are experiencing difficulties in raising capital in the current market. Accordingly, if Atlantic wanted to successfully raise C\$28.7 million in new capital (being an amount equal to Spur's cash balance as at the Announcement Date), it would expect to have to price the raising at a substantial discount to market in order to attract investors.

The Merger with Spur achieves effectively the same result with a substantially lesser dilution of Atlantic Shareholders interests in the merged entity than would result from a market based capital raising.

1.4 Atlantic Shareholders will be able to participate in the potential benefits resulting from the combination of excellent gold assets in Nova Scotia together with substantial cash which provide the ingredients for the potential early development of the Touquoy Gold Project

Spur is a natural resource company headquartered in Vancouver, Canada and listed on the TSXV. The Merger repositions Atlantic's Nova Scotian gold assets, including both the Touquoy Property and Cochrane Hill Property, and Atlantic's considerable holding of highly prospective exploration properties, in a

1 Explanation of why you should vote in favour of the Merger

Canadian company with a TSXV listing and under the control of the Spur Board and experienced in-country management who are highly motivated to add value to Atlantic's asset portfolio.

In Spur's announcement of the proposed Merger on the Announcement Date, the Executive Chairman of Spur, Steven Dean, was quoted as saying:

"The proposed acquisition of Atlantic is the first step in our strategy to create a mid-tier gold production group which focuses on manageable, executable projects in mining friendly jurisdictions. We have reviewed a considerable number of projects and investment opportunities, few of which have compared to the quality of Atlantic's projects, with potential near-term upside offered through the Touquoy and Cochrane Hill gold projects. Our plan is to focus on the initial development of Touquoy, combining our own development views with the extensive technical work that has already been commendably completed by the Atlantic team. We are well funded and have a team in place with expertise in financing, capital markets, project management, operations and exploration."

Please refer to section 5.3 for further information in respect of Spur's intentions following the Merger.

1.5 The Merged Group will have an experienced highly motivated mining staff with the capability of progressing the Touquoy Gold Project development

Spur's Executive Chairman, Steven Dean, is an Australian now resident in Vancouver. He has extensive experience internationally in mining, most recently as President of Teck Cominco Limited (now Teck Resources Ltd.), a major Canadian diversified resources company. Prior to joining Teck, Mr Dean was a founding member of management of Normandy Poseidon Group (which became Normandy Mining), which was the largest Australian gold producer until its sale to Newmont Mining in 2002. Mr Dean was also a founder of PacMin Mining which became a subsidiary of Teck Corporation in 1999.

1.6 Atlantic Shareholders have the opportunity to maintain their exposure to a gold development project in a politically stable, supportive and safe jurisdiction with very good infrastructure and an eager labour force

Both Canada as a nation, and Nova Scotia as a Canadian Province, are known to be politically stable and supportive of mining. There is a high rate of unemployment in Nova Scotia and, therefore, a ready source of eager workers keen to see the Touquoy Gold Project proceed to development and mining.

1.7 The Merger is likely to result in increased stock market appeal through enhanced liquidity and visibility and a Canadian stock exchange listing (TSXV) which matches well with the Canadian assets

As a result of the Merger, Atlantic Shareholders will participate in the benefits associated with a larger and more liquid company with enhanced prospects of research analyst coverage.

If a Scheme Shareholder does not make an Election, the Scheme Consideration will be issued in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs which may be traded on ASX through Spur's secondary listing on ASX. However, Scheme Shareholders may also benefit from the exposure to additional capital markets by electing to receive their Scheme Consideration in the form of New Spur Common Shares and New Spur Share Purchase Warrants tradable on TSXV, or if they later exchange their CDIs for Spur Shares and Spur Warrants tradable on TSXV.

While Spur Shares issued as Scheme Consideration (whether in the form of Spur Common Share CDIs or New Spur Common Shares) should have greater liquidity than Atlantic Shares, the market for Spur Common Share CDIs on ASX is likely to be less liquid than the market for Spur Shares on TSXV. This issue is discussed in more detail in section 6.5(3). This is a factor you should take into account in deciding whether to elect to receive Scheme Consideration in the form of New Spur Common Shares and New Spur Share Purchase Warrants rather than Spur Common Share CDIs and Spur Share Purchase Warrant CDIs.

1.8 The invitation for Mr Wally Bucknell to join the Spur Board as a non-executive director after the implementation of the Merger will provide excellent continuity for the Touquoy Gold Project going forward

The Managing Director of Atlantic, Mr Wally Bucknell, is to be invited by the Spur Board to become a non-executive director of Spur and he has agreed to continue in a full time role with the Merged Group once the Scheme is implemented. This appointment will ensure that the relationships with key people in Nova Scotia and Atlantic's experience with all aspects of its asset portfolio in Nova Scotia will continue to be available to Spur.

1.9 Atlantic's largest shareholder has indicated its intention to vote in favour of the Merger

Au Mining Limited has advised the Atlantic Directors that it intends to vote all Atlantic Shares it holds in favour of the Merger, in the absence of a Superior Proposal. Au Mining Limited holds approximately 16% of the Atlantic Fully Paid Shares.



1.10 Atlantic Shareholders who are Australian residents for taxation purposes and receive Spur Common Share CDIs or Spur Shares should generally be able to obtain partial CGT scrip-for-scrip roll-over relief on any capital gains

CGT roll-over relief will enable Australian tax resident Atlantic Shareholders who receive Spur CDIs or Spur Shares and Spur Warrants as consideration under the Merger to defer any CGT liability they would otherwise incur on the disposal of their Atlantic Shares under the Scheme until the time they dispose of those Spur CDIs or Spur Shares and Spur Warrants.

See section 9 for further details on certain Australian taxation considerations, including the availability of partial CGT roll-over relief. No CGT roll-over relief is available for that part of the Scheme Consideration referable to New Spur Share Purchase Warrants.

1.11 If the Merger is not implemented, it is possible that there will be changes to the Atlantic Board with attendant uncertainties as to the future of Atlantic

Signs of dissent amongst Atlantic Shareholders were first evidenced at the 2011 Annual General Meeting. At that meeting Atlantic Director Mr Robert Symons was re-elected, but 32.6% of the directed proxies were voted against his re-election. At the 2012 Annual General Meeting, Atlantic Chairman, Mr Ron Hawkes was re-elected but the poll taken showed a vote against the resolution to re-elect him of 37.7% of the votes cast.

In March 2013, Atlantic's largest shareholder, Au Mining Limited (then holding an 18% voting interest) requisitioned that resolutions to remove as directors Mr Ron Hawkes (Non-Executive Chairman) and Mr Robert Symons (Non-Executive Director) and to elect as a director a representative of Au Mining Limited, Mr Guy Walker, be put to vote at Atlantic's Annual General Meeting to be held in May 2013. At the 2013 Annual General Meeting, a poll was called on all resolutions. The results of the voting on resolutions in relation to the composition of the Atlantic Board were:

- in relation to the adoption of the remuneration report, 32.1% of the votes cast were against the resolution. This resulted in a "first strike" against Atlantic;
- in relation to the re-election of Mr Robert Symons as a director, 40.2% of the votes cast were against the resolution;
- in relation to the election of Mr Rod Hanson as a director, 37.7% of the votes cast were against the resolution;
- in relation to the requisitioned election of Mr Guy Walker as a director, 37.7% of the votes cast were in favour of the resolution;
- in relation to the requisitioned removal of Mr Ron Hawkes as a director, 44.0% of the votes cast were in favour of the resolution; and

- in relation to the requisitioned removal of Mr Robert Symons as a director, 40.1% of the votes cast were in favour of the resolution.

As noted in section 1.9, Au Mining Limited has advised the Atlantic Directors that Au Mining Limited intends to vote all Atlantic Shares held by it in favour of the Merger, in the absence of a Superior Proposal. Au Mining Limited has not advised Atlantic of its intentions if the Merger does not proceed.

1.12 If the Merger is implemented, the holders of Atlantic Partly Paid Shares will no longer be subject to the prospect of a call on their Atlantic Partly Paid Shares

The Atlantic Partly Paid Shares are paid to 9 cents with 11 cents of uncalled capital, which, in accordance with the terms of their issue in October 2003, can be called no faster than at the rate of 2 cents every 6 months.

The latest 2 cent call on Atlantic Partly Paid Shares was made in May 2007. This call increased the amount paid to 9 cents per Atlantic Partly Paid Share. The ASX trading prices of Atlantic Fully Paid Shares and Atlantic Partly Paid Shares in the 3 months preceding the date of the call notice were:

MARKET PRICE	ATLANTIC FULLY PAID SHARES		ATLANTIC PARTLY PAID SHARES	
	DATE	CENTS	DATE	CENTS
Highest	30-Apr-07	17.0	1-May-07	3.4
Lowest	28-Feb-07	10.5	1-May-07	2.3
	23-May-07	15.0	23-May-07	2.3

Atlantic Fully Paid Shares have traded at prices less than the amount uncalled on the Atlantic Partly Paid Shares since late 2009.

In the circumstances, the Atlantic Board has been aware since late 2009 that if a call was to be made on the Atlantic Partly Paid Shares, it would be highly likely that many, if not all, of the holders of Atlantic Partly Paid Shares would not pay the call, and would allow their Atlantic Partly Paid Shares to be forfeited.

If the Atlantic Board were to change materially, the attitude of the incoming directors to the interests of the holders of Atlantic Partly Paid Shares, and willingness to make a call on the Atlantic Partly Paid Shares, cannot be predicted at this time.

1 Explanation of why you should vote in favour of the Merger

1.13 If the Scheme and the DDV Gold Alternative Transaction are not approved and no alternative proposal emerges, Atlantic will need to raise additional working capital and the Atlantic Share price may fall

If the Scheme is not approved by Atlantic Shareholders or the Court, and the DDV Gold Alternative Transaction is not approved by Atlantic Shareholders, the Scheme will not become Effective, the DDV Gold Alternative Transaction will not proceed to closing and the Merger will not proceed.

If the Merger does not proceed, Atlantic Shareholders will not receive the Scheme Consideration under the Scheme and Atlantic will not receive the DDV Gold Sale Consideration under the DDV Gold Alternative Transaction. Each Atlantic Shareholder will retain their Atlantic Shares (with those Atlantic Shares continuing to be quoted on ASX) and Atlantic will remain a stand-alone entity.

As a stand-alone entity, Atlantic would be in urgent need of new equity capital for the purposes of:

- providing Atlantic with the working capital required to further progress the Touquoy Gold Project;
- repaying the \$1 million Brianna loan facility referred to in section 3.8 or the Spur loan facility referred to in section 12.5; and
- paying the \$250,000 break fee to Spur referred to in section 7.22(2).

In addition, Atlantic would face the task of either funding the development of the Touquoy Gold Project, with the attendant likelihood of a major dilution of Atlantic Shareholders and loss of Atlantic Shareholder value resulting from raising the substantial equity component of the project funding plan, or seeking a corporate transaction – either a merger or an asset sale – with another party both capable and willing to take on the challenges of funding the Touquoy Gold Project.

1.14 The Independent Expert, DMR Corporate, has concluded that, in the absence of a Superior Proposal, the Scheme is both fair and reasonable and it is therefore in the best interests of Atlantic Shareholders

DMR Corporate has estimated that the full underlying value of Atlantic, including a control premium, is in the range of A\$29,500,000 to A\$30,000,000 or A\$0.0356 to A\$0.0362 per Atlantic Fully Paid Share. DMR Corporate has attributed value of A\$0.034 to A\$0.037 per Atlantic Fully Paid Share to the Scheme Consideration for Atlantic Shareholders who hold Atlantic Fully Paid Shares, based on the value of a Spur Share in the range of A\$0.478 and A\$0.530 and the value of a Spur Warrant of A\$0.270. As the underlying value attributed to the Scheme Consideration for Atlantic Fully Paid Shares is equal or greater than the full underlying value of Atlantic DMR Corporate has concluded that the Scheme is fair.

DMR Corporate has valued the Atlantic Partly Paid shares at Nil. As the underlying value of the holders of Atlantic Partly Paid Shares interests after the implementation of the Scheme is equal to or greater than the value of their interests before the Scheme is implemented, DMR Corporate has concluded that the Scheme is fair to Atlantic Partly Paid Shareholders.

After giving due consideration to the factors referred to in section 14 of its Independent Expert's Report, DMR Corporate has concluded that the Scheme is reasonable. DMR Corporate's principal reason for this view is that the Scheme is part of a plan that should result in the required capital being raised and financing facilities being consummated to enable the Touquoy Gold Project to proceed in the short term.

As a result, the Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is both fair and reasonable and it is therefore in the best interests of Atlantic Shareholders.

DMR Corporate's Independent Expert's Report is included in Annexure A. Atlantic Shareholders are encouraged to read the Independent Expert's Report in its entirety.

2 Explanation of why you may consider voting against the Merger



2.1 Change in risk profile and risks of investment in the Merged Group or, if the DDV Gold Alternative Transaction proceeds to closing, the Spur/DDV Gold Group

If the Merger is implemented, there will be a change in the risk profile to which Atlantic Shareholders are exposed.

If the Scheme is implemented, Atlantic will become part of Spur and Atlantic Shareholders will become holders of New Spur Common Shares and New Spur Share Purchase Warrants (either in the form of CDIs quoted on ASX or securities quoted on TSXV).

If the DDV Gold Alternative Transaction is completed, DDV Gold will become part of Spur and Atlantic will become the holder of Spur Series A Preferred Shares and Spur Preferred Share Warrants.

As a result of the Merger, Atlantic Shareholders will (either directly through a security holding in Spur or through their shareholding in Atlantic) be exposed to new risks relating to Spur and its operations, and to certain additional risks related to the integration of Atlantic and its operations within Spur. In a number of cases, those risks are different from and additional to those currently faced by Atlantic Shareholders. The change in risk profile may be seen to be a disadvantage by some Atlantic Shareholders.

Section 6 discusses the potential risk factors relating to the Scheme, the Merged Group and Spur Shares and Spur Warrants. As noted in section 6.8, some of the potential risk factors discussed in section 6 also apply to the DDV Gold Alternative Transaction and the Spur/DDV Gold Group. Atlantic Shareholders are encouraged to read that section in its entirety.

2.2 Atlantic Shareholders may consider that the time is not yet right for the Merger

Atlantic Shareholders may consider that Atlantic should continue to endeavour to raise sufficient capital to maintain at least the current level of operations and larger amounts of capital required to develop its existing asset portfolio and give further consideration to the options available for funding the Touquoy Gold Project before looking to secure a merger or asset sale with another company.

2.3 A Superior Proposal for Atlantic may yet emerge.

It is possible that a Superior Proposal for Atlantic, which is more attractive for Atlantic Shareholders than the Merger, may materialise in the future. The implementation of the Merger would mean that Atlantic Shareholders would not obtain the benefit of any such proposal.

The Atlantic Board is not currently aware of any such proposal and notes that since the Announcement Date, there has been a significant period of time and ample opportunity for an alternative proposal for Atlantic which provides a different outcome for Atlantic Shareholders to emerge.

If a Competing Proposal emerges, Atlantic may be required to pay the Reimbursement Fee to Atlantic. Please refer to section 7.22 for further information.

2.4 The exact value of the Scheme Consideration on implementation of the Scheme is not certain

Under the terms of the Scheme, Atlantic Shareholders will be entitled to receive as Scheme Consideration either Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants.

2 Explanation of why you may consider voting against the Merger



The exact value of the Scheme Consideration on the Implementation Date will be dependent on the price at which Spur Common Share CDIs and Spur Share Purchase Warrant CDIs trade on ASX on or about that date or the New Spur Common Shares and New Spur Share Purchase Warrants trade on TSXV on or about that date. This may fluctuate significantly in the period up to the implementation of the Scheme, including because of changes in the trading price of Spur Shares on TSXV and currency exchange rate fluctuations.

2.5 Following implementation of the Scheme, the price of ASX listed Spur Common Share CDIs and Spur Share Purchase Warrant CDIs, and TSXV listed New Spur Common Shares and New Spur Share Purchase Warrants might change

Following the implementation of the Scheme, the value of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs, or New Spur Common Shares and New Spur Share Purchase Warrants, received as Scheme Consideration may rise or fall based on market conditions and the financial and operational performance of the Merged Group.

If the price of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs, or Spur Shares and Spur Warrants, falls, the value of the securities received by Atlantic Shareholders as Scheme Consideration will decline in value. Accordingly, there is no guarantee that Atlantic Shareholders will actually realise the implied value of the Scheme Consideration to be received under the Scheme.

2.6 The holders of Atlantic Partly Paid Shares might be reluctant to exchange the optionality of their Atlantic Partly Paid Shares for the Scheme Consideration proposed for Atlantic Partly Paid Shares

In the absence of a further call on the Atlantic Partly Paid Shares, the Atlantic Partly Paid Shares have the character of a deep out-of-the-money perpetual option over Atlantic Fully Paid Shares. As discussed in section 1.12, there can be no certainty, and no assurances can be given, that one or more further calls on the Atlantic Partly Paid Shares will be made at some time in the future.

2.7 If the Scheme is not approved by Atlantic Shareholders or the Court and the DDV Gold Alternative Transaction proceeds to closing, Atlantic will require, after closing, additional working capital to fund its ongoing corporate costs, as well as the costs and expenses associated with the proposed equal access buy-back contemplated in section 7.5(7)

The sources of funds which may be available to Atlantic following closing of the DDV Gold Alternative Transaction would include:

- (1) the Atlantic Board resolving to convert Spur Series A Preferred Shares and Spur Preferred Share Warrants received on closing of the DDV Gold Alternative Transaction into Spur Shares and Spur Warrants in accordance with the terms and conditions of issue of the Spur Series A Preferred Shares and Spur Preferred Share Warrants. In those circumstances, the Atlantic Board would arrange for the underlying securities issued to Atlantic on conversion to be sold to third parties to raise the necessary funds to meet Atlantic's funding requirements. In accordance with the terms and conditions of issue of the Spur Series A Preferred Shares (a summary of which is set out in section 7.5(3)), Atlantic is not permitted to convert more than 10% of the total number of Spur Series A Preferred Shares issued to Atlantic at closing under the DDV Gold Sale Agreement. This restriction results in a corresponding limitation on the number of Spur Preferred Share Warrants which can be converted; or
- (2) Atlantic raising funds through the issue of new Atlantic Shares.

Either of these fundraising alternatives would result in the dilution of the number of Spur Shares and Spur Warrants which would otherwise have been received by Atlantic Shareholders if the Scheme was implemented.

2.8 Taxation considerations

Australian resident Atlantic Shareholders who hold their Atlantic Shares on capital account will not be eligible to apply for CGT roll-over relief on any capital gain referable to the receipt of New Spur Share Purchase Warrants.

3 Information about Atlantic



3.1 Introduction

Atlantic is a gold exploration and mining company with mining interests in Nova Scotia, Canada. It is a public company incorporated in Victoria with its head office in Sydney. It is admitted to the official list of ASX (ASX:ATV).

3.2 History

The history of Atlantic dates back to its incorporation in 1993 as Diamond Ventures NL. The corporate history of Atlantic can be summarised as follows:

1993	Diamond Ventures NL is incorporated in Victoria
1994	Diamond Ventures NL is listed on the ASX
1999	Control of Diamond Ventures NL passes to current management interests, and the focus of the company is directed to exploration for gold, with the objective of establishing profitable mining operations
2003	Diamond Ventures NL acquires an option to earn a controlling interest in the Touquoy Gold Property
2005	Diamond Ventures NL changes its name to Atlantic Gold NL, in acknowledgment of the company's projects on the east coast of Canada By the end of 2005, Atlantic had acquired a 60% interest in the Touquoy Gold Property
2007	Atlantic, through its wholly-owned subsidiary DDV Gold, enters into an option agreement for the Cochrane Hill Property
2009	Atlantic announces that the Touquoy Gold Project and Cochrane Hill Gold Project had a combined total potential output of more than 900,000 oz of gold
2012	Atlantic acquires 100% of the Cochrane Hill Property
2014	Atlantic enters into a Merger Implementation Deed with Spur in relation to the proposed merger of Atlantic and Spur

3.3 Overview of operations and projects

Atlantic operates 2 gold mine development projects in Nova Scotia: the Touquoy Gold Project located at the Touquoy Property and the Cochrane Hill Gold Project located at the Cochrane Hill Property.

Atlantic also operates regional exploration programs throughout the Nova Scotia goldfields in Canada in an area known as the 'Meguma Terrane', a sequence of folded Cambro-Ordovician sediments. The Meguma Terrane in Nova Scotia is a goldfield defined by an extraordinarily high concentration of gold occurrences yet it remains relatively unexplored for shale-hosted disseminated gold deposits, the type of gold deposit represented by the Touquoy and Cochrane Hill deposits. Gold mining in the Meguma Terrane has historically focused on narrow, discontinuous gold-bearing quartz veins located on or near the hinge zones of regional anticlines. In contrast, most of the gold mineralisation at the Touquoy Gold Project is disseminated throughout grey shales which are largely devoid of quartz veins, although still located on a regional anticlinal axis. Atlantic has demonstrated that development of this style of mineralisation – unusual in the Nova Scotian context – is commercially viable at its Touquoy Gold Project, through the use of open pit mining and conventional gravity/CIL processing.

The locations of Atlantic's properties within the Meguma Terrane are shown on the plan below.

The Mineral Resource and Ore Reserve inventory for the Touquoy Gold Project and Cochrane Hill Gold Project is JORC Code 2012 compliant and is as follows:

3 Information about Atlantic



NQ DIAMOND CORE-HOLE MR-05-084

121–122 m : 2.16 g/t

122–123 m : 9.23 g/t

123–124 m : 8.98 g/t

Argillite host rock with no quartz veins

Picture Notes: The drill core above from the Touquoy Gold Project typifies the presence of disseminated gold in shales in the absence of quartz veining

3.4 Touquoy Gold Project

(1) Background

The Touquoy Gold Project is located at the former village of Moose River Gold Mines about 70 minutes’ drive northeast of Halifax, in a mostly forested region of Nova Scotia.

About 26,000 ounces of gold were reported to be recovered from Moose River Gold Mines during the gold rush from 1877 to 1910. The site remained mostly dormant for the next 75 years. In 2003, Atlantic, through its wholly owned Canadian subsidiary DDV Gold, entered into an option agreement with the property owners, Moose River Resources Inc., to purchase a 60% interest in the Touquoy Gold Property.

MINERAL RESOURCES

	TONNAGE Mt	GRADE g/t	CONTAINED Au ounces
Touquoy			
Measured	2.8	1.5	130,000
Indicated	7.3	1.5	350,000
Inferred	1.6	1.5	77,000
Total Touquoy	11.7	1.5	557,000
Touquoy West			
Indicated	0.9	1.9	54,000
Inferred	0.6	2.2	45,000
Total Touquoy	13.2	1.5	656,000
Cochrane Hill			
Indicated	4.5	1.8	251,000
Inferred	5.6	1.6	298,000
Total	10.1	1.7	549,000
Total Nova Scotia			
Measured and Indicated	15.5	1.6	785,000
Inferred	7.8	1.7	420,000
TOTAL NOVA SCOTIA	23.3	1.6	1,205,000

ORE RESERVES

Touquoy			
Proved	2.49	1.48	118,000
Probable	7.10	1.47	336,000
Total	9.59	1.48	454,000

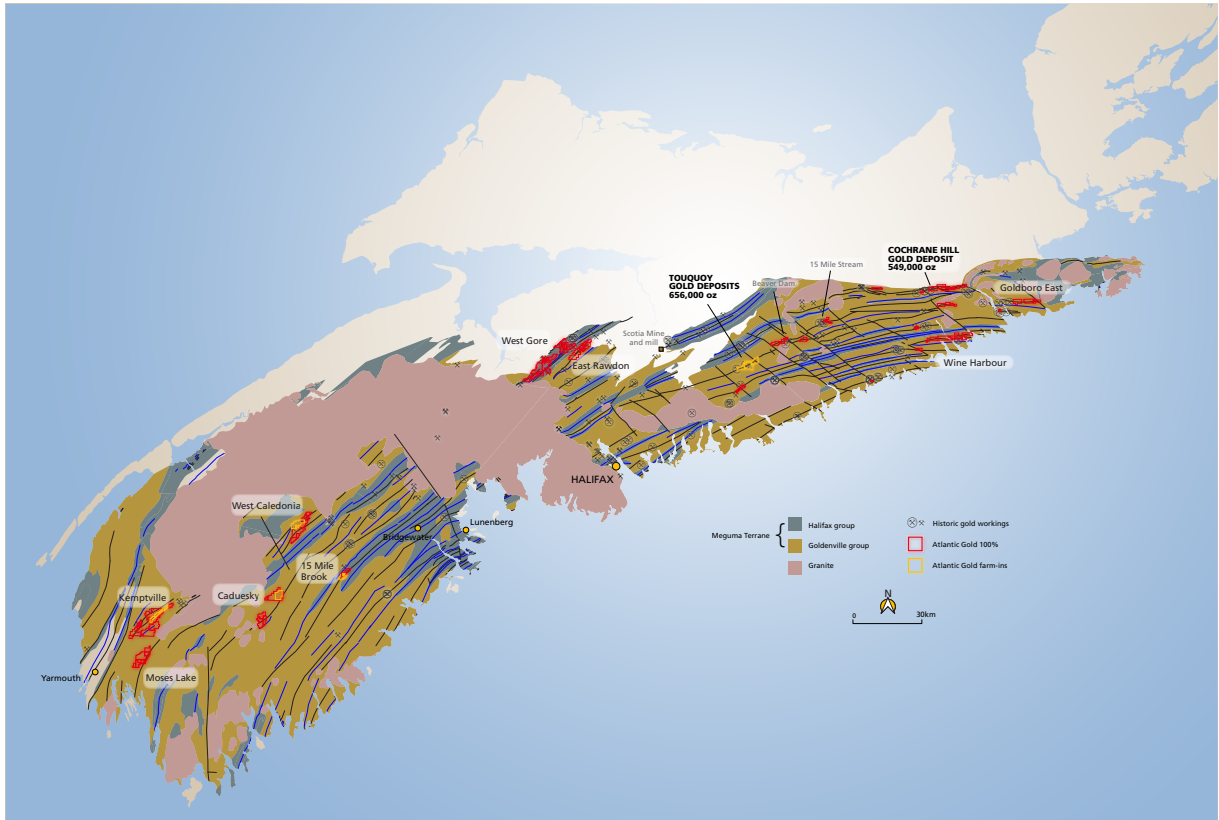


Diagram notes: Atlantic currently holds about 250 km² of claims within the Meguma Terrane – measuring about 400 km long and up to 80 km wide and comprised of shales (grey) and greywackes (olive green) intruded by granites (pink).

Picture notes: Most of these houses at Moose River Gold Mines are vacant, or since demolished, and are located within the footprint of the planned open-pit. This is looking northward.

The Touquoy Gold Project represents an attractive open pit mine development given the following favourable attributes:

- open pit with a low waste-to-ore ratio of 2.5:1;
- soft ore and excellent metallurgical recoveries – 93.5% (70% gravity);
- low reagent consumption, short residence time, excellent CN detox;
- no acid rock drainage; and
- close to grid power, infrastructure, services with a local and homecoming workforce, and a supportive government.

The Touquoy Property is readily accessible by sealed road, and a local workforce can commute from nearby communities. The site is currently serviced by landline telephone, broadband wireless internet and single phase power, and water can be sourced locally.

In 2010, a Definitive Feasibility Study was completed for the Touquoy Gold Project in association with Merit Engineers Pty Ltd and Ausenco Limited (the Touquoy Study). The Touquoy Study was produced considering all aspects of the development of the Touquoy Gold Project including ore reserve definition, mining, processing, environment, infrastructure, engineering and economics.

The Touquoy Study proposes that the Touquoy Gold Project open pit is to be developed in 2 stages, with a cutback to the final pit limits in the 3rd year. The final pit will have a length of 760 m, a width of 400 m and a maximum depth of 140 m.

Design, operation and estimation of capital and operating costs of the Touquoy processing plant have been developed. The plant is designed to treat free milling gold ore at a rate of 2.0 million tonnes per annum using conventional technology: free gold is recovered using gravity concentration and intensive cyanidation, with the remaining gold recovered by cyanidation in a hybrid carbon-in-leach process. The process plant design is based on a flow sheet with unit operations well proven in the gold industry.

The capital and operating cost estimates applicable to the Touquoy Study were updated as at Q4/2013. The capital cost estimate for the project is C\$142 million, to an accuracy of $\pm 15\%$. The All-in Sustaining Operating Cost estimate is C\$622/oz.

The Touquoy Gold Project is now well advanced and ready for financing. Atlantic has secured Mining Lease ML11-1 (a 20-year lease covering 793 ha) and all environmental permitting is now in place. Atlantic has also recently acquired the last of the 63 private surface land titles required to develop the Touquoy Property.

(2) Ore Reserves

The Touquoy Study has been updated current to Q4/2013 to establish the following JORC Code 2012 compliant estimation of Ore Reserves at the Touquoy Property.



	TONNES millions	GRADE g/t Au	CONTAINED GOLD ounces
ORE RESERVES			
Touquoy			
Proved Ore Reserves	2.49	1.48	118,000
Probable Ore Reserves	7.10	1.47	336,000
Total	9.59	1.48	454,000

(3) Geological setting

The Touquoy gold deposit is a shale-hosted, disseminated gold deposit, located within the Meguma Group of Nova Scotia (otherwise referred to as the Meguma Terrane). The Meguma Group is a belt of folded, Cambro-Ordovician sedimentary rocks extending about 400km through central and south-western Nova Scotia. Since the first gold discovery in 1861, about 60 gold deposits in the Meguma Group have been mined underground,

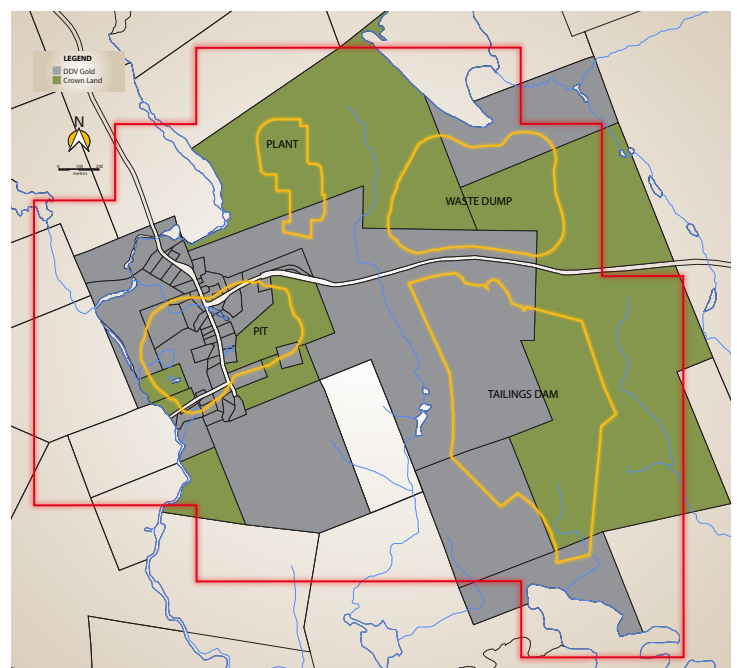


Diagram notes: All 63 private properties (grey) within the mine site are owned by DDV Gold and Cabinet approval for a lease of the Crown land (green) has been received. The Mineral Lease is outlined in red.

3 Information about Atlantic

Diagram notes: The mine infrastructure at Touquoy covers about 265 ha

for a recorded aggregate production of about 1.4 million ounces, the bulk of which was mined prior to World War I.

The Touquoy gold deposit is fundamentally different from the many other deposits in the Meguma Terrane, which are quartz-vein hosted. The very wide intersections of relatively even grade gold mineralisation and the compact and shallow disposition of the deposit make the Touquoy gold deposit a substantial, open-pit, bulk mining opportunity.

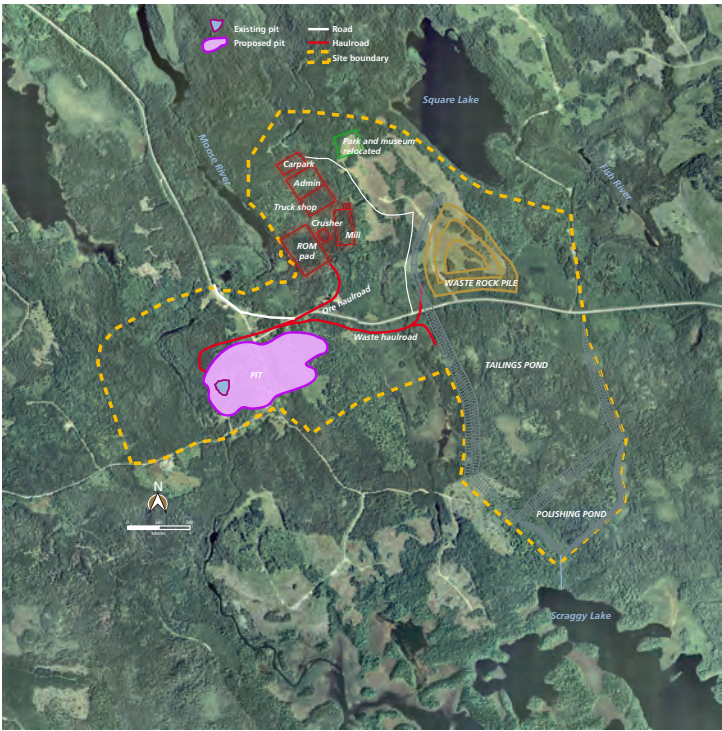
(4) Operations

The Touquoy Study reaffirms the strong viability of the Touquoy Gold Project as a significant development opportunity. The Touquoy Study’s economic estimates, updated as at Q4/2013, are set out below.

Ore reserves	9.59 Mt @ 1.48 g/t for 454,000 contained ounces
Total production	422,000 ounces
Annual production rate	84,000 ounces
Plant	All new, 2.0 Mtpa conventional gravity/CIL plant
Mine life	5 years
Pre-production capital cost	C\$142 million. Includes C\$9.0 million of working capital, C\$10.3 million reclamation bond and C\$15.3 million allowances and contingencies
Gold price	US\$1,300 per ounce (C\$1,445 per ounce) ¹
Cash operating cost (All-in Sustaining Operating Costs)	US\$567 per ounce (C\$622 per ounce) (Includes royalty payments of US\$29 per ounce)
Net cash surplus	C\$231 million (pre-tax, ungeared)
Payback period	27 months after first gold pour
Project NPV	C\$132 million (8%, pre-tax, ungeared)
Project	38%
Internal rate of return	

¹ As at the date of this Scheme Booklet, the current spot gold price is approximately US\$1,320 per ounce or C\$1,425 per ounce. Source: www.kitco.com. At lower gold prices economic returns become less attractive. However, owing to the relatively low projected operating cost, the Touquoy Gold Project is expected to remain profitable at gold prices lower than these.

The economic estimates above are presented on 100% basis. Under the agreement with Moose River Resources Inc, Atlantic, as operator and manager of the Touquoy Gold Project, solely funds all capital and exploration expenditure. Once gold production at the Touquoy Gold Project has commenced Atlantic will receive 100% of the Touquoy Gold Project cashflow until all these expenditures plus interest have been recouped.



Thereafter Atlantic will share the pre-tax profit on a 60:40 basis with the vendor of the Touquoy tenements (Moose River Resources Inc.). A private royalty of 3% is also payable, two-thirds of which can be purchased for C\$2.5 million.

The Touquoy Gold Project represents the first stage of the conceptual 10-year production plan for a combined Touquoy Gold Project/Cochrane Hill Gold Project for 900,000 ounces of gold.

3.5 Cochrane Hill Gold Project

(1) Background

The Cochrane Hill Gold Project is an advanced gold exploration project located at the Cochrane Hill Property, 80km east of the Touquoy Gold Project. Gold was first discovered here in 1868, with 1,354 ounces recovered between 1877 and 1929. However, modern exploration of the property did not commence until 1974.

In 2007, Atlantic, through DDV Gold, entered into an option agreement with TSX-listed Scorpio Mining Corporation with respect to the Cochrane Hill Gold Project. In 2012, Atlantic acquired a 100% interest in the Cochrane Hill Gold Project from Scorpio Mining Corporation for C\$1.6 million. Atlantic’s interest is subject to a private royalty of 3%, two-thirds of which can be purchased for C\$1.5 million.

Comprehensive infill drilling is yet to be completed at the Cochrane Hill Gold Project. However, 39 diamond holes drilled by Atlantic in 2008 and 2009, combined with a further 89 holes from drilling in the 1970s and 1980s by previous explorers, for a total of approximately 15,200 m of drilling, has established a substantial mineral resource.

(2) Mineral Resources

Atlantic has established the following JORC Code 2012 compliant resources at the Cochrane Hill Property.

	TONNES millions	GRADE g/t Au	CONTAINED GOLD ounces
Cochrane Hill			
Indicated Resources	4.46	1.76	251,000
Inferred Resources	5.66	1.64	298,000
Total Cochrane Hill Project	10.11	1.69	549,000

(3) Geological setting

The Cochrane Hill gold deposit is hosted within the finer grained sedimentary rocks of the Meguma Group, similar to those of the Touquoy Gold Project. The gold mineralisation at the Cochrane Hill Property is developed within a 30 m wide, steeply dipping zone of sulphidic and quartz-veined sediments over a length of approximately 700 m.

The sheared, mineralised sequence is parallel to the axis of the overturned east-west Cochrane Hill anticline. This shear zone has been traced intermittently for 5 km across the property, and it hosts several areas of anomalous bedrock gold geochemistry defined by reconnaissance interface drilling (described below) beyond the Cochrane Hill resource.

The first stage of resource development diamond drilling conducted by Atlantic has produced excellent results, with shallow mineralisation intersected over substantial widths. The results of Atlantic's investigations are a step towards confirmation that the Cochrane Hill Gold Project will be commercially viable with real potential to combine with the Touquoy Gold Project to produce over 900,000 ounces of gold.



Picture notes: This small pit (looking west) was excavated in the 1980s and defines the width of the 30m-wide mineralise zone at Cochrane Hill. An underground exploration decline (portal on the left) was also developed by previous operators.

At the present time, and in advance of this work, Atlantic has developed a unified 10-year production plan for the Touquoy Gold Project and the Cochrane Hill Gold Project based on conceptual study level modelling, with a total potential output of approximately 900,000 ounces in total recovered gold, roughly half from each project area. The production plan involves relocating the proposed Touquoy 2.0 Mtpa gravity/CIL treatment plant to the Cochrane Hill Property following the completion of the Touquoy operation. While this production plan is underpinned by defined Ore Reserves at Touquoy, the production target includes only Indicated and Inferred Resources at Cochrane Hill. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of additional Indicated Mineral Resources at Cochrane Hill. As a result, this conceptual study, being based on low-level technical and economic assessments, is insufficient to support the estimation of Ore Reserves at Cochrane Hill or to provide assurance of an economic development case for the unified production plan at this stage, or to provide certainty that the conclusions of the conceptual study will be realised.

(4) Operations

The next step in the development of the Cochrane Hill Gold Project is the completion of approximately 19,200 m of infill and extension drilling to upgrade the resources to Measured and Indicated categories, with metallurgical, geotechnical and geohydrological and associated studies leading to the commissioning of a Definitive Feasibility Study.

3.6 Nova Scotia Regional exploration

In addition to the development of the Touquoy Gold Project and Cochrane Hill Gold Project, Atlantic is progressively exploring regional and near-mine properties to potentially build its resource base. Atlantic believes that the region within the Meguma Terrane is highly prospective for more Touquoy-style deposits. Reconnaissance exploration has been conducted over broad tracts of highly prospective, under-explored, wholly-owned tenements and exploration has also been conducted near historic workings on optioned properties. Such option agreements, with local prospectors, typically enable Atlantic to earn 100% interest in a particular property over a 3 to 5 year period in return for progressively increasing annual cash payments and a retained royalty, the majority of which can be purchased, and with provision for Atlantic's conditional withdrawal at any time.

A customised drilling technique ("interface drilling") has been employed by Atlantic to effectively penetrate the almost ubiquitous blanket of transported overburden (glacial till), which averages 5–10 m in thickness, to directly test the immediate bedrock beneath for indications of gold mineralisation. Drill traverses are mostly located along logging roads spaced in the order of kilometres apart, with individual holes, oriented

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vertically and penetrating several metres into bedrock, spaced 50 m to 100 m apart. Bedrock samples are collected each metre, logged, and are generally composited into a single sample a grab sample from which is assayed for gold (fire assay at 1 ppb detection level) and a multi-element scan.

Atlantic's regional land package in Nova Scotia presently comprises about 250 km² of land specifically selected to explore for Touquoy and Cochrane Hill style gold mineralisation. Such indications of mineralisation have so far been identified at 5 sites: West Caledonia, Caduesky Lake, Moses Lake, East Rawdon and Fifteen Mile Brook.

However, the exploration at these sites, and regionally, is at an early stage and the tenor and width of gold mineralisation so far encountered at these prospects is sub-ore, generally at parts per billion levels. It is nevertheless Touquoy-style mineralisation, and is indicative of that which could be expected within the distal halo of a shale-hosted disseminated gold system such as known at Touquoy.

It is emphasised that at this early stage of regional exploration, no mineral deposits have been defined and no statements or estimates of tonnes or grade can be made. The prospects so far identified do not qualify as Exploration Targets pursuant to JORC 2012 and are not considered to be material mining projects in relation to the Mineral Resources and Ore Reserves defined at the Touquoy and Cochrane Hill Gold Projects.

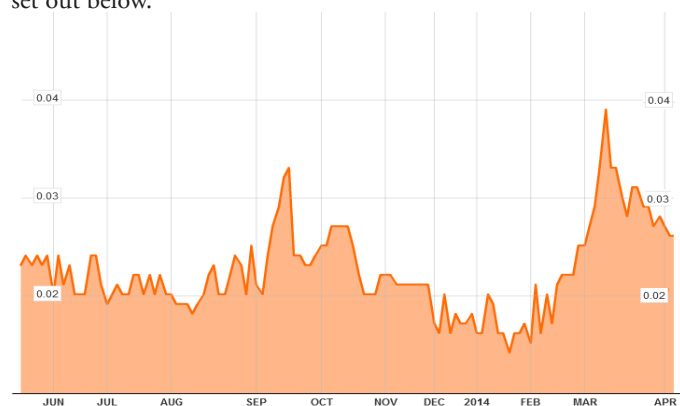
NOVA SCOTIA MINERAL TENEMENTS

TENEMENT	LOCATION	HOLDER
Mineral Lease ML 11-1	Moose River (Touquoy Gold Project)	DDV Gold
Exploration Licences		
10377	Moose River (Touquoy Gold Project)	DDV Gold
6310	Cochrane Hill (Cochrane Hill Gold Project)	DDV Gold
9761	Caduesky	DDV Gold
9762	Caduesky	DDV Gold
6450	Cochrane Hill	DDV Gold
6460	Cochrane Hill	DDV Gold
10049	East Rawdon	DDV Gold
10115	East Rawdon	DDV Gold
7301	East Rawdon	DDV Gold
6439	Fifteen Mile Stream	DDV Gold
6440	Fifteen Mile Stream	DDV Gold
5889	Fifteen Mile Stream	DDV Gold
10407	Fifteen Mile Stream	DDV Gold
7295	Fifteen Mile Stream	DDV Gold
50300	Fifteen Mile Stream	DDV Gold
8610	Fifteen Mile Stream	DDV Gold
50075	Goldboro East	DDV Gold
10662	Goldboro East	DDV Gold
10689	Goldboro East	DDV Gold
8539	Goldenville Trend	DDV Gold
9701	Hillsvale	DDV Gold
50336	Island Lake	DDV Gold
9484	Issacs Harbour	DDV Gold

TENEMENT	LOCATION	HOLDER
10432	Kemptville	DDV Gold
10457	Kemptville	DDV Gold
10458	Kemptville	DDV Gold
10459	Kemptville	DDV Gold
10535	Kemptville	DDV Gold
10537	Kemptville	DDV Gold
10534	Kemptville	DDV Gold
10575	Kemptville	DDV Gold
8489	Pleasant River Barrens	DDV Gold
6326	Pleasant River Barrens	DDV Gold
10560	Pleasant River Barrens	DDV Gold
6376	Pleasant River Barrens	DDV Gold
6765	Pleasant River Barrens	DDV Gold
10563	Rawdon	DDV Gold
8714	Stillwater	DDV Gold
10709	Stillwater	DDV Gold
9541	West Caledonia	DDV Gold
9926	West Caledonia	DDV Gold
9362	West Caledonia	DDV Gold
10253	West Gore	DDV Gold
10255	West Gore	DDV Gold
10256	West Gore	DDV Gold
10257	West Gore	DDV Gold
10255A	West Gore	DDV Gold
50030	West Gore	DDV Gold
50034	West Gore	DDV Gold
9268	West Gore	DDV Gold
9269	West Gore	DDV Gold
10469	West Gore	DDV Gold
10679	West Gore	DDV Gold
10713	West Gore	DDV Gold
50051	West Gore	DDV Gold
9363	West Caledonia	DDV Gold
9479	Wine Harbour	DDV Gold
9482	Wine Harbour	DDV Gold
10521	Fifteen Mile Brook	Ken Hiltz
9772	Fifteen Mile Brook	Ken Hiltz
9865	Fifteen Mile Brook	Ken Hiltz
10117	Fifteen Mile Brook	Ken Hiltz
10000	Kemptville	Scott Grant
9038	West Caledonia	Alex Thomson
8739	West Caledonia	Alex Thomson
10621	Goldboro East	Alex Thomson
9716	Caduesky	Alex Thomson

3.7 Recent Atlantic Share price performance

The Atlantic Share price for the 12 months to 4 April 2014 (being the last trading day prior to the Announcement Date) is set out below.



Source: Bloomberg, based on ASX closing price for Atlantic Shares.

3.8 Financing facilities

Brianna Holdings Pty Ltd (Brianna) has provided DDV Gold with a A\$1,000,000 loan facility which is secured by a guarantee from Atlantic and which is due to be repaid in full on or before 31 July 2014.

As part of the proposed Merger, Spur has provided DDV Gold with a C\$1,800,000 loan facility to repay the Brianna loan facility and for other agreed expenditures of the Atlantic Group. The Spur loan facility can be drawn down by DDV Gold between 1 July 2014 and 31 August 2014 and is to be repaid by 31 December 2014. Atlantic has guaranteed DDV Gold's obligations under the Spur loan facility. Please see section 12.5 for further details in respect of this loan facility.

3.9 Atlantic Directors

The Atlantic Directors at the date of this Scheme Booklet are:

- Mr Ronald Hawkes, Non-Executive Chairman;
- Mr Wally Bucknell, Managing Director and CEO;
- Mr Robert Symons, Non-Executive Director; and
- Mr Rodney J Hanson, Non-Executive Director.

Mr Symons and Mr Hanson are considered to be independent directors for the purposes of the *Corporate Governance Principles and Recommendations* (3rd edition) issued by the ASX Corporate Governance Council.

3.10 Capital structure and ownership

At the date of this Scheme Booklet, the Atlantic securities on issue were:

- 828,671,993 Atlantic Fully Paid Shares;
- 30,286,342 Atlantic Partly Paid Shares; and
- 17,500,000 Atlantic Options.

3.11 Notifiable interests

As at the date of this Scheme Booklet, the following persons have notified Atlantic, in accordance with section 671B of the Corporations Act, that they have a Relevant Interest in 5% or more of Atlantic Shares:

NAME	DATE OF NOTICE	ATLANTIC SHAREHOLDING AS AT DATE OF NOTICE	
		#	%
Au Mining Ltd ¹	3 October 2013	135,931,186	16.30%
Avalon Ventures Corporation ²	5 March 2014	75,000,000	9.01%
Rosemoor Development Pte Ltd ³	13 March 2013	74,000,000	9.77%
Cairnglen Investments Pty Ltd ⁴	13 March 2013	33,141,675	5.27%

Actual shareholding as at the date of this Scheme Booklet:

- 1 135,931,186 Atlantic Fully Paid Shares (16.14%)
- 2 75,000,000 Atlantic Fully Paid Shares (8.90%)
- 3 74,000,000 Atlantic Fully Paid Shares (8.79%)
- 4 43,450,087 Atlantic Fully Paid Shares (5.16%)

3.12 Historical financial information

(1) Basis of presentation

Atlantic is a resident of Australia for tax purposes and prepares its annual financial statements in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act. The statements also comply with IFRS and interpretations adopted by the International Accounting Standards Board (IASB).

The historical financial information in respect of Atlantic provided below has been derived from the audited consolidated financial statements of Atlantic for the 3 years ended 31 December 2011, 31 December 2012 and 31 December 2013. The audit opinions were issued by KPMG. In respect of the consolidated financial statements of Atlantic for the years ended 31 December 2011 and 31 December 2013, KPMG issued a modified opinion on these financial statements, which, without qualification, referred to material uncertainty regarding Atlantic's ability to raise sufficient funds through equity raisings, project finance or using other asset exploitation arrangements to continue as a going concern. As a result, if the Merger does not proceed there is material uncertainty whether Atlantic will be able to continue as a going concern and therefore whether Atlantic will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

Atlantic's historical statements of financial position, historical statements of financial performance and historical statements of

3 Information about Atlantic

cash flows have been presented in A\$ on the basis that Atlantic's financial information for these periods was reported in A\$.

The below information does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of Atlantic as the full consolidated financial statements.

Copies of Atlantic's 2011, 2012 and 2013 Annual Financial Reports, which contain the consolidated financial statements and independent auditor's reports from which the historical financial information provided below has been derived, are available on the ASX Market Announcements Platform which can be accessed on the ASX website at www.asx.com.au (Atlantic ASX Code: ATV) and on Atlantic's website at www.atlanticgold.com.au.

The C\$ balances in Atlantic's historical financial information are unaudited and were translated from A\$ using the current rate

method. Under this method, all assets, liabilities, operating activities and cash flows are translated at the period-end rate to the presentational currency and the resulting unrealised gain or loss on translation is recognised as other comprehensive income. Equity balances are translated at the historical rate. Foreign currency transactions recorded within the statements of income (loss) and comprehensive income (loss) are translated at the period average rate.

(2) Statements of financial position

Set out below are Atlantic's consolidated statements of financial position as at 31 December 2012 and 31 December 2013. These historical statements of financial position have been derived from the audited consolidated financial statements of Atlantic for the years ended 31 December 2012 and 31 December 2013.

Atlantic Gold NL

Statements of Financial Position (Unaudited)

Stated in Australian dollars unless otherwise noted

	CANADIAN DOLLARS		
	DEC 2013	DEC 2013	DEC 2012
ASSETS			
Current assets			
Cash and cash equivalents	2,362,820	2,490,091	1,028,960
Trade and other receivables	314,019	349,818	800,801
Prepaid expenses	52,350	55,163	36,762
Due from related parties	–	–	–
Total current assets	2,729,189	2,895,072	1,866,523
Non-current assets			
Receivables	177,211	186,686	173,297
Other financial assets	266,108	261,326	31,925
Property, plant and equipment	3,723,119	3,921,979	3,595,153
Exploration and evaluation assets – intangibles	22,158,805	23,342,258	20,361,944
Total assets	29,054,432	30,607,321	26,028,842
LIABILITIES			
Accounts payable and accrued liabilities	569,819	600,420	492,070
Loans and borrowings	949,300	1,000,000	1,000,000
Total liabilities	1,519,119	1,600,420	1,492,070
SHAREHOLDERS' EQUITY			
Share capital	52,407,333	55,232,088	50,792,939
Reserves	1,273,921	1,057,611	(1,175,750)
Deficit	(26,145,941)	(27,282,798)	(25,080,417)
Total shareholders' equity	27,535,313	29,006,901	24,536,772
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	29,054,432	30,607,321	26,028,842

(3) Statements of net income (loss) and comprehensive income (loss)

Set out below are Atlantic's consolidated statements of net income (loss) and comprehensive income (loss) for the years ended 31 December 2011, 31 December 2012 and 31 December 2013. These historical statements of net income (loss) and comprehensive income (loss) have been derived from the audited consolidated financial statements of Atlantic for the years ended 31 December 2011, 31 December 2012 and 31 December 2013.

Atlantic Gold NL

Statements of Income (loss) and Comprehensive Income (loss) (Unaudited)

Stated in Australian dollars unless otherwise noted

	CANADIAN DOLLARS			
	DEC 2013	DEC 2013	DEC 2012	DEC 2011
Expenses				
Amortisation	16,951	17,036	23,227	20,833
Corporate development and investor relations	176,236	177,255	194,298	98,455
Director fees	124,242	125,000	60,000	60,000
Impairment of exploration assets	999,656	1,003,117	670,602	611,805
Management fees, salaries and benefits	294,467	296,206	258,535	136,504
Office and general	101,399	101,957	208,396	137,491
Professional fees	262,865	264,304	219,387	150,078
Rent	50,865	51,175	42,321	27,588
Share-based payments	34,788	35,000	—	—
Transfer agent, regulatory and filing fees	42,373	42,632	45,008	59,083
Travel, meals and entertainment	3,576	3,598	2,726	2,066
Net loss from operations	2,107,418	2,117,281	1,724,500	1,303,903
Other income				
Financial expense	151,578	152,102	67,597	14
Interest and other income	(66,615)	(67,002)	(8,943)	(84,249)
Net loss for the year	(2,192,381)	(2,202,381)	(1,783,154)	(1,219,668)
Other comprehensive income				
Foreign currency translation differences for foreign operations	2,498,167	2,211,283	50,834	(297,933)
Net changes in fair value of available for sale assets	(13,001)	(12,922)	(34,902)	(64,332)
Other comprehensive income for the year	2,485,166	2,198,361	15,932	(362,265)
Total comprehensive loss for the year	292,785	(4,020)	(1,767,222)	(1,581,933)

3 Information about Atlantic

(4) Statements of cash flows

Set out below are Atlantic's consolidated statements of cash flow for the years ended 31 December 2011, 31 December 2012 and 31 December 2013. These historical statements of cash flows have been derived from the audited consolidated financial statements of Atlantic for the years ended 31 December 2011, 31 December 2012 and 31 December 2013.

Atlantic Gold NL

Statements of cash flows (Unaudited)

Stated in Australian dollars unless otherwise noted

	CANADIAN DOLLARS			
	DEC 2013	DEC 2013	DEC 2012	DEC 2011
Cash used in operating activities				
Net loss for the year	(2,192,381)	(2,202,381)	(1,783,154)	(1,219,668)
Adjustments for:				
Amortisation	16,951	17,036	18,576	16,980
Share-based payments	34,788	35,000	—	—
Provisions	12,968	13,159	45,496	32,500
(Gain)/loss of sale of non-current asset	—	—	816	(4,884)
Unrealised foreign exchange loss/(gain)	(36,519)	(42,646)	(16,237)	864
Impairment of exploration assets	999,656	1,003,117	675,257	615,658
Interest income	—	—	—	—
Net changes in non-cash working capital balances:				
Receivables	(5,877)	(5,898)	20,180	(3,595)
Due from related parties	—	—	—	—
Prepaid expenses	(16,500)	(16,617)	675	45,003
Accounts payable and accrued liabilities	37,686	37,913	11,894	11,772
Due to related parties	—	—	—	—
	(1,149,228)	(1,161,317)	(1,026,497)	(505,370)
Investing activities				
Purchase of property, plant and equipment	(24,689)	(24,774)	(387,819)	(1,649,788)
Refund of land deposit	500,000	501,731	—	—
Payments for exploration, evaluation and development assets	(2,048,690)	(2,055,792)	(3,339,835)	(3,742,499)
Payments for investments	(248,077)	(248,936)	(725,268)	(95,662)
Sale of available for sale asset	—	—	3,900	12,000
Interest received	—	—	—	—
	(1,821,456)	(1,827,771)	(4,449,022)	(5,475,949)
Financing activities				
Proceeds from placements/rights issues	4,437,929	4,465,000	4,181,247	3,385,878
Payment for share issue costs	(25,694)	(25,851)	(148,586)	(38,515)
Proceeds from borrowings	—	—	1,000,000	—
Net cash generated from financing activities	4,412,235	4,439,149	5,032,661	3,347,363
Effect of exchange rate changes	(144,320)	11,070	(2,181)	(37,434)
Change in cash and cash equivalents during the year	1,297,231	1,461,131	(445,039)	(2,671,390)
Cash and cash equivalents, beginning of year	1,065,589	1,028,960	1,473,999	4,145,389
Cash and cash equivalents at end of year	2,362,820	2,490,091	1,028,960	1,473,999

(5) Management discussion

The information in this section 3.12(5) has been derived from the management discussion and analysis contained in Atlantic's Annual Financial Reports for the years ended 31 December 2012 and 31 December 2013.

(a) Year ended 31 December 2013

(i) Overall performance and results of operations

Atlantic's net loss from continuing operations for the year ended 31 December 2013 was A\$2,117,281 (2012: A\$1,724,500). Basic and diluted loss per Atlantic share in 2013 was \$0.00 (2012: basic and diluted earnings per share of A\$0.00).

(ii) Continuing operations

Atlantic's net loss from continuing operations for the year ended 31 December 2013 was A\$2,117,281, compared to a loss from continuing operations of A\$1,724,500 for the same period in 2012.

The increase of A\$392,781 was primarily attributable to A\$332,515 increase in impairment of exploration assets.

(iii) Financial position

Atlantic's total assets increased from A\$26,028,842 at 31 December 2012 to A\$30,607,321 at 31 December 2013. The most significant assets as at 31 December 2013 comprised property, plant and equipment of A\$3,921,979 (2012: A\$3,595,153) and exploration and evaluation assets – intangibles of A\$23,342,258 (2012: A\$20,361,944).

Atlantic's net working capital position at 31 December 2013 is A\$1,294,652 (31 December 2012: A\$374,453).

Atlantic's shareholders' equity at 31 December 2013 comprises share capital of A\$55,232,088 (31 December 2012: A\$50,792,939), a deficit of A\$27,282,798 (31 December 2012: A\$25,080,417) and reserves of A\$1,057,611 (31 December 2012: negative A\$1,175,750).

(b) Year ended 31 December 2012

(i) Overall performance and results of operations

Atlantic's net loss from continuing operations for the year ended 31 December 2012 was A\$1,724,500 (2011: A\$1,303,903). Basic and diluted loss per Atlantic share in 2013 was \$0.00 (2012: basic and diluted earnings per share of A\$0.00),

(ii) Continuing Operations

Atlantic's net loss from continuing operations for the year ended 31 December 2012 was A\$1,724,500, compared to a loss from continuing operations of A\$1,303,903 for the same period in 2012.

The increase of A\$420,597 was primarily attributable to:

- A\$122,031 increase in management fees, salaries and benefits;
- A\$95,843 increase in corporate development and investor relations expenses;
- A\$69,309 increase in professional fees;
- A\$70,905 increase in office and other costs resulting from the relocation of the Sydney corporate office; and
- A\$58,797 increase in impairment of exploration assets.

The increase in management fees, corporate development and professional fees was due primarily to increases in promotion of the Touquoy Gold Project to potential investors, lenders and other interested parties, including attending a number of trade and investor roadshows in Australia and Canada.

(iii) Financial Position

Atlantic's total assets increased from A\$23,734,728 at 31 December 2011 to A\$26,028,842 at 31 December 2012. The most significant assets as at 31 December 2012 comprised property, plant and equipment of A\$3,595,153 (2011: 3,218,840) and exploration and evaluation assets – intangibles of A\$20,361,944 (2011: A\$18,580,710).

Atlantic's net working capital position at 31 December 2012 is A\$374,453 (31 December 2011: A\$283,791).

Atlantic's shareholders' equity at 31 December 2012 comprises share capital of A\$50,792,939 (31 December 2011: A\$46,760,277), a deficit of A\$25,080,417 (31 December 2011: A\$23,297,263) and reserves of negative A\$1,175,750 (31 December 2011: negative A\$1,191,682).

3.13 Material changes in financial position since last published accounts

Atlantic's latest published financial statements are the audited financial statements for the full year ended 31 December 2013. These statements are contained in Atlantic's Annual Financial Report for that period, which was released to ASX on 22 April 2014.

An electronic copy of this report can be downloaded from Atlantic's website (www.atlanticgold.com.au) or the ASX website at www.asx.com.au (ASX:ATV). Alternatively, a hard copy can be obtained by calling Atlantic on +61 (0)2 9410 0993.

Since 31 December 2013, being the date of its audited full year financial statements for the 12 months ended 31 December 2013, the financial position of Atlantic has reduced owing to operational and administrative expenditures and to costs related to the Merger. As at 31 March 2014, Atlantic's cash balance was A\$1.68 million and at 30 May 2014 A\$1.37 million.

3.14 Periodic and continuous disclosure

Atlantic is a disclosing entity for the purposes of the Corporations Act and subject to the periodic and continuous disclosure requirements of the Corporations Act and the Listing Rules. Broadly, these obligations include the requirement, subject to exceptions for certain confidential information, to notify ASX immediately of any information of which it becomes aware that a reasonable person would expect to have a material effect on the price or value of Atlantic Shares.

Between 31 December 2013 and the time this Scheme Booklet was released to ASX, the following announcements have been made to ASX concerning Atlantic.

Electronic copies of these announcements (and any subsequent announcements) can be downloaded from Atlantic's

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website (www.atlanticgold.com.au) or the ASX website at www.asx.com.au (ASX:ATV).



DATE	ANNOUNCEMENT
31 January 2014	Quarterly Activities and Cashflow Report
28 February 2014	Dismissal of landholder application to Supreme Court Canada
28 February 2014	JORC Code 2012 reporting
28 February 2014	Presentation for PDAC 2014 available on website
5 March 2014	Becoming a substantial holder
6 March 2014	Breakaway Research Report
25 March 2014	Touquoy update re-affirms project's robust potential
25 March 2014	Full year Statutory Accounts
26 March 2014	Touquoy Industrial Approval granted
7 April 2014	Crown Land Lease, Touquoy Gold Project, Nova Scotia
7 April 2014	Atlantic Gold and Spur Ventures merger agreed
7 April 2014	Share Purchase Plan
17 April 2014	Share Purchase Plan – Cleansing Notice
17 April 2014	Share Purchase Plan package to shareholders
22 April 2014	Extension of time for Annual General Meeting
22 April 2014	Annual Report 2013
30 April 2014	Quarterly Activities and Cashflow Report
5 May 2014	Share Purchase Plan extended (close 23 May 2014)
16 May 2014	Atlantic Gold and Spur Ventures execute merger agreement
23 May 2014	Share Purchase Plan – further extension to 3 June
26 May 2014	Touquoy Gold Project – MOU signed with Mi'kmaq Chiefs
4 June 2014	Close of Share Purchase Plan
5 June 2014	Appendix 3B Share Purchase Plan
10 June 2014	Change of Director's Interest Notices
16 June 2014	Merger update with Spur Ventures Inc
19 June 2014	Touquoy Gold Project – Crown land lease approved

4 Information about Spur



4.1 Overview of Spur

Spur is a natural resource company incorporated in British Columbia, Canada, with its headquarters in Vancouver, Canada and is listed on the TSX Venture Exchange (TSXV:SVU).

As at the Last Practicable Date, the Spur Group's only material asset is cash which is held in Canadian dollar cash deposits and short term guaranteed investment certificates with major Canadian financial institutions. As at the Last Practicable Date, the Spur Net Cash balance is approximately C\$27.5 million. It is anticipated that the Spur Net Cash balance at the proposed Implementation Date of 21 August 2014 will be approximately C\$26.6 million. The Spur Net Cash balance excludes the impact of amounts that may be loaned by Spur to DDV Gold under the Spur Loan Agreement, which may be up to C\$1.8 million.

On 13 February 2012, Spur completed the sale of its wholly-owned subsidiary, Spur Chemicals (BVI) Inc. (Spur BVI). Spur BVI held fertilizer interests through 2 sino-foreign joint ventures in China, Yichang Maple Leaf Chemicals Ltd and Yichang Spur Chemicals Ltd. Spur's partner in both joint ventures was Hubei Yichang Phosphorus Chemical Co. Ltd, a state owned enterprise of Yichang City, Hubei Province, China.

Following the sale of Spur BVI, Spur's management team and associates, which comprise individuals with extensive experience in geology, mining and mine development, processing and metallurgy and project financing, have been focused on implementing Spur's corporate strategy to create a mid-tier gold production group which focuses on manageable, executable projects in mining friendly jurisdictions.

On 10 June 2014, Spur was registered as a foreign company under the Corporations Act. This registration was required in

connection with Spur's proposed quotation of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs on ASX.

4.2 Directors of Spur

Brief profiles of the directors of Spur as at the date of this Scheme Booklet are set out below.

(1) Steven Dean, Executive Chairman of Spur

Steven Dean was appointed executive chairman of the Spur Board in June 2003.

He is a Fellow of the Australian Institute of Mining and Metallurgy, a Member of the Canadian Institute of Mining, Metallurgy and Petroleum, and a Fellow of the Institute of Chartered Accountants of Australia with an over 25 year mining career in the junior and senior mining space, and hands-on role in the development of a number of significant projects, including financing and implementation.

He was a founding member of management with the Normandy Poseidon Group (Normandy), which became Normandy Mining and expanded to become the largest Australian based gold producer until its sale to Newmont Mining.

Mr Dean left Normandy in 1994 to become CEO and co-founder of PacMin Mining (PacMin) whose primary assets were the Mount Gibson and Tarmoola gold mines. PacMin became a subsidiary of Teck Corporation (now Teck Resources Limited) in 1999 and Mr Dean led the integration of PacMin within Teck Corporation. He was also integral to the merger of Teck Corporation and its then subsidiary Cominco, becoming President of the merged Teck Cominco Ltd.

In 2002, Mr Dean retired from Teck Cominco Ltd to focus on the creation and development of a number of junior public companies including as Co-founder and former Chairman of

4 Information about Spur

TSX listed Amerigo Resources Ltd., Chairman and CEO of TSXV listed Oceanic Iron Ore Corp. and former Chairman of TSX listed Sierra Metals Inc.

(2) **John Morgan, President and Chief Executive Officer**

John Morgan was appointed to the Spur Board in April 2012, following the sale of Spur BVI.

Mr Morgan is a geologist with a 35 year career as a mining executive in charge of new mine construction, mine relocation and expansion and multiple mine operations, with a particular focus in Canada and Central and South America. Mr Morgan has been key in the development of a number of mines including the Montgomery coal mine in Alberta, Canada and the Polar River Coal Mine in Saskatchewan.

Mr Morgan has also participated in a diverse range of corporate activities, including technical reports and feasibility studies, corporate mergers and acquisitions and major corporate financings.

(3) **Robert G. Atkinson, Vice Chairman and Director**

Robert Atkinson was appointed to the Spur Board in March 1996.

Mr Atkinson has been in the investment industry for over 30 years. He is the former President and CEO of Loewen Ondaatje McCutcheon & Co Ltd., a Canadian investment dealer. Mr Atkinson also serves as a director of Tasman Metals Ltd., Flinders Resources Ltd., Cassius Ventures Ltd. and Hansa Resources Ltd. Mr Atkinson received a Bachelor of Commerce degree from the University of British Columbia.

(4) **William (Bill) P. Armstrong, Director**

Bill Armstrong was appointed to the Spur Board in September 2013.

Mr Armstrong has a Master's Degree in Geological Engineering from the University of British Columbia and is a 45 year veteran of the mining industry. Prior to joining Spur, Mr Armstrong worked with Teck Cominco Ltd. (now Teck Resources Limited) where he was in charge of acquisitions and divestitures and responsible for the company's mineral resources. While at Teck Cominco Ltd., Mr Armstrong was involved in the development of a number of significant projects including Valley Copper, Bethlehem Copper, Polaris and Quebrada Blanca. He was also the Teck Cominco Ltd. representative on a number of joint ventures including Hemlo, Quebrada Blanca, El Brocal and Antamina.

Mr Armstrong is also an independent director of TSX listed Taseko Mines Ltd.

(5) **W. David Black, Director**

David Black was appointed to the Spur Board in June 2000.

Mr Black is a retired corporate and securities lawyer and former partner and associate counsel with DuMoulin Black, a law firm established in 1966 specialising in the provision of corporate, securities and finance legal services to natural resource and commercial/industrial companies. Mr Black is the Chairman of TSX listed Zincore Metals Inc.

(6) **Donald Siemens, Director**

Donald Siemens was appointed to the Spur Board in June 2011.

Mr Siemens brings over 30 years of experience to the Spur Board as a Chartered Accountant, including 8 years in public practice as a partner with major accounting firms, 8 years in senior executive positions in industry and 18 years as a self-employed Financial Services executive.

Currently, as an independent financial advisor, Mr Siemens specializes in Corporate Finance, cross-border transactions and Mergers & Acquisitions. He serves as a director and Audit Committee Chair for a number of TSXV listed public companies. Previously, Mr Siemens was Partner-in-Charge of Thorne Ernst & Whinney's (now KPMG) Vancouver office Financial Advisory Services group. Mr Siemens obtained a Chartered Accountant designation in 1972, and a B.A. from University of British Columbia.

4.3 Corporate governance

(1) **Statement of Corporate Governance Practices**

Spur is committed to the highest practical standards of Corporate Governance, and to meeting or exceeding the standards set by TSXV and Canadian securities regulators.

Spur has an Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee. The charters for Spur's Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee are available on Spur's website at www.spur-ventures.com.

(2) **Audit Committee**

The Audit Committee is presently comprised of Messrs. Siemens (Chairman), Atkinson and Black, all of whom are independent directors and 'financially literate', meaning that they are able to read and understand financial statements and to understand the breadth and complexity of the issues that can reasonably be expected to be raised by Spur's financial statements. Mr Siemens, Chairman of the Audit Committee, has accounting or related financial management expertise.

The Audit Committee must consist of not less than 3 directors as determined by the Spur Board, all of whom qualify as independent directors and who are free from any relationship that would interfere with the exercise of their independent judgment as members of the Audit Committee.

The primary function of the Audit Committee is to assist the Spur Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Spur to regulatory authorities and shareholders, Spur's systems of internal controls regarding finance and accounting and Spur's auditing, accounting and financial reporting processes.

The Audit Committee is also responsible for monitoring compliance with applicable laws and regulations and the systems

of internal controls. The Audit Committee has the authority to retain special legal, accounting or other consultants to advise the Audit Committee. The Audit Committee may request any director, officer or employee of Spur, or Spur's outside counsel or independent auditor, to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Spur Board has adopted an Audit Committee Charter. The Audit Committee reports to the Spur Board after each Committee meeting.

(3) Corporate Governance and Nominating Committee

The current members of the Corporate Governance and Nominating Committee are Messrs. Black (Chairman), Atkinson and Siemens, all of whom are independent of management.

The Nominating and Corporate Governance Committee is responsible for Spur's overall corporate governance and oversees the orientation program for new directors. This Committee has the mandate to identify and recommend to the Spur Board individuals qualified to become Spur Board members, assess the effectiveness of the Spur Board as a whole and individual Spur Board members, provide an orientation program for new recruits to the Spur Board, provide education to all Spur Board members, and recommend the composition of Committees of the Spur Board.

In its report to the Spur Board, the Nominating and Corporate Governance Committee recommends names for election to the Spur Board and from time to time recommends candidates to fill Spur Board vacancies and newly created director positions.

(4) Compensation Committee

The Compensation Committee is presently comprised of Messrs. Atkinson (Chairman), Black and Siemens.

This Committee has the responsibility for determining compensation for the directors and senior management of Spur. To determine compensation payable, the Compensation Committee reviews compensation paid for directors and senior management of companies of similar size and with a similar business to Spur, and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of Spur. In setting compensation, the Committee annually reviews the performance of the CEO in light of Spur's objectives and considers other factors that may have impacted the success of Spur in achieving its objectives.

4.4 Historical financial information

(1) Basis of presentation

Spur is a resident of Canada for tax purposes and prepares its financial statements in accordance with IFRS as issued by the

International Accounting Standards Board, and since 1 January 2014 presents its financial information in C\$. The historical financial information in respect of Spur provided below has been extracted from the consolidated financial statements of Spur as at and for the years ended 31 December 2013 and 2012 and the consolidated financial statements of Spur as at and for the years ended, 31 December 2012 2011. The independent auditor's reports were issued by PricewaterhouseCoopers LLP, Canada and were unqualified.

Spur's historical statements of financial position, historical statements of financial performance and historical statements of cash flows have been presented in US\$ on the basis that Spur's financial information for these periods was reported in US\$.

The below information does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of Spur as the full consolidated financial statements. Copies of Spur's 2012 and 2013 consolidated financial statements and independent auditor's reports and management discussion and analysis documents, are available on Spur's website (www.spur-ventures.com) and on SEDAR (www.sedar.com).

The C\$ balances in Spur's historical financial information are unaudited and were translated from US\$ using the current rate method. Under this method, all assets, liabilities, operating activities and cash flows are translated at the period-end rate to the presentational currency and the resulting unrealised gain or loss on translation is recognised as other comprehensive income. Equity balances are translated at the historical rate. Foreign currency transactions recorded within the statements of income (loss) and comprehensive income (loss) are translated at the period average rate.

4 Information about Spur

(2) Statements of financial position

Set out below are Spur's consolidated statements of financial position as at 31 December 2012 and 31 December 2013. These historical statements of financial position have been extracted from the audited consolidated financial statements of Spur for the years ended 31 December 2013.

Spur Ventures Inc.

Statements of Financial Position

Stated in US dollars unless otherwise noted

	CANADIAN DOLLARS		
	DECEMBER 31 2013 (unaudited)	DECEMBER 31 2013 (audited)	DECEMBER 31 2012 (audited)
ASSETS			
Current assets			
Cash and cash equivalents held in Canadian dollars	28,922,649	27,193,075	30,249,036
Prepaid expenses	43,633	41,024	40,883
Receivables	113,545	96,186	21,436
Due from related parties	63,046	69,845	50,917
Total current assets	29,142,873	27,400,130	30,362,272
Office equipment and furniture	14,757	13,874	24,553
Total assets	29,157,630	27,414,004	30,386,825
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	61,545	57,865	75,139
Due to related parties	10,235	9,623	16,645
Total liabilities	71,780	67,488	91,784
SHAREHOLDERS' EQUITY			
Share capital	53,258,507	41,386,379	41,386,379
Contributed surplus	10,227,578	8,202,874	8,023,614
Accumulated other comprehensive income (loss)	—	(551,918)	1,378,980
Deficit	(34,400,235)	(21,690,819)	(20,493,932)
Total shareholders' equity	29,085,850	27,346,516	30,295,041
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	29,157,630	27,414,004	30,386,825

(3) Statements of net income (loss) and comprehensive income (loss)

Set out below are Spur's consolidated statements of net income (loss) and comprehensive income (loss) for the years ended 31 December 2011, 31 December 2012 and 31 December 2013. These historical statements of net income (loss) and comprehensive income (loss) have been extracted from the audited consolidated financial statements of Spur for the years ended 31 December 2012 and 31 December 2013.

Spur Ventures Inc.

Statements of Income (loss) and Comprehensive Income (loss)

Stated in US dollars unless otherwise noted

	CANADIAN DOLLARS			
	YEAR ENDED DECEMBER 31 2013 (<i>unaudited</i>)	YEAR ENDED DECEMBER 31 2013 (<i>audited</i>)	YEAR ENDED DECEMBER 31 2012 (<i>audited</i>)	YEAR ENDED DECEMBER 31 2011 (<i>audited</i>)
CONTINUING OPERATIONS				
Expenses				
Amortisation	9,671	9,390	9,914	8,926
Corporate development	527,098	511,788	387,074	267,801
Director fees	80,166	77,838	74,474	50,186
Management fees, salaries and benefits	555,016	538,895	506,023	310,371
Office and general	67,825	65,854	77,675	76,132
Professional fees	98,750	95,882	147,697	164,811
Rent	97,490	94,659	80,790	98,037
Share-based payments	183,737	179,260	413,196	135,718
Transfer agent and filing fees	34,562	33,559	83,292	41,438
Travel, meals and entertainment	9,302	9,032	3,634	–
Net loss from operations	(1,663,617)	(1,616,157)	(1,783,769)	(1,153,420)
Other income				
Interest income	431,812	419,270	406,895	300,511
Loss for the year from continuing operations	(1,231,805)	(1,196,887)	(1,376,874)	(852,909)
DISCONTINUED OPERATIONS				
Gain from sale of Spur BVI	–	–	3,873,015	–
Loss from discontinued operations	–	–	(139,613)	(904,038)
Income from discontinued operations	–	–	3,733,402	(904,038)
Net income (loss) for the year	(1,231,805)	(1,196,887)	2,356,528	(1,756,947)
Net income (loss) attributable to:				
Non-controlling interests	–	–	–	(62,512)
Equity shareholders of the Company	(1,231,805)	(1,196,887)	2,356,528	(1,694,435)
Other comprehensive income (loss), net of tax:				
Items that will not be reclassified to net income or loss				
Unrealised gain (loss) on translating financial statements from functional currency to reporting currency	–	(1,930,898)	523,374	(658,625)
Comprehensive income (loss) for the year, net of tax	(1,231,805)	(3,127,785)	2,879,902	(2,415,572)
Comprehensive income (loss) attributable to:				
Non-controlling interests	–	–	–	(62,686)
Equity shareholders of the Company	(1,231,805)	(3,127,785)	2,879,902	(2,352,886)
Earnings (loss) per share from continuing and discontinued operations				
Basic weighted average number of shares outstanding	60,407,187	60,407,187	60,407,187	60,407,187
Earnings (loss) per share, basic	(0.02)	(0.02)	0.04	(0.03)
From continuing operations	(0.02)	(0.02)	(0.02)	(0.01)
From discontinued operations	n/a	n/a	0.06	(0.02)
Diluted weighted average number of shares outstanding	60,707,187	60,707,187	60,707,187	60,407,187
Earnings (loss) per share, diluted	(0.02)	(0.02)	0.04	(0.03)
From continuing operations	(0.02)	(0.02)	(0.02)	(0.01)
From discontinued operations	n/a	n/a	0.06	(0.02)

4 Information about Spur

(4) Statements of cash flow

Set out below are Spur's consolidated statements of cash flow for the years ended 31 December 2011, 31 December 2012 and 31 December 2013. These historical statements of cash flows have been extracted from the audited consolidated financial statements of Spur for the years ended 31 December 2012 and 31 December 2013.

Spur Ventures Inc.

Statements of cash flows

Stated in US dollars unless otherwise noted

	CANADIAN DOLLARS			
	YEAR ENDED DECEMBER 31 2013 (<i>unaudited</i>)	YEAR ENDED DECEMBER 31 2013 (<i>audited</i>)	YEAR ENDED DECEMBER 31 2012 (<i>audited</i>)	YEAR ENDED DECEMBER 31 2011 (<i>audited</i>)
Cash used in continuing operating activities				
Net loss for the year	(1,231,805)	(1,196,887)	(1,376,874)	(852,909)
Adjustments for:				
Amortisation	9,671	9,390	9,914	8,926
Share-based payments	183,737	179,260	413,196	135,718
Interest income	(431,812)	(419,270)	(406,895)	(300,511)
Net changes in non-cash working capital balances:				
Receivables	(8,890)	8,811	(3,924)	(125,603)
Due from related parties	(12,389)	(18,928)	7,260	–
Prepaid expenses	(2,948)	(141)	13,688	–
Accounts payable and accrued liabilities	(19,752)	(17,274)	(95,202)	(516,714)
Due to related parties	(6,412)	(7,022)	15,146	–
Net cash used in operating activities – continuing operations	(1,520,600)	(1,462,061)	(1,423,691)	(1,651,093)
Cash used in operating activities – discontinued operations	–	–	(139,613)	(312,951)
Investing activities				
Capital expenditures	–	–	–	(36,961)
Interest received	348,483	335,709	366,544	163,421
Proceeds from disposal of short-term investments	–	–	–	24,327,842
Purchase of short-term investments	–	–	–	(22,628,204)
Net cash generated from investing activities – continuing operations	348,483	335,709	366,544	1,826,098
Proceeds from disposal of plant assets	–	–	–	37,250
Proceeds from sale of Spur BVI	–	–	9,253,701	–
Less: non-cash item included in gain from sale of Spur BVI	–	–	(128,444)	–
Cash provided by investing activities - discontinued operations	–	–	9,125,257	37,250
Effect of exchange rate changes	–	(1,929,609)	624,795	1,998
Change in cash and cash equivalents during the year	(1,172,117)	(3,055,961)	8,553,292	(98,698)
Cash and cash equivalents, beginning of year	30,094,766	30,249,036	21,695,744	194,918
Cash and cash equivalents, end of year	28,922,649	27,193,075	30,249,036	96,220
Supplemental cash flow information				
Interest paid	–	–	–	–
Income taxes paid	–	–	–	–

4.5 Management discussion

The information in this section 4.5 has been adapted from the management discussion and analysis contained in Spur's Management Discussion and Analysis for the years ended 31 December 2012 and 31 December 2013.

(1) Year ended 31 December 2013

(a) Overall performance and results of operations

Spur's net loss from continuing operations for the year ended 31 December 2013 was US\$1,196,887 (2012: US\$1,376,874). For the year ended 31 December 2012, Spur recognized non-recurring net income of US\$3,733,402 from discontinued operations as a result of the disposal of Spur BVI in February 2012. Basic and diluted loss per Spur Share in 2013 was US\$0.02 (2012: basic and diluted earnings per Spur share of US\$0.04), which comprised a loss per Spur Share from continuing operations of US\$0.02 (2012: US\$0.02) and loss per Spur Share from discontinued operations of US\$0.00 (2012: earnings per Spur Share from discontinued operations of US\$0.06).

(b) Continuing operations

The loss from continuing operations for the year ended 31 December 2013 was US\$1,196,887, compared to a loss from continuing operations of US\$1,376,874 for the same period in 2012.

The decrease of US\$179,987 was primarily attributable to:

- a US\$51,815 decrease in professional fees relating to legal fees incurred for the year ended 31 December 2012 from the sale of Spur BVI and other restructuring initiatives by Spur which are non-recurring in nature;
- a US\$233,936 decrease in share-based payments representing the Black-Scholes calculated fair value of stock options vested to directors, officers, consultants and employees during the period; and
- a US\$49,733 decrease in transfer agent and filing fees due to non-recurring listing fees incurred during the year ended 31 December 2012 relating to delisting from the TSX Exchange and subsequent listing on TSXV.

The decrease was partially offset by:

- an increase in corporate development costs of US\$124,714 due to increased consulting fees, legal fees and travel expenses with respect to increased activity in the execution of Spur's corporate strategy and in relation to the Merger; and
- an increase in management fees, salaries and benefits of US\$32,872 mostly relating to a one-time charge recognised in respect of severance paid to Spur's former Corporate Secretary.

Other significant items include US\$94,659 of rent charges for Spur's head office (2012: US\$80,790), and director fees of US\$77,838 (2012: US\$74,474).

Spur also recorded interest income of US\$419,270 during the year ended 31 December 2013 (2012: US\$406,895) relating to interest earned on various cash term deposits by Spur.

(c) Financial position

Spur's total assets decreased from US\$30,386,825 at 31 December 2012 to US\$27,414,004 at 31 December 2013. The most significant assets at 31 December 2013 comprised cash and cash equivalents of US\$27,193,075 (31 December 2012: US\$30,249,036).

Spur's net working capital position at 31 December 2013 is US\$27,332,642 (31 December 2012: US\$30,270,488).

Spur shareholders' equity at 31 December 2013 comprises share capital of US\$41,386,379 (31 December 2012: US\$41,386,379), contributed surplus of US\$8,202,874 (31 December 2012: US\$8,023,614), accumulated other comprehensive loss of US\$551,918 (31 December 2012: accumulated other comprehensive income of US\$1,378,980), and a deficit of US\$21,690,819 (31 December 2012: US\$20,493,932) for a net amount of US\$27,346,516 (31 December 2012: US\$30,295,041).

(2) Year ended 31 December 2012

(a) Overall performance and results of operations

Spur's net income for the year ended 31 December 2012 of US\$2,356,000 (2011 loss: US\$1,757,000) comprised of US\$1,377,000 loss related to continuing operations (2011 loss: US\$853,000) and US\$3,733,000 earnings related to the discontinued operations in China (2011 loss: US\$904,000), and in particular a gain of US\$3,873,000 related to the disposal of Spur BVI in February 2012. For the year ended 31 December 2012, earnings per share was US\$0.04 compared to a loss per share of US\$0.03 for the year ended 31 December 2011.

(b) Continuing Operations

Spur's net loss from continuing operations for the year ended 31 December 2012 increased US\$524,000 from US\$853,000 for the year ended 31 December 2011 to US\$1,377,000, and loss per share was US\$0.02 (2011 loss per share: US\$0.01). The increase was primarily attributable to a US\$632,000 increase in operating expenses partially offset by a US\$106,000 increase in interest income.

Total operating expenses for the year ended 31 December 2012 increased approximately US\$632,000 from US\$1,150,000 mainly because of:

- a US\$277,000 increase in non-cash stock-based compensation expenses related to the issuance of 2,350,000 stock options granted during the year;
- a US\$153,000 increase in consulting fees related primarily to former CEO, Robert J. Rennie, which provided for his retention as an advisor to Spur for a period of 12 months following his retirement as CEO on 10 April 2012 as well as US\$86,000 consulting fees for Spur's engineering and technical team to help evaluate investment opportunities;

4 Information about Spur

- a US\$50,000 reclassification of wages related to Beijing office to discontinued operations loss in 2011 as well as a US\$23,000 increase in director fees, salaries and benefits in 2012; and
- a US\$42,000 one-time increase in listing fees when Spur was listed on the TSXV in March 2012.

Interest income increased US\$106,000 from US\$301,000 to US\$407,000 in the year ended 31 December 2012 mainly due to an increase in general interest rate levels and due to interest earned on the C\$9.25 million cash disposal proceeds from the sale of Spur BVI.

(c) Discontinued Operations

The earnings from discontinued operations for the year ended 31 December 2012 was primarily attributable to a US\$3,873,000 gain from the sale of Spur BVI, a company holding the interests of the discontinued China operation. The gain was partially offset by US\$140,000 loss from the discontinued operations in 2012 (2011 loss: US\$904,000) mainly resulting from the payment of severance to former staff in China. Earnings per share from discontinued operations was US\$0.06 (2011 loss per share: US\$0.02).

(d) Financial Position

Net current assets of US\$30.3 million at 31 December 2012 increased approximately US\$3.4 million over the net current assets balance at 31 December 2011. This was largely attributable to the gain from the sale of Spur BVI during the year ending 31 December 2012.

Spur maintained a solid cash position with cash and cash equivalents and short-term investments in guaranteed investment certificates at the end of 2012 amounting to US\$30.24 million compared to US\$21.96 million at the end of 2011.

4.6 Update on financial position and financial performance

Spur's latest financial statements are the unaudited financial statements for the quarter ended 31 March 2014. These statements are contained in Annexure C.

Spur expects that its unaudited financial statements for the quarter ending 30 June 2014 will be disclosed to the TSXV on or before 29 August 2014. A copy of these financial statements will be available at www.sedar.com and www.spur-ventures.com.

4.7 Resources and reserves

No resources and reserves information is available in respect of Spur as Spur does not currently own or have an interest in any operational projects or mines.

4.8 Liquidity and capital resources

At 31 December 2013, Spur had cash and cash equivalents of US\$27,193,075 (as compared with 31 December 2012, when it had US\$30,249,036); and a working capital position of US\$27,332,642 (as compared with 31 December 2012, when it

had US\$30,270,488).

The directors of Spur believe that Spur's working capital as at the Last Practicable Date is sufficient to allow Spur to further progress the development of the Atlantic assets.

4.9 Capital structure, ownership and incentive plans

(1) Issued securities

As at the Last Practicable Date, Spur's issued securities consist of:

- 60,407,187 Spur Shares; and
- 6,700,000 Spur Options.

As at the date of this Scheme Booklet, the exercise price of each of the existing Spur Options and the Spur Options to be granted in relation to the arrangements referred to in section 7.8 is at least 20 cents in cash.

(2) Stock option plan

Spur has a fixed stock option plan (Plan). Pursuant to the Plan, up to 8,000,000 Spur Options may be granted, which would represent 13.2% of the currently outstanding issued capital of Spur. As at the Last Practicable Date, Spur has outstanding Spur Options which will be exercisable for a total of up to 6,700,000 Spur Shares once vested (as at the Last Practicable Date, 4,725,000 Spur Options have vested), or approximately 7.84% of the currently outstanding issued capital of Spur, including stock options granted under previously established stock option plans or prior option grants.

The Plan provides that:

- (a) Persons eligible to participate in the Plan (Eligible Persons) are directors, officers and employees of Spur and consultants to Spur.
- (b) The maximum number of Spur Shares which may be issuable pursuant to Spur Options granted under the Plan is 8,000,000 Spur Shares. The number of Spur Shares reserved for issuance under the Plan:
 - in aggregate shall not exceed 20% of the total number of issued and outstanding Spur Shares on the grant date on a non-diluted basis; and
 - to any one optionee within a 12 month period shall not exceed 5% of the total number of issued and outstanding Spur Shares on the grant date on a non-diluted basis.
- (c) The number of Spur Shares reserved for issuance under the Plan and all of Spur's previously established or proposed share compensation arrangements:
 - in aggregate shall not exceed 20% of the total number of issued and outstanding Spur Shares on the grant date on a non-diluted basis;
 - to any one optionee, shall not exceed 5% of the total number of issued and outstanding Spur Shares on the grant date on a non-diluted basis, within a one year period;
 - to any one consultant shall not exceed 2% in the aggregate of

- the total number of issued and outstanding Spur Shares on the grant date on a non-diluted basis; and
- to insiders as a group shall not exceed 10% of the total number of issued and outstanding Spur Shares on the grant date on a non-diluted basis, within a one year period.
- (d) The exercise price of a Spur Option may not be set at less than the closing market price of Spur Shares on the trading day immediately preceding the day on which the option grant is announced.
- (e) The Spur Options are not assignable by an optionee.
- (f) The expiry date for each Spur Option shall be set by the Spur Board at the time of issue of the Spur Option and shall, unless extended as a result of a blackout period imposed by Spur, be not be more than 5 years after the grant date.
- (g) Spur Options vest at the discretion of the Spur Board.
- (h) If an optionee shall cease to be an Eligible Person, any outstanding Spur Options (whether or not such Spur Options are vested) held by such optionee shall be cancelled on the following basis:
 - If an optionee ceases to be an Eligible Person due to death or disability, then the vested Spur Options held by such optionee shall be exercisable up to the earlier of the expiry date of such Spur Options and 365 days after the date of death or disability.
 - If an optionee ceases to be an Eligible Person as a result of termination for cause, the vested Spur Options held by such optionee shall be cancelled as of the date of termination.
- (i) Subject to the discretion of the Spur Board, if an optionee ceases to be an Eligible Person other than for cause, the vested Spur Options held by such optionee shall be exercisable up to the earlier of the expiry date of such Spur Options and the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases to be an Eligible Person.
- (j) The Plan does not provide for financial assistance by Spur to any optionee.
- (k) On the occurrence of a takeover bid, the Spur Board will have the right to accelerate the date on which an Spur Option becomes vested and thereby exercisable.
- (l) The Spur Board may in its discretion amend, modify and change the provisions of the Plan and Spur Options granted under the Plan, without obtaining approval of Spur shareholders to:
 - make amendments of a clerical or typographical nature and to include clarifying provisions in the Plan;
 - implement features or requirements that are necessary or desirable under applicable tax and securities laws;
 - change termination provisions for any participant provided that the expiry date does not extend beyond the original expiry date;
 - implement or amend a cashless exercise feature, payable in cash or securities; and

- make any other amendments of a non-material nature which are approved by TSXV.

All other amendments, modifications or changes shall only be effective upon such amendment, modification or change being approved by the shareholders of Spur. Any amendment, modification or change of any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction.

(3) Substantial shareholders

So far as known to Spur at the Last Practicable Date, the following persons were beneficial owners of 10% or more of the Spur Shares:

SUBSTANTIAL SHAREHOLDER	NUMBER OF SPUR SHARES	VOTING POWER (%)
Sprott Asset Management LP	11,547,070	19.1

4.10 Recent Spur Share price performance

Spur Shares are listed and posted for trading on TSXV under the symbol 'SVU'. Spur Shares were listed on TSXV on 23 March 2012 and were previously listed on TSX.

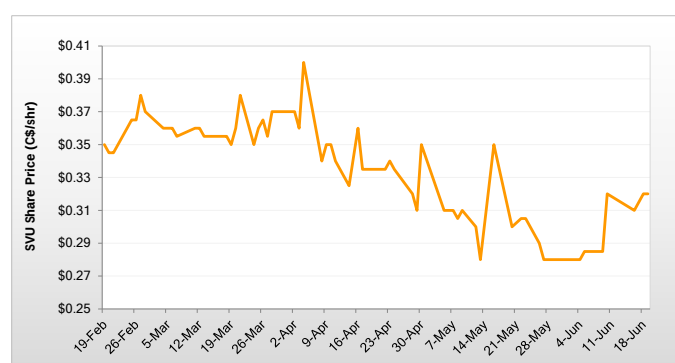
The closing price of Spur Shares on TSXV on 18 June 2014 was C\$0.32, giving Spur an implied market capitalisation on that date of A\$18.9 million¹ (this does not include any New Spur Common Shares, New Spur Share Purchase Warrants, Spur Common Share CDIs or Spur Share Purchase Warrant CDIs to be issued pursuant to the Scheme).

The closing price of Spur Shares on TSXV on 4 April 2014, the last day of trading in Spur Shares prior to the Announcement Date, was C\$0.40.

During the 4 months ended 18 June 2014:

- the highest recorded daily closing price for Spur Shares on TSXV was C\$0.40 on 4 April 2014; and
- the lowest recorded daily closing price for Spur Shares on TSXV was C\$0.28 on 30 May 2014.

The following chart shows the daily closing price of Spur Shares on TSXV in the period from 19 February 2014 to 18 June 2014.



¹ Based on C\$:A\$ exchange rate of C\$1.00:A\$0.98 on 18 June 2014 and 60,407,187 Spur Shares on issue 18 June 2014.

4 Information about Spur

4.11 Hedging position

Spur does not currently maintain any commodity hedging arrangements because it does not have any operational projects or mines. In addition, Spur does not currently maintain any currency or interest rate hedging arrangements.

4.12 Interests of directors of Spur

(1) Interests in Spur Shares and Spur Options

At the date of this Scheme Booklet, Spur directors had the following beneficial interests in Spur securities:

DIRECTOR	CLASS OF SECURITY	NUMBER
Steven Dean	Spur Shares	1,288,000 ¹
	Spur Options	400,000 with an exercise price of C\$0.37 and an expiry date of 12 August 2016. 500,000 with an exercise price of C\$0.40 and an expiry date of 1 November 2017. 600,000 with an exercise price of C\$0.32 and an expiry date of 13 June 2019.
John Morgan	Spur Shares	150,000
	Spur Options	1,000,000 with an exercise price of C\$0.40 and an expiry date of 10 April 2017. 600,000 with an exercise price of C\$0.32 and an expiry date of 13 June 2019.
Robert G. Atkinson	Spur Shares	2,292,050 ²
	Spur Options	200,000 with an exercise price of C\$0.37 and an expiry date of 12 August 2016. 100,000 with an exercise price of C\$0.40 and an expiry date of 1 November 2017. 100,000 with an exercise price of C\$0.32 and an expiry date of 13 June 2019.
William P. Armstrong	Spur Shares	Nil
	Spur Options	100,000 with an exercise price of C\$0.37 and an expiry date of 10 May 2017. 100,000 with an exercise price of C\$0.32 and an expiry date of 13 June 2019.
W. David Black	Spur Shares	200,000 ³
	Spur Options	200,000 with an exercise price of C\$0.37 and an expiry date of 12 August 2016. 100,000 with an exercise price of C\$0.40 and an expiry date of 1 November 2017. 100,000 with an exercise price of C\$0.32 and an expiry date of 13 June 2019.
Donald Siemens	Spur Shares	Nil
	Spur Options	200,000 with an exercise price of C\$0.37 and an expiry date of 12 August 2016. 100,000 with an exercise price of C\$0.40 and an expiry date of 1 November 2017. 100,000 with an exercise price of C\$0.32 and an expiry date of 13 June 2019.

¹ Mr Dean indirectly owns or exercises control over 75,000 Spur Shares through a management company controlled by him, Sirocco Advisory Services Ltd and 1,213,000 Spur Shares through a trust of which Mr Dean is a beneficiary.

² Mr Atkinson indirectly owns or exercises control over 2,287,250 Spur Shares through a trust of which Mr Atkinson is a beneficiary.

³ Of these shares, 61,500 are held indirectly by Mr Black.

(2) Interests in Atlantic securities

At the date of this Scheme Booklet, no Spur director has any relevant interests in Atlantic securities.

4.13 Relevant interests in Atlantic securities

At the date of this Scheme Booklet, Spur does not hold any relevant interests in Atlantic securities.

4.14 No pre-transaction benefits

During the period of 4 months before the date of this Scheme Booklet, neither Spur nor any associate of Spur gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- vote in favour of the Scheme; or
- dispose of Atlantic Shares,

and which will not be provided to all Scheme Shareholders under the Scheme.

4.15 Regulation of Spur

As Spur was not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia and certain limited obligations relating to its status as a registered foreign company under the Corporations Act) are not regulated by the Corporations Act or by ASIC but instead are regulated by the BCBCA and the British Columbia Registrar of Companies, and, with respect to securities law matters, is principally regulated by the British Columbia Securities Commission pursuant to the British Columbia Securities Act.

4.16 Publicly available information about Spur

A substantial amount of information about Spur is available in electronic form from www.spur-ventures.com.

5 Information about the Merged Group and the Spur/DDV Gold Group

5.1 Overview of post-acquisition Spur

(1) Overview of the Merged Group

On implementation of the Scheme, Spur will continue to be a company existing under the laws of British Columbia, and former Atlantic Shareholders (other than Ineligible Foreign Shareholders) will hold Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants. Following implementation of the Scheme, Spur will have its registered office located in Vancouver. The New Spur Common Shares and New Spur Share Purchase Warrants (other than those in respect of which Spur Common Share CDIs and Spur Share Purchase Warrant CDIs have been issued), together with other Spur Shares, will be quoted on TSXV and Spur Common Share CDIs and Spur Share Purchase Warrant CDIs will be quoted on ASX.

On implementation of the Scheme, the Merged Group will be a well-financed, growth-orientated gold development group with:

- an advanced project portfolio of assets located in Canada, with complementary technical experience and a strong cash position;
- opportunities to evaluate the underexplored Meguma Terrane gold region, including 250 km² of claims; and
- a Canadian management base for project operations as well as capital markets interface.

If the Scheme was implemented on the Last Practicable Date, the Merged Group would have had a pro forma market

capitalisation of approximately C\$34.1 million (A\$33.5 million)¹.

(2) Ownership of the Merged Group

Immediately following implementation of the Scheme, the current Atlantic Shareholders will collectively own approximately 43% of the Spur Shares on issue, assuming that, none of the New Spur Share Purchase Warrants have been exercised, or approximately 51% of the Spur Shares on issue, assuming that all of the New Spur Share Purchase Warrants have been exercised.²

(3) Board and management of the Merged Group

Following implementation of the Scheme, the Merged Group Board is expected to consist of 7 directors.

Each of the existing 6 Spur directors will continue as directors of Spur following implementation of the Scheme. Profiles for each of the existing Spur directors are set out in section 4.2.

Spur has invited one director of Atlantic to join the Merged Group Board as a non-executive director, being the current managing director of Atlantic, Mr Wally Bucknell.

Spur's directors are subject to nomination and re-election each year at Spur's annual meeting. Accordingly, the Atlantic director who will be appointed to the Spur Board will also be

¹ Based on (i) TSXV closing price of Spur Shares on the Last Practicable Date and a C\$:A\$ exchange rate of C\$1.00:A\$0.98 on the Last Practicable Date; and (ii) an assumption that there are 106,683,010 Spur Shares on issue on the Last Practicable Date (being the 60,407,187 Spur Shares on issue at the Last Practicable Date and an assumption that 46,275,823 Spur Shares are to be issued under the Scheme). The market capitalisation of the Merged Group immediately following the implementation of the Transaction could be higher or lower than the amount set out above. The market capitalisation of the Merged Group set out above is for illustrative purposes only.

² Assumes (i) 106,683,010 Spur Shares on issue immediately following implementation of the Scheme, based on 60,407,187 Spur Shares on issue at the date of this Scheme Booklet and an assumption that 46,275,823 Spur Shares are to be issued under the Scheme; (ii) 23,137,911 Spur Warrants on issue immediately following implementation of the Scheme; (iii) 7,673,700 Spur Options on issue immediately following implementation of the Scheme; and (iv) there are no Ineligible Foreign Shareholders.

5 Information about the Merged Group and the Spur/DDV Gold Group

subject to nomination and re-election at Spur's next annual meeting, which will be held before 13 December 2014.

John Morgan will continue as President and Chief Executive Officer of the Merged Group.

In addition to becoming a director of the Merged Group, in order to ensure an orderly transition, Wally Bucknell has agreed in principle to continue in a full-time role with the Merged Group for a period of 12 months following completion of the Merger.

(4) Corporate governance of the Merged Group

The corporate governance regime which exists in Canada is a combination of certain mandatory rules on disclosure and compliance as well as guidelines and recommendations as to best practices. As a 'reporting issuer' (or the equivalent) in the provinces of British Columbia, Alberta, Ontario and Quebec in Canada, Spur is required to disclose its corporate governance practices in a prescribed manner and is expected to comply with corporate governance guidelines to the fullest extent possible. Assuming Spur becomes listed on ASX, these guidelines will include recommendations or requirements with regards to the following:

- Board of Directors: regarding independent directors, adoption of a board mandate acknowledging responsibility for the stewardship of Spur, development of clear positions on the board, orientation of new directors and continued education of all directors, adoption of a code of business conduct and ethics, adoption of a process for director nominations, creation of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee, and assessment of the board on a regular basis; and
- Audit Committee: regarding its charter, its composition (including independence and financial literacy of directors), disclosure of relevant education and experience of directors, disclosure of exemptions where they have been relied upon, disclosure of board not adhering to recommendations of the committee, description of pre-approval of policies and procedures, and disclosure of external auditor service fees.

Spur's corporate governance disclosure and filings are available on SEDAR at www.sedar.com. In particular, Spur provides annual disclosure with respect to its corporate governance practices in its information circulation prepared in connection with its annual meeting each year. Disclosures relating to Spur's Nominating and Corporate Governance Committee, Compensation Committee and Audit Committee are included in the same document. The terms of reference for Chairman of the Spur Board and Chairman of Spur Board Committees and the charters for Spur's Nominating and Corporate Governance Committee, Compensation Committee and Audit Committee, as well as Spur's Code of Conduct, are available on Spur's website at www.spur-ventures.com.

Following the Implementation Date, Spur intends that the Merged Group will continue to comply with all mandatory corporate governance rules in Canada and will endeavour to follow best practices in Canada.

Also see section 11 for a comparison of some of the material provisions of Australian company law and Canadian company law.

(5) Spur/DDV Gold Group

Following closing of the DDV Gold Alternative Transaction, Spur will continue to be a company existing under the laws of British Columbia, Atlantic will hold Spur Series A Preferred Shares and Spur Preferred Share Warrants and Spur will have its registered office located in Vancouver. See section 7.5 for further information on the Spur Series A Preferred Shares and Spur Preferred Share Warrants.

The board and management and corporate governance of the Spur/DDV Gold Group will be substantially the same as set out in sections 5.1(3) and 5.1(4).

5.2 Strategy

The strategy behind the Merger is to create a well-financed and development-focused gold group, which has an initial primary focus on the advancement of the Atlantic Group's Touquoy Gold Project and Cochrane Hill Gold Project located in the Meguma Terrane of Nova Scotia.

Spur expects that the Merged Group or the Spur/DDV Gold Group (as applicable) will benefit from the combination of Atlantic's advanced project portfolio with Spur's complementary technical experience and strong cash position.

The Merger is expected to be the first step in a broader strategy to create a mid-tier gold production group which focuses on manageable, executable projects in mining-friendly jurisdictions.

5.3 Intentions

(1) Introduction

The intentions set out in this section 5.3 represent the current intentions of Spur in relation to the Atlantic Group. These intentions have been formed on the basis of facts and information concerning the Atlantic Group, and the general economic and business environment, which are known by Spur at the time this Scheme Booklet was prepared.

All statements set out in this section 5.3 are statements of current intention only and may vary as new information becomes available or circumstances change, including from the review referred to in section 5.3(2)(a).

If any statement set out in this section 5.3 is repeated, summarised or referred to in any other section of this Scheme Booklet (including in the Independent Expert's Report):

- the statement as set out in this section 5.3 will prevail to the

- extent of any inconsistency; and
- any qualifications or limitations as set out in this section 5.3 which apply to the statement will apply whenever the statement is repeated, summarised or referred to in any other section of this Scheme Booklet or the Independent Expert's Report (including, for the avoidance of doubt, even when the qualifications and limitations are not set out when the statement is repeated, summarised or referred to).

(2) Intentions

(a) Review

The articulation and formulation of Spur's intentions are necessarily limited by virtue of the fact that Spur has only had access to publicly available information and, through the due diligence process, certain non-public information about the Atlantic Group and its affairs.

Accordingly, after implementation of the Scheme, Spur intends to conduct a targeted review (the Review) of the Atlantic Group at a strategic, operational and financial level to:

- gain a more comprehensive understanding of its performance, profitability, prospects, strategy and plans;
- assess possible operational and strategic opportunities; and
- identify possible opportunities for operating synergies.

In the course of the Review, it is intended that there will be a focus on a number of key specific areas, including (but not limited to):

- review of Atlantic's gold projects, including a review of all available technical and financial data, so that ongoing and future development and exploration programs can be optimised;
- further technical review and economic analysis in respect of the Touquoy Gold Project and the Cochrane Hill Gold Project, including an assessment of co-development options;
- assessment of additional technical work required at the Cochrane Hill Property to further delineate resources and convert resources to the measured and indicated category;
- assessment of project financing alternatives for the development of Atlantic's gold projects;
- assessment of further environmental and other development related permitting and other requirements relating to the future development of the Cochrane Hill Gold Project; and
- ongoing discussions and negotiations with the Mi'kmaq community in respect of Mutual Benefits Agreements in respect of the Merged Group's gold projects in Nova Scotia.

The specific intentions set out in this section 5.3 are subject to, among other things, the results of the Review.

(b) Corporate matters

If the Scheme is implemented, it is intended that:

- Atlantic will apply for termination of the official quotation of its shares on, and to have itself removed from the official list of, the ASX;
- Spur will change its name to Atlantic Gold Corporation;
- Atlantic will become a wholly-owned subsidiary of Spur;
- Mr Wally Bucknell will be appointed as a non-executive director of Spur;
- all of the existing directors of Spur (as named in section 4.2)

will continue as directors of Spur as the new holding company of the Merged Group;

- the existing directors of Atlantic (other than Mr Wally Bucknell) will all be replaced by Spur nominees (as mentioned in section 5.1(3)); and
- the auditor of Atlantic will be changed to be the auditor of Spur (from time to time).

Spur's intentions in relation to corporate governance matters are set out in section 5.1(4).

(c) Strategic direction

Subject to the Review, Spur intends:

- to focus on the development of Atlantic's Touquoy Gold Project and Cochrane Hill Gold Project, with a specific focus on the development of Touquoy and the economic and technical evaluation of the co-development potential of Cochrane Hill, by combining Spur's own development views with the extensive technical work that has already been completed by Atlantic;
- to assess additional opportunities and potentially target further exploration in the Meguma Terrane gold region, including the extensive early stage exploration properties controlled by Atlantic which totals 250 km²;
- to continue to review and assess other potential opportunities to pursue acquisitions or make investments consistent with its a broader strategy to create a mid-tier gold production group which focuses on manageable, executable projects in mining friendly jurisdictions; and
- to generally continually review all aspects of the Merged Group's assets and operations to identify ways to maximise shareholder value.

(d) Use of funds

Following implementation of the Scheme, the Spur Directors believe the Merged Group will have a materially stronger balance sheet, as compared to the stand-alone Atlantic Group. For further information in relation to the Merged Group refer to section 5.4.

Spur intends to use some of its cash reserves to progress the development of the Touquoy Gold Project and Cochrane Hill Gold Project.

It is possible that Spur may need to raise additional equity in the future in pursuance of, among other things, the strategic direction outlined in section 5.3(2)(c).

(e) Dividend policy

It is currently intended that the Merged Group will retain any future earnings to fund the development and growth of its business. Spur does not anticipate paying any cash dividends on Spur Shares in the near future.

Spur anticipates using its cash resources to continue development of the Touquoy Project towards production while simultaneously evaluating the co-development potential of the Cochrane Hill Project, as well as further evaluating exploration targets in the Meguma Terrane region. In addition, Spur will continue to review and assess other opportunities consistent with its broader strategy to create a mid-tier gold production group which focuses on manageable, executable projects in mining friendly jurisdictions.

5 Information about the Merged Group and the Spur/DDV Gold Group

(f) Management and employees

Following completion of the Review, Spur will consider the extent to which any rationalisation of positions is appropriate. For example, to the extent that activities and functions, including certain corporate functions and the provision of specialist technical or professional services (such as finance and accounting, human resources, technology and communications) presently carried out by Atlantic will be duplicated within the Merged Group, such duplication may be eliminated where it is strategically and economically efficient to do so. It is possible that any rationalisation may result in the positions of some Atlantic employees becoming redundant. Employment decisions will, however, be made in the context of the expected continuing growth of the Merged Group, and Spur believes significant redundancies are unlikely.

(3) Intentions generally

Subject to the matters described above in this section 5.3 and, in particular, the completion of the Review, it is the intention of Spur, on the basis of the facts and information concerning the Atlantic Group that are known to it and the existing circumstances affecting the assets and operations of the Atlantic Group at the date of this Scheme Booklet:

- that the business of the Atlantic Group will be conducted in substantially the same manner as at the date of this Scheme Booklet;
- to continue to assess the development potential of Atlantic's development projects, including the Touquoy Gold Project and Cochrane Hill Gold Project;
- not to make any major changes to the deployment of Atlantic's assets; and
- to continue the employment of the employees of Atlantic, as appropriate.

5.4 Pro forma financial information in relation to the Scheme

(1) Introduction

This section 5.4 contains the following unaudited pro forma historical financial information for the Merged Group (Merged Group Pro Forma Historical Financial Information):

- unaudited consolidated statement of financial position of the Merged Group which has been prepared based on the audited consolidated balance sheet of Spur as at 31 December 2013 (as shown in section 4.4(2)) and the audited consolidated statement of financial position of Atlantic as at 31 December 2013 (as shown in section 3.12(2)) (Merged Group Pro Forma Historical Statement of Financial Position);
- unaudited consolidated statement of financial performance of the Merged Group which has been prepared based on the audited consolidated statements of net income (loss) and comprehensive income (loss) of Spur as at 31 December

2013 (as shown in section 4.4(3)) and the audited consolidated statements of net income (loss) and comprehensive income (loss) of Atlantic as at 31 December 2013 (as shown in section 3.12(3) (Merged Group Pro Forma Historical Statement of Financial Performance)); and

- unaudited consolidated statement of cash flows of the Merged Group which has been prepared based on the audited consolidated statements of cash flows of Spur as at 31 December 2013 (as shown in section 4.4(4)) and the audited consolidated statement of cash flows of Atlantic as at 31 December 2013 (as shown in section 3.12(4)) (Merged Group Pro Forma Historical Statement of Cash Flows).

The Merged Group Pro Forma Historical Information is presented in C\$ and includes pro forma adjustments and reclassifications to account for the acquisition of Atlantic by Spur as though it had occurred on 31 December 2013 for the Merged Group Pro Forma Historical Statement of Financial Position, and 1 January 2013 for the Merged Group Pro Forma Historical Statement of Financial Performance and Merged Group Pro Forma Historical Statement of Cash Flows. The Merged Group Pro Forma Historical Financial Information is presented in an abbreviated form and does not include all the disclosures required by IFRS applicable to financial reports. The Merged Group Pro Forma Historical Information has been reviewed by PricewaterhouseCoopers Securities Ltd, whose Investigating Accountant's Report is contained in Annexure B of this Scheme Booklet. Atlantic Shareholders should note the scope and limitations of that Investigating Accountant's Report.

The Merged Group Pro Forma Historical Financial Information has been prepared for illustrative purposes only and is not intended to reflect the financial performance or the financial position that would have actually resulted had the Scheme been implemented on the dates indicated, or the results that may be obtained in the future. If the Scheme had occurred in the past, the Merged Group's financial position and financial performance would likely have been different from that presented in the Merged Group Pro Forma Historical Financial Information. The Merged Group Pro Forma Historical Financial Information is not represented as being indicative of Spur's views on its future financial position or future financial performance.

(2) Basis of preparation

The Merged Group Pro Forma Historical Financial Information has been prepared based on the following information:

- audited consolidated balance sheet of Spur as at 31 December 2013;
- audited consolidated statement of financial position of Atlantic as at 31 December 2013;
- audited consolidated statements of net income (loss) and comprehensive income (loss) of Spur for the year ended 31 December 2013;
- audited consolidated statements of net income (loss) and

comprehensive income (loss) of Atlantic for the year ended 31 December 2013;

- audited consolidated statement of cash flows of Spur for the year ended 31 December 2013;
- audited consolidated statement of cash flows of Atlantic for the year ended 31 December 2013;
- underlying foreign currency financial information required to present the Merged Group Pro Forma Historical Financial Information in C\$; and
- such other supplementary information as was considered necessary to reflect the pro forma adjustments (detailed below).

Certain elements of the Atlantic financial statements have been reclassified to conform to the financial statement presentation used by Spur. None of these reclassifications are material.

The Merged Group Pro Forma Historical Financial Information has been presented in C\$ which is Spur's functional and presentation currency and will be the presentation currency of the Merged Group. Spur previously presented its financial reports in US\$ but from 1 January 2014 presents its financial reports in C\$. Atlantic presents its financial reports in A\$.

Atlantic and its subsidiaries with non C\$ functional currencies have been translated from their functional currencies into the C\$ presentation currency. Items in the statement of financial performance have been translated using average exchange rates that reasonably approximate the exchange rate at the transaction date. Items in the statement of financial position have been translated at the closing spot exchange rate. Exchange rate differences on the translation of the net assets of entities with functional currencies other than the C\$ are recognized in a separate component of equity through other comprehensive income.

It is Spur's opinion that the Merged Group Pro Forma Historical Financial Information presents, in all material respects, the impact of the Scheme, together with the transactions, assumptions and adjustments described in section 5.4(4), in accordance with IFRS.

(3) Significant accounting policies

The significant accounting policies used in the preparation of the Merged Group Pro Forma Historical Financial Information are consistent with Spur's accounting policies for the year ended 31 December 2013, with the exception of the change in presentation currency as discussed above.

Atlantic's audited consolidated financial statements for the year ended 31 December 2013 were prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and IFRS.

Spur's audited consolidated financial statements for the year ended 31 December 2013 were prepared in accordance with IFRS. Spur intends to continue to prepare its audited consolidated financial statements in accordance with IFRS following the implementation of the Scheme. Spur also intends that the Canadian Generally Accepted Auditing Standards are

the auditing standards its auditor will apply to Spur's financial statements following the implementation of the Scheme.

In preparing the Merged Group Pro Forma Historical Financial Information, a review was undertaken by Spur and Atlantic to identify accounting policy differences between Spur and Atlantic where the impact was potentially material and could be reasonably estimated. Further accounting policy differences may be identified after implementation of the Scheme. The significant accounting policies of Atlantic are believed to conform in all material respects to those of Spur.

(4) Pro forma assumptions and adjustments

(a) Accounting for the Scheme

The acquisition of Atlantic by Spur has been included in the Merged Group Pro Forma Historical Financial Information using the asset acquisition method of accounting as if the Scheme had been implemented as described in section 7.4.

The measurement of the estimated consideration payable under the Scheme in the Merged Group Pro Forma Historical Financial Information is based on a price per Spur Share of C\$0.32, being the closing price of Spur Shares on TSXV on 18 June 2014, and assumes that there are 828,671,993 Atlantic Shares issued and outstanding on implementation of the Scheme. Under IFRS, the actual measurement date of the consideration and allocation of the consideration to the identifiable assets and liabilities will occur on the date the consideration is paid and the Merger is implemented. Consequently, the fair value of the consideration for accounting purposes will differ from the amount assumed in the Merged Group Pro Forma Historical Financial Information as a result of future changes in the price of Spur Shares or in the number of Atlantic Shares issued and outstanding.

The preliminary estimated fair value of the assets and liabilities to be acquired outlined below have been determined by Spur and are based on the best information Spur management currently has available. The fair value estimates are preliminary and subject to change as more information is obtained.

The preliminary allocation of the estimated consideration to the assets and liabilities to be acquired is as follows:

	\$
Current assets	3,835,551
Property, plant and equipment	3,723,119
Exploration and evaluation assets – intangibles	12,803,217
Other long term assets	443,319
Current liabilities	(2,369,819)
	18,435,387

Consideration

New Spur Common Shares issued on acquisition	14,808,263
New Spur Share Purchase Warrants on acquisition	1,929,668
Spur Options to be issued under <i>Option Cancellation Deeds</i>	76,650
Estimated transaction costs	1,620,806
	18,435,387

5 Information about the Merged Group and the Spur/DDV Gold Group

The Merged Group Pro Forma Historical Financial Information assumes that the cost of the Scheme will include the fair value of the New Spur Common Shares and New Spur Share Purchase Warrants to be issued under the Scheme and the Spur Options to be granted under the *Option Cancellation Deeds* referred to in section 7.8. The consideration of approximately C\$18.4 million includes transaction costs of C\$1.6 million. The estimated fair value of the New Spur Common Shares and New Spur Share Purchase Warrants to be issued under the Scheme and the Spur Options to be granted under the *Option Cancellation Deeds* referred to in section 7.8 is based on:

DESCRIPTION	NUMBER OF ATLANTIC SECURITIES ISSUED	EXCHANGE RATIO	NUMBER OF SPUR SECURITIES TO BE ISSUED	ESTIMATED FAIR VALUE PER UNIT \$	ESTIMATED FAIR VALUE \$
New Spur Common Shares issued for Atlantic Fully Paid Shares	828,671,993	0.05564	46,107,310	0.32	14,754,339
New Spur Common Shares issued for Atlantic Partly Paid Shares	30,286,342	0.005564	168,513	0.32	53,924
New Spur Share Purchase Warrants issued for Atlantic Fully Paid Shares	828,671,993	0.02782	23,053,655	0.08339854	1,922,641
New Spur Share Purchase Warrants issued for Atlantic Partly Paid Shares	30,286,342	0.002782	84,257	0.08339854	7,027
Spur Options to be issued under <i>Option Cancellation Deeds</i> in place of Atlantic Options outstanding	17,500,000	0.05564	973,700	0.07872	76,650
					16,814,581

Share Purchase Warrants and Spur Options were valued as at 18 June 2014 using the Black-Scholes model based on the following assumptions:

	WARRANTS	STOCK OPTIONS
Risk-free interest rate	1.50%	1.50%
Expected life	4 years	3 years
Annualised volatility	55%	55%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

(b) Pro forma adjustments

The Merged Group Pro Forma Historical Financial Information reflects the following assumptions and adjustments:

- recording the acquisition of Atlantic by Spur under the Scheme at a total cost of approximately C\$18.4 million, inclusive of transaction costs. The C\$18.4 million has been allocated to the fair value of the assets and liabilities to be acquired on a preliminary basis as described in section 5.4(4)(a). The difference between the carrying value and the fair value of the 'Exploration and evaluation assets – intangibles' has resulted in a reduction of the carrying value. Shareholders' equity balances of Atlantic and any inter-company balances are eliminated on consolidation;
- recording the estimated C\$847,500 of transaction costs to be incurred by Atlantic as a reduction in cash and cash equivalents on the Merged Group Pro Forma Historical Statement of Financial Position. However, these costs are considered to be non-recurring and are therefore not included in the Merged Group Pro Forma Historical

Statement of Financial Performance or the Merged Group Pro Forma Historical Statement of Cash Flows;

- the balance of C\$949,300 in the 'Loans and borrowings' line item in the Merged Group Pro Forma Statement of Financial Position is due to be repaid on 31 July 2014 by DDV Gold to Brianna Holdings Pty Ltd (Brianna) (see section 3.8). As referred to in section 12.5, Spur has agreed to provide a C\$1,800,000 loan facility to DDV Gold, guaranteed by Atlantic (Spur Loan Facility). A portion of the Spur Loan Facility equalling the amounts owed to Brianna must be used by DDV Gold for the purpose of repaying the amounts owed to Brianna. The remaining portion of the Spur Loan Facility is to be used for agreed expenditures of the Atlantic Group. An adjustment has been made in the Merged Group Pro Forma Historical Statement of Financial Position to extinguish the amounts owed to Brianna on the assumption that DDV Gold will draw on the Spur Loan Facility before the Implementation Date. The Spur Loan Facility is eliminated upon consolidation in the Merged Group Pro Forma Historical Financial Information. The financial expenses and cash flows within the Merged Group Pro Forma Historical Statement of Financial Performance and the Merged Group Pro Forma Historical Statement of Cash Flows have also been eliminated as this represented interest expense on the amounts owed to Brianna; and
- recording the proceeds received by Atlantic under the Share Purchase Plan as an increase in cash and cash equivalents and share capital.

(5) Merged Group Pro Forma Historical Statement of Financial Position

Merged Group Pro Forma Historical Statement of Financial Position (unaudited)
as at December 31 2013

Expressed in Canadian dollars

	ATLANTIC GOLD NL DECEMBER 31 2013 (unaudited) \$	SPUR VENTURES INC. DECEMBER 31 2013 (unaudited) \$	PRO FORMA ADJUSTMENTS \$	NOTES	PRO FORMA MERGED GROUP DECEMBER 31 2013 \$
ASSETS					
Current assets					
Cash and cash equivalents	2,362,820	28,922,649	255,662 (1,620,806) (847,500) (949,300)	iv i ii iii	28,123,525
Trade and other receivables	314,019	113,545	–		427,564
Prepaid expenses	52,350	43,633	–		95,983
Due from related parties	–	63,046	–		63,046
Total current assets	2,729,189	29,142,873	(3,161,944)		28,710,118
Non-current assets					
Receivables	177,211	–	–		177,211
Other financial assets	266,108	–	–		266,108
Property, plant and equipment	3,723,119	14,757	–		3,737,876
Exploration and evaluation assets – intangibles	22,158,805	–	(9,355,588)	i	12,803,217
Total assets	29,054,432	29,157,630	(12,517,532)		45,694,530
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	569,819	61,545	–		631,364
Due to related parties	–	10,235	–		10,235
Loans and borrowings	949,300	–	(949,300)	iii	–
Total liabilities	1,519,119	71,780	(949,300)		641,599
SHAREHOLDERS' EQUITY					
Share capital	52,407,333	53,258,507	14,808,263 (52,407,333)	i i	68,066,770
Reserves	1,273,921	10,227,578	2,006,318 (1,273,921)	i i	12,233,896
Deficit	(26,145,941)	(34,400,235)	26,145,941 (847,500)	i ii	(35,247,735)
Total shareholders' equity	27,535,313	29,085,850	(11,568,232)		45,052,931
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	29,054,432	29,157,630	(12,517,532)		45,694,530

5 Information about the Merged Group and the Spur/DDV Gold Group

(6) Merged Group Pro forma Historical Statement of Financial Performance

Merged Group Pro Forma Historical Statement of Financial Performance (unaudited) as at December 31 2013

Expressed in Canadian dollars

	ATLANTIC GOLD NL DECEMBER 31 2013 (unaudited) \$	SPUR VENTURES INC. DECEMBER 31 2013 (unaudited) \$	PRO FORMA ADJUSTMENTS \$	NOTES	PRO FORMA MERGED GROUP DECEMBER 31 2013 \$
Expenses					
Amortisation	16,951	9,671	—		26,622
Corporate development and investor relations	176,236	527,098	—		703,334
Director fees	124,242	80,166	—		204,408
Impairment of exploration assets	999,656	—	—		999,656
Management fees, salaries and benefits	294,467	555,016	—		849,483
Office and general	101,399	67,825	—		169,224
Professional fees	262,865	98,750	—		361,615
Rent	50,865	97,490	—		148,355
Share-based payments	34,788	183,737	—		218,525
Transfer agent, regulatory and filing fees	42,373	34,562	—		76,935
Travel, meals and entertainment	3,576	9,302	—		12,878
Net loss from operations	2,107,418	1,663,617	—		3,771,035
Other income					
Financial expense	151,578	—	(151,578)	iii	—
Interest and other income	(66,615)	(431,812)	—		(498,427)
Net loss for the year	(2,192,381)	(1,231,805)	151,578		(3,272,608)
Other comprehensive income					
Foreign currency translation differences for foreign operations	2,498,167	—	—		2,498,167
Net change in fair value of available for sale assets	(13,001)	—	—		(13,001)
Other comprehensive income for the year	2,485,166	—	—		2,485,166
Total comprehensive loss for the year	292,785	(1,231,805)	151,578		(787,442)
Weighted average number of shares used for the calculation of loss per share – basic	777,627,727	60,407,187	(777,627,727) 46,275,823	i i	106,683,010
Loss per share – basic	(0.00)	(0.02)			(0.03)
Weighted average number of shares used for the calculation of loss per share – diluted	777,627,727	60,707,187	(777,627,727) 46,275,823	i i	106,983,010
Loss per share – diluted	(0.00)	(0.02)			(0.03)

(7) Merged Group Pro Forma Historical Statement of Cash Flows

**Merged Group Pro Forma Historical Statement of Cash Flows (unaudited)
as at December 31 2013**

Expressed in Canadian dollars

	ATLANTIC GOLD NL DECEMBER 31 2013 (unaudited) \$	SPUR VENTURES INC. DECEMBER 31 2013 (unaudited) \$	PRO FORMA ADJUSTMENTS \$	NOTES	PRO FORMA MERGED GROUP DECEMBER 31 2013 \$
Cash used in operating activities					
Net loss for the year	(2,192,381)	(1,231,805)	151,578	iii	(3,272,608)
Adjustments for:					
Amortisation	16,951	9,671	—		26,622
Share-based payments	34,788	183,737	—		218,525
Provisions	12,968	—	—		12,968
Unrealised foreign exchange loss/(gain)	(36,519)	—	—		(36,519)
Impairment of exploration assets	999,656	—	—		999,656
Interest income	—	(431,812)	—		(431,812)
Net change in non-cash working capital balances:					
Receivables	(5,877)	(8,890)	—		(14,767)
Due from related parties	—	(12,389)	—		(12,389)
Prepaid expenses	(16,500)	(2,948)	—		(19,448)
Accounts payable and accrued liabilities	37,686	(19,752)	—		17,934
Due to related parties	—	(6,412)	—		(6,412)
Net cash used in operating activities	(1,149,228)	(1,520,600)	151,578		(2,518,250)
Investing activities					
Purchase of property, plant and equipment	(24,689)	—	—		(24,689)
Refund of land deposit	500,000	—	—		500,000
Payments for exploration, evaluation and development assets	(2,048,690)	—	—		(2,048,690)
Payments for investments	(248,077)	—	—		(248,077)
Interest received	—	348,483	—		348,483
Net cash generated from investing activities	(1,821,456)	348,483	—		(1,472,973)
Financing activities					
Proceeds from placements	4,437,929	—	—		4,437,929
Payment for share issue costs	(25,694)	—	—		(25,694)
Net cash generated from financing activities	4,412,235	—	—		4,412,235
Effect of exchange rate changes	(144,320)	—	—		(144,320)
Change in cash and cash equivalents during the year	1,297,231	(1,172,117)	151,578		276,692
Cash and cash equivalents, beginning of year	1,065,589	30,094,766	—		31,160,355
Cash and cash equivalents, end of year	2,362,820	28,922,649	151,578		31,437,047

5 Information about the Merged Group and the Spur/DDV Gold Group

5.5 Pro forma financial information in relation to the DDV Gold Alternative Transaction

(1) Introduction

This section 5.5 contains the following unaudited pro forma historical financial information for the Spur/DDV Gold Group in relation to the DDV Gold Alternative Transaction (DDV Gold Alternative Transaction Pro Forma Historical Financial Information):

- unaudited consolidated statement of financial position of the Spur/DDV Gold Group which has been prepared based on the audited consolidated balance sheet of Spur as at 31 December 2013 (as shown in section 4.4(2)) and the unaudited statement of financial position of DDV Gold as at 31 December 2013 (DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Position);
- unaudited consolidated statement of financial performance of the Spur/DDV Gold Group which has been prepared based on the audited consolidated statements of net income (loss) and comprehensive income (loss) of Spur as at 31 December 2013 (as shown in section 4.4(3)) and the unaudited statements of net income (loss) and comprehensive income (loss) of DDV Gold as at 31 December 2013 (DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Performance); and
- unaudited consolidated statement of cash flows of the Spur/DDV Gold Group which has been prepared based on the audited consolidated statements of cash flows of Spur as at 31 December 2013 (as shown in section 4.4(4)) and the unaudited statement of cash flows of DDV Gold as at 31 December 2013 (DDV Gold Alternative Transaction Pro Forma Historical Statement of Cash Flows).

The DDV Gold Alternative Transaction Pro Forma Historical Information is presented in C\$ and includes pro forma adjustments and reclassifications to account for the acquisition of DDV Gold by Spur as though it had occurred on 31 December 2013 for the DDV Gold Alternative Transaction Pro Forma Statement of Financial Position, and 1 January 2013 for the DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Performance and DDV Gold Alternative Transaction Pro Forma Historical Statement of Cash Flows. The DDV Gold Alternative Transaction Pro Forma Historical Information is presented in an abbreviated form and does not include all the disclosures required by IFRS applicable to financial reports. The DDV Gold Alternative Transaction Pro Forma Historical Financial Information has been reviewed by PricewaterhouseCoopers Securities Ltd, whose Investigating Accountant's Report is contained in Annexure B of this Scheme Booklet. Atlantic Shareholders should note the scope and limitations of that Investigating Accountant's Report.

The DDV Gold Alternative Transaction Pro Forma Historical Financial Information has been prepared for illustrative purposes

only and is not intended to reflect the financial performance or the financial position that would have actually resulted had the DDV Gold Alternative Transaction been implemented on the dates indicated, or the results that may be obtained in the future. If the DDV Gold Alternative Transaction had occurred in the past, DDV Gold's financial position and financial performance would likely have been different from that presented in the DDV Gold Alternative Transaction Pro Forma Historical Financial Information. The DDV Gold Alternative Transaction Pro Forma Historical Financial Information is not represented as being indicative of Spur's views on its future financial position or future financial performance.

(2) Basis of preparation

The DDV Gold Alternative Transaction Pro Forma Historical Financial Information has been prepared based on the following information:

- audited consolidated balance sheet of Spur as at 31 December 2013;
- audited consolidated statements of net income (loss) and comprehensive income (loss) of Spur for the year ended 31 December 2013;
- audited consolidated statement of cash flows of Spur for the year ended 31 December 2013;
- unaudited management financial information of DDV Gold as at and for the year ended 31 December 2013; and
- such other supplementary information as was considered necessary to reflect the pro forma adjustments (detailed below).

Certain elements of the DDV Gold financial statements have been reclassified to conform to the financial statement presentation used by Spur. None of these reclassifications are material.

The DDV Gold Alternative Transaction Pro Forma Historical Financial Information has been presented in C\$ which is Spur's presentation currency and will be the presentation currency of the Spur/DDV Gold Group. Spur previously presented its financial reports in US\$ but from 1 January 2014 presents its financial reports in C\$. DDV Gold also presents its financial reports in C\$.

It is Spur's opinion that the DDV Gold Alternative Transaction Pro Forma Historical Financial Information presents, in all material respects, the impact of the DDV Gold Alternative Transaction, together with the transactions, assumptions and adjustments described in 5.5(4) below, in accordance with IFRS.

(3) Significant accounting policies

The significant accounting policies used in the preparation of the DDV Gold Alternative Transaction Pro Forma Historical Financial Information are consistent with Spur's accounting policies for the year ended 31 December 2013, with the exception of the change in presentation currency as discussed

above.

The unaudited management financial information of DDV Gold as at and for the year ended 31 December 2013 were prepared in accordance with the accounting policies of Atlantic as set out in Atlantic's audited consolidated financial statements for the year ended 31 December 2013. Those financial statements were prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and IFRS.

Spur's audited consolidated financial statements for the year ended 31 December 2013 were prepared in accordance with IFRS.

In preparing the DDV Gold Alternative Transaction Pro Forma Historical Financial Information, a review was undertaken by Spur and Atlantic to identify accounting policy differences between Spur and DDV Gold where the impact was potentially material and could be reasonably estimated. Further accounting policy differences may be identified after implementation of the DDV Gold Alternative Transaction. The significant accounting policies of DDV Gold are believed to conform in all material respects to those of Spur.

(4) Pro forma assumptions and adjustments

(a) Accounting for the DDV Gold Alternative Transaction

The acquisition of DDV Gold by Spur has been included in the DDV Gold Alternative Transaction Pro Forma Historical Financial Information using the asset acquisition method of accounting as if the DDV Gold Alternative Transaction had been implemented as described in section 7.5.

The measurement of the estimated consideration payable under the DDV Gold Alternative Transaction in the DDV Gold Alternative Transaction Pro Forma Historical Financial Information is based on a price per Spur Share of C\$0.32, being the closing price of Spur Shares on TSXV on 18 June 2014. Under IFRS, the actual measurement date of the consideration and allocation of the consideration to the identifiable assets and

liabilities will occur on the date the consideration is paid and the Merger is implemented. Consequently, the fair value of the consideration for accounting purposes will differ from the amount assumed in the DDV Gold Alternative Transaction Pro Forma Historical Financial Information as a result of future changes in the price of Spur Shares.

The preliminary estimated fair value of the assets and liabilities to be acquired outlined below have been determined by Spur and are based on the best information Spur management currently has available. The fair value estimates are preliminary and subject to change as more information is obtained.

The preliminary allocation of the estimated consideration to the assets and liabilities to be acquired is as follows:



	\$
Current assets	1,304,833
Property, plant and equipment	3,690,138
Exploration and evaluation assets – intangibles	15,067,989
Other long term assets	403,077
Current liabilities	(2,030,650)
	18,435,387

Consideration

Spur Series A Preferred Shares issued on acquisition	14,808,263
Spur Preferred Share Warrants on acquisition	1,929,668
Spur Options to be issued under	
Option Cancellation Deeds	76,650
Estimated transaction costs	1,620,806
	18,435,387

5 Information about the Merged Group and the Spur/DDV Gold Group

The DDV Gold Alternative Transaction Pro Forma Historical Financial Information assumes that the cost of the DDV Gold Alternative Transaction will include the fair value of the Spur Series A Preferred Shares and Spur Preferred Share Warrants to be issued under the DDV Gold Alternative Transaction and the Spur Options to be granted under the *Option Cancellation Deeds* referred to in section 7.8. The consideration of approximately C\$18.4 million includes transaction costs of C\$1.6 million. The estimated fair value of the Spur Series A Preferred Shares and Spur Preferred Share Warrants to be issued under the DDV Gold Alternative Transaction and the Spur Options to be granted under the *Option Cancellation Deeds* referred to in section 7.8 is based on:

DESCRIPTION	NUMBER OF ATLANTIC SECURITIES ISSUED	EXCHANGE RATIO	NUMBER OF SPUR SECURITIES TO BE ISSUED	ESTIMATED FAIR VALUE PER UNIT \$	ESTIMATED FAIR VALUE \$
Spur Series A Shares issued for Atlantic Fully Paid Shares	828,671,993	0.05564	46,107,310	0.32	14,754,339
Spur Series A Shares issued for Atlantic Partly Paid Shares	30,286,342	0.005564	168,513	0.32	53,924
New Spur Preferred Share Warrants issued for Atlantic Fully Paid Shares	828,671,993	0.02782	23,053,655	0.08339854	1,922,641
New Spur Preferred Share Warrants issued for Atlantic Partly Paid Shares	30,286,342	0.002782	84,257	0.08339854	7,027
Spur Options to be issued under <i>Option Cancellation Deeds</i> in place of Atlantic Options outstanding	17,500,000	0.05564	973,700	0.07872	76,650
					16,814,581

The Spur Preferred Share Warrants and Spur Options were valued as at 18 June 2014 using the Black-Scholes model based on the following assumptions:

	WARRANTS	STOCK OPTIONS
Risk-free interest rate	1.50%	1.50%
Expected life	4 years	3 years
Annualised volatility	55%	55%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

(b) Pro forma adjustments

The DDV Gold Alternative Transaction Pro Forma Historical Financial Information reflects the following assumptions and adjustments:

- (i) recording the acquisition of DDV Gold by Spur under the DDV Alternative Transaction at a total cost of approximately C\$18.4 million, inclusive of transaction costs. The C\$18.4 million has been allocated to the fair value of the assets and liabilities to be acquired on a preliminary basis as described in section 5.5(4)(a). The difference between the carrying value and fair value of the 'Exploration and evaluation assets – intangibles' has resulted in a reduction of the carrying value. Shareholders' equity balances of Atlantic and any inter-company balances are eliminated on consolidation;
- (ii) recording a settlement of the intercompany loan between DDV Gold and Atlantic as this will be assigned to Spur as at the DDV Gold Sale Closing Date; and

- (iii) the balance of C\$949,300 in the 'Loans and borrowings' line item in the DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Position is due to be repaid on 31 July 2014 by DDV Gold to Brianna (see section 3.8). As referred to in section 12.5, Spur has agreed to provide the Spur Loan Facility. A portion of the Spur Loan Facility equalling the amounts owed to Brianna must be used by DDV Gold for the purpose of repaying the amounts owed to Brianna. The remaining portion of the Spur Loan Facility is to be used for agreed expenditures of the Atlantic Group. An adjustment has been made in the DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Position to extinguish the amounts owed to Brianna on the assumption that DDV Gold will draw on the Spur Loan Facility before the DDV Gold Sale Closing Date. The Spur Loan Facility is eliminated upon consolidation in the DDV Gold Alternative Transaction Pro Forma Historical Financial Information. The financial expenses and cash flows within DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Performance and DDV Gold Alternative Transaction Pro Forma Historical Statement of Cash Flows have also been eliminated as this represented interest expense on the amounts owed to Brianna.

(5) DDV Gold Alternative Transaction Pro forma Historical Statement of Financial Position

DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Position (unaudited)
as at December 31 2013

Expressed in Canadian dollars

	DDV GOLD LTD DECEMBER 31 2013 (unaudited) \$	SPUR VENTURES INC. DECEMBER 31 2013 (unaudited) \$	PRO FORMA ADJUSTMENTS \$	NOTES	PRO FORMA MERGED GROUP DECEMBER 31 2013 \$
ASSETS					
Current assets					
Cash and cash equivalents	172,003	28,922,649	(1,620,806) (949,300)	i iii	26,524,546
Trade and other receivables	264,166	113,545	—		377,711
Prepaid expenses	17,964	43,633	—		61,597
Due from related parties	—	63,046	—		63,046
Total current assets	454,133	29,142,873	(2,570,106)		27,026,900
Non-current assets					
Receivables	155,000	—	—		155,000
Other financial assets	248,077	—	—		248,077
Property, plant and equipment	3,690,138	14,757	—		3,704,895
Exploration and evaluation assets – intangibles	22,158,805	—	(7,090,816)	i	15,067,989
Total assets	26,706,153	29,157,630	(9,660,922)		46,202,861
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	230,650	61,545	—		292,195
Due to related parties	—	10,235	—		10,235
Loans and borrowings	30,314,277	—	(29,364,977)	i,ii	—
Loans and borrowings			(949,300)	iii	
Total liabilities	30,544,927	71,780	(30,314,277)		302,430
SHAREHOLDERS' EQUITY					
Share capital	100	53,258,507	14,808,263 (100)	i i	68,066,770
Reserves	—	10,227,578	2,006,318 —	i i	12,233,896
Deficit	(3,838,874)	(34,400,235)	3,838,874	i	(34,400,235)
Total shareholders' equity	(3,838,774)	29,085,850	20,653,355		45,900,431
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	26,706,153	29,157,630	(9,660,922)		46,202,861

5 Information about the Merged Group and the Spur/DDV Gold Group

(6) DDV Gold Alternative Transaction Pro forma Historical Statement of Financial Performance

DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Performance (unaudited) as at December 31 2013

Expressed in Canadian dollars

	DDV GOLD LTD DECEMBER 31 2013 (unaudited) \$	SPUR VENTURES INC. DECEMBER 31 2013 (unaudited) \$	PRO FORMA ADJUSTMENTS \$	NOTES	PRO FORMA MERGED GROUP DECEMBER 31 2013 \$
Expenses					
Amortisation	6,851	9,671	—		16,522
Corporate development and investor relations	21,157	527,098	—		548,255
Director fees	—	80,166	—		80,166
Foreign exchange gain	(84,800)	—	—		(84,800)
Impairment of exploration assets	999,656	—	—		999,656
Management fees, salaries and benefits	20,285	555,016	—		575,301
Office and general	24,222	67,825	—		92,047
Professional fees	62,256	98,750	—		161,006
Rent	—	97,490	—		97,490
Share-based payments	—	183,737	—		183,737
Transfer agent, regulatory and filing fees	—	34,562	—		34,562
Travel, meals and entertainment	—	9,302	—		9,302
Net loss from operations	1,049,627	1,663,617	—		2,713,244
Other income					
Financial expense	151,517	—	(151,517)	iii	—
Interest and other income	(7,148)	(431,812)	—		(438,960)
Net loss and comprehensive loss for the year	(1,193,996)	(1,231,805)	151,517		(2,274,284)
Weighted average number of shares used for the calculation of loss per share – basic	100	60,407,187	(100) 46,275,823	i i	106,683,010
Loss per share – basic	(11,939.96)	(0.02)			(0.02)
Weighted average number of shares used for the calculation of loss per share – diluted	100	60,707,187	(100) 46,275,823	i i	106,983,010
Loss per share – diluted	(11,939.96)	(0.02)			(0.02)

(7) DDV Gold Alternative Transaction Pro Forma Historical Statement of Cash Flows

DDV Gold Alternative Transaction Pro Forma Historical Statement of Cash Flows (unaudited) as at December 31 2013

Expressed in Canadian dollars

	DDV GOLD LTD DECEMBER 31 2013 (unaudited) \$	SPUR VENTURES INC. DECEMBER 31 2013 (unaudited) \$	PRO FORMA ADJUSTMENTS \$	NOTES	PRO FORMA MERGED GROUP DECEMBER 31 2013 \$
Cash used in operating activities					
Net loss for the year	(1,193,996)	(1,231,805)	151,517	iii	(2,274,284)
Adjustments for:					
Amortisation	6,851	9,671	—		16,522
Share-based payments	—	183,737	—		183,737
Provisions	900	—	—		900
Unrealised foreign exchange loss/(gain)	(84,800)	—	—		(84,800)
Impairment of exploration assets	999,656	—	—		999,656
Interest income	—	(431,812)	—		(431,812)
Net change in non-cash working capital balances:					
Receivables	(4,796)	(8,890)	—		(13,686)
Due from related parties	—	(12,389)	—		(12,389)
Prepaid expenses	6,372	(2,948)	—		3,424
Accounts payable and accrued liabilities	1,128	(19,752)	—		(18,624)
Due to related parties	—	(6,412)	—		(6,412)
Net cash used in operating activities	(268,685)	(1,520,600)	151,517		(1,637,768)
Investing activities					
Purchase of property, plant and equipment	(24,689)	—	—		(24,689)
Refund of land deposit	500,000	—	—		500,000
Payments for exploration, evaluation and development assets	(2,045,295)	—	—		(2,045,295)
Payments for investments	(248,077)	—	—		(248,077)
Intercompany loan proceeds	2,190,941	—	(2,190,941)	ii	—
Interest received	—	348,483	—		348,483
Net cash generated from investing activities	372,880	348,483	(2,190,941)		(1,469,578)
Change in cash and cash equivalents during the year	104,195	(1,172,117)	(2,039,424)		(3,107,346)
Cash and cash equivalents, beginning of year	67,808	30,094,766	—		30,162,574
Cash and cash equivalents, end of year	172,003	28,922,649	(2,039,424)		27,055,228

5.6 Estimated cash balance of the Merged Group

(1) Scheme

The estimated cash balance of the Merged Group as at the proposed Implementation Date of 21 August 2014 is approximately C\$24.9 million³.

Since 31 December 2013, Spur and Atlantic have incurred operating expenditures in the ordinary course of business which have not been reflected as adjustments in the Merged Group Pro Forma Historical Financial Information. In addition, as referred to in section 5.3, following implementation of the Scheme, the outcome of the Review may result in a significant variance in cash flows compared to cash flows presented on the Merged Group Pro Forma Historical Statement of Cash Flows.

³ This assumes that Spur's cash balance will be approximately C\$24.8 million (being the anticipated Spur Net Cash balance at the proposed Implementation Date of 21 August 2014 of approximately C\$26.6 million, less the maximum amount of C\$1.8 million that may be loaned by Spur to DDV Gold under the Spur Loan Agreement) and that Atlantic's cash balance (excluding any amounts borrowed under the Spur Loan Agreement) will be approximately C\$100,000.

5 Information about the Merged Group and the Spur/DDV Gold Group

(2) DDV Gold Alternative Transaction

The estimated cash balance of the Spur/DDV Gold Group as at the DDV Gold Sale Closing Date (assuming that date is also 21 August 2014) is C\$24.8 million⁴.

Since 31 December 2013, Spur and DDV Gold have incurred operating expenditures in the ordinary course of business which have not been reflected as adjustments in the DDV Gold Alternative Transaction Pro Forma Historical Financial Information. Following implementation of the DDV Gold Alternative Transaction (if applicable), any review by Spur of DDV Gold may result in a significant variance in cash flows compared to cash flows presented on the DDV Gold Alternative Transaction Pro Forma Historical Statement of Cash Flows

5.7 Resources and reserves

As described above in section 4.7, no resources and reserves information is available in respect of Spur because Spur does not currently own or have an interest in any operational projects or mines. As a result the resources and reserves information in respect of the Merged Group will be the same as the resources and reserves information in respect of Atlantic (see section 3).

5.8 Financial forecasts

Spur has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Spur directors have concluded that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of the Merged Group in any period will be influenced by various factors that are outside the control of the directors and that cannot, at this time, be predicted with a high level of confidence.

In particular, the financial performance of the Merged Group will be materially affected by:

- drilling results;
- geological surveys;
- successful project development;
- project and other financing cost and availability;

- tax regime changes;
- environmental regime changes;
- gold prices;
- grades of ore;
- recovery rates at processing plants;
- exchange rates;
- weather conditions;
- political stability; and
- labour stability.

Spur does not have an established practice of issuing financial forecasts given the potential impact of the considerations shown above.

5.9 Post-implementation capital structure of the Merged Group

Spur will, following the implementation of the Scheme, be the ultimate holding company of the Merged Group. Spur's capital structure will remain unchanged as a result of the Scheme, other than for the issue of New Spur Common Shares and New Spur Share Purchase Warrants (either in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants) to Scheme Shareholders in accordance with the Scheme and the Spur Deed Poll and the issue of Spur Options to holders of Atlantic Options (see section 7.8). Accordingly, assuming that none of the existing Spur Options are exercised or lapse, and that none of the Atlantic Options are exercised, immediately upon implementation of the Scheme, Spur's capital structure is expected to comprise:

- 106,683,010 Spur Shares (46,275,823 of which will be held by Scheme Shareholders (in the form of Spur Common Share CDIs or New Spur Common Shares), ignoring the effect of any sale by the Sale Agent⁵ – see section 8.4 for further details);
- 7,673,700 Spur Options⁶; and
- 23,137,911 Spur Warrants (all of which will be held by Scheme Shareholders (in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants), ignoring the effect of any sale by the Sale Agent – see section 8.4 for further details).

⁴ This assumes that Spur's cash balance will be approximately C\$24.8 million (being the anticipated Spur Net Cash balance at the proposed Implementation Date of 20 August 2014 of approximately C\$26.6 million, less the maximum amount of C\$1.8 million that may be loaned by Spur to DDV Gold under the Spur Loan Agreement) and that DDV Gold's cash balance (excluding any amounts borrowed under the Spur Loan Agreement) will be negligible.

⁵ Ineligible Foreign Shareholders will have the New Spur Common Shares they would otherwise be entitled to receive under the Scheme issued to the Sale Agent for sale.

⁶ This includes the 973,700 Spur Options to be issued to the 3 holders of Atlantic Options (see section 7.8).

6 Potential risk factors

6.1 Introduction

If the Scheme is implemented, Scheme Shareholders (other than Ineligible Foreign Shareholders) will be entitled to receive Scheme Consideration (either in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants).

The value of Spur Shares, Spur Warrants, Spur Common Share CDIs and Spur Share Purchase Warrant CDIs will be influenced by a range of factors, many of which will be beyond the control of the Merged Group.

These risk factors are divided into risks associated with:

- (1) financial matters;
- (2) business and operations;
- (3) acquisitions;
- (4) Spur Shares, Spur Warrants, Spur Common Share CDIs and Spur Share Purchase Warrant CDIs; and
- (5) the Merged Group.

Some of these risks are either related to mining companies generally or already relate to the Atlantic business which will form part of the Merged Group and are therefore risks to which Atlantic Shareholders already have some exposure. However, a number of them will be new or potentially greater in impact than is currently the case in relation to Atlantic.

These risk factors do not take into account the investment objectives, financial situation, position or particular needs of Atlantic Shareholders.

6.2 Risks related to financial matters

(1) Commodity price volatility

Factors beyond the control of Spur may affect the marketability and price of any mineral properties acquired, if any. Resource prices have fluctuated significantly in recent years and are

affected by numerous factors beyond the control of Spur, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted and may have a negative effect on Spur's future profitability and cash flow.

(2) Hedging risk

As at the date of this Scheme Booklet, Spur does not currently own or have an interest in any operational projects or mines and has no gold hedges in place, but may engage in hedging activities in the future. If Spur engages in gold hedging activities, it may minimise the effect of a decline in the gold price on the results of its operations, but it may also limit the price that can be realised on any gold. Hedging activities are intended to protect a company from fluctuations in the price of gold and to minimise the effect of declines in the gold price on results of operations for a period of time. Although hedging activities may protect a company against a low gold price, they may also limit the price that can be realised on gold that is subject to forward sales and call options where the market price of gold exceeds the gold price in a forward sale or call option contract.

(3) Financing Risks

As Spur will have limited interest income from its cash and cash equivalent balance, its ability to continue exploration, development, acquisition and divestiture efforts will be largely reliant on its continued attractiveness to equity investors. Spur will incur operating losses as it continues to expend funds to explore and develop future business. There is no guarantee that

6 Potential risk factors

Spur will be able to develop a profitable business that it may acquire as general economic conditions, mineral prices and other factors affect Spur's operations and future performance. Many of these factors are beyond Spur's control.

Spur cannot assure investors that it will be able to raise the required debt and equity financing required to undertake development and construction of the Merged Group's assets, nor that it will be able to generate sufficient cash flow to pay the interest on any debt or that future working capital, borrowings or equity financing will be available to pay or refinance such debt. Additionally, should Spur require additional capital to continue exploration, development, acquisition and divestiture, failure to raise such capital could result in going out of business. From time to time, Spur may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt. There is no assurance that Spur will be successful in obtaining the required financing on terms acceptable to it, if at all. Additionally, if Spur obtains financing, such financing may temporarily increase Spur's debt levels above industry standards.

(4) Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. Spur is exposed to credit risk on its cash and cash equivalents and receivables. Spur has concentration of risk with respect to cash being held with two large Canadian financial institutions. The non-performance by these counterparties of their contractual financial obligations to Spur could have a material adverse effect on Spur's financial position. Spur's credit risk is mitigated by maintaining its financial liquid assets with highly reputable counterparties.

(5) Liquidity Risk

Spur's cash and cash equivalents are invested in business accounts and term deposits which are available on demand. If Spur cannot access its cash and cash equivalents on a timely basis, it may be unable to meet its obligations as they fall due, which could have a negative effect on Spur's financial position. Spur currently manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and Spur's cash needs over the short term.

(6) Market Risk

The value of Spur's financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. Spur is exposed to market risk in its cash and cash equivalents. If Spur is unable to manage its exposure to market risk, the value of its cash and cash equivalents may fall which could have a negative effect on Spur's financial condition. Spur currently does not hedge against market risk, including foreign exchange rate and interest rate risk, although it may do so from time to time in the future. Spur currently manages market

risk by investing funds with reputable financial institutions that provide competitive rates of return.

(7) Changes in practices, law and regulation

Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect Spur's financial performance.

In addition, Spur's financial performance could be negatively impacted by changes in, or changes in the interpretation or application (by the courts, Governmental Agencies or otherwise) of, tax or other laws or regulations in Canada, Australia or elsewhere.

Government regulation of mineral exploration and extraction is evolving. Unfavourable changes to, or Spur's failure to comply with, laws or regulations could harm Spur's financial performance.

6.3 Risks related to Spur's business and operations

(1) Risks related to laws and regulatory requirements risks

The minerals industry operates under legislation and regulation governing such matters as land tenure, prices, royalties, environments and employee health and safety. The industry is also subject to regulation by Governmental Agencies in such matters as the awarding or acquisition of exploration and production rights or other interests, the imposition of specific exploration obligations, environmental protection controls, control over the development and abandonment of properties (including restrictions on production) and possibly expropriation or cancellation of contract rights. Government regulations may be changed from time to time in response to economic or political conditions. The exercise of discretion by Governmental Agencies under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the mining industry could increase Spur's costs and have a material adverse impact on Spur.

Before proceeding with a project, the participants in the project must obtain all required regulatory approvals. The regulatory approval process can involve, among other things, stakeholder consultation, environmental impact assessments and public hearings. Regulatory approvals may also be subject to conditions including security deposit obligations and other commitments. There can be no assurance that Spur will be at all times be in complete compliance with such requirements or that its compliance will not be challenged. Failure to comply with or obtain regulatory approvals, could result in delays and abandonment or restructuring of potential projects undertaken by Spur and increased costs, all of which could have a material adverse effect on Spur.

(2) Exploration risk

While Spur is focused on investing in gold projects that are close to development and cash flow, it may be exposed to exploration risk in the future. Gold exploration is highly speculative in nature, involves many risks and frequently is not productive. There can be no assurance that Spur's gold exploration efforts will be successful. Success in increasing mineral reserves is a result of a number of factors, including the quality of Spur's management and its level of geological and technical expertise, the quality of land available for exploration and other factors. Once gold mineralisation is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that exploration programs undertaken by Spur will result in the expansion of any future mineral reserves.

(3) Environmental hazards and risks

Environmental hazards may exist on or adjacent to Spur's past or future projects. Spur may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial clean-up action or to pay for governmental remedial clean-up actions, even in cases where such hazards have been caused by previous or existing owners or operators of project land, or by past or present owners of adjacent properties or natural conditions. The costs of such clean-up actions may have a material adverse impact on Spur's operations and profitability.

(4) Insurance risk

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks because of, for example, exclusions and limitations on coverage. Additionally, coverage may not be available or Spur may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of Spur.

Spur will not be insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Spur will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if Spur becomes subject to

environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds Spur has to pay such liabilities and result in bankruptcy. Should Spur be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

(5) Competition risk

Spur operates in a competitive industry and competes with other more well-established companies which have greater financial resources than it does. Spur faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Spur. As a result of this competition, Spur may be unable to maintain or acquire attractive mining properties on terms that it considers acceptable, or at all. Consequently, Spur's revenues, operations and financial condition could be materially adversely affected.

(6) Key personnel risk

Spur is dependent upon the services of key executives, including the directors of Spur and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of Spur, the loss of these persons or the inability of Spur to attract and retain additional highly-skilled employees may adversely affect its business and future operations. In such event, Spur will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

(7) Litigation risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs associated with litigation can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process and dealings with the regulatory bodies, there can be no assurance that the resolution of any particular legal or regulatory proceeding will not have a material adverse effect on Spur's future cash flow, results of operations or financial condition.

(8) Risks related to community action

All industries, including the mining industry, are subject to community actions. In recent years, communities and non-governmental organisations have become more vocal and active with respect to mining activities at or near their communities. These parties may take actions such as road blockades, applications for injunctions seeking work stoppage and lawsuits for damages. These actions can relate not only to current activities, but also in respect of decades-old mining activities by prior owners of subject mining properties or mining activities completed by Spur in the past.

6 Potential risk factors

(9) Risks relating to the global economy

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede Spur's access to capital or increase the cost of capital. In recent years, the global credit markets experienced serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market and a decline in the credit quality of mortgage backed securities. These problems caused a loss of confidence in the broader global credit and financial markets and resulted in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to deteriorate and stock markets to decline.

These unprecedented disruptions in the recent credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for Spur to obtain, or increase the cost of obtaining, capital and financing for its operations. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on Spur's business, financial condition and results of operations.

As a result of recent global financial conditions, numerous financial institutions have gone into bankruptcy or have been rescued by government authorities. As such, Spur is subject to the risk of loss of its deposits with financial institutions that hold Spur's cash. This is particularly relevant to Spur as its only material asset at the date of this Scheme Booklet is its cash balance, currently held in cash deposits and short term guaranteed investment certificates with Canadian financial institutions.

(10) Potential conflicts of interest

The majority of the directors and officers of Spur devote only a portion of their time to the business and affairs of Spur and some of the individuals who are directors or officers of Spur are also directors, officers and/or promoters of other reporting and non-reporting issuers, including those engaged in mineral exploration and development.

As of the date of this Scheme Booklet and to the knowledge of the directors and officers of Spur, there are no existing conflicts of interest between Spur and any of its directors or officers. Situations may arise where the directors and/or officers of Spur may be in competition with Spur. Any conflicts of interest will be subject to and governed by the law applicable to directors' and

officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of Spur's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of Spur are required to act honestly, in good faith and in the best interests of Spur.

(11) Risk Management

Mineral exploration and development companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, Spur will strive to manage to mitigate such risks to the extent possible and practical. If Spur is unable to effectively manage risk, this may have a material adverse on Spur.

6.4 Risks related to acquisitions

(1) Risks inherent in acquisitions could adversely affect Spur's growth and financial conditions

Spur may actively pursue the acquisition of exploration, development or production assets as well as to acquire securities or other interests in other companies consistent with its investment and growth strategy. Such acquisitions involve inherent risks including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities, and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of its key employees or the key employees of any company or the business it acquires;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of any acquired properties, business, assets or securities.

Any one or more of these factors could cause Spur to not realise the anticipated benefits of the relevant acquisition and could have a material adverse on its ability to grow and on its financial conditions.

In addition, Spur may be required to use available cash, incur debt, issue securities, or a combination of these in order to complete an acquisition. This could affect Spur's future flexibility and ability to raise capital, operate or develop its business and could dilute its existing shareholders' holdings as well as decrease the trading price of its common shares. There is no assurance that when evaluating a possible acquisition, Spur will correctly identify and manage the risks and costs inherent in the business or asset to be acquired.

(2) **There may be no right for shareholders to evaluate the merits or risks of any future acquisition undertaken by Spur**

There may be no right for Spur's shareholders to evaluate the merits or risks of any future acquisition undertaken by Spur except as required by applicable laws and stock exchange rules.

6.5 Risks related to Spur Shares, Spur Warrants, Spur Common Share CDIs and Spur Share Purchase Warrant CDIs

(1) **Dilution**

Spur may require additional funds to fund potential acquisitions of, partnerships with or investments in advanced development or operating mineral assets. If Spur raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of Spur shareholders and warrant holders.

Furthermore, future Spur agreements may provide for additional issuances of Spur Shares that may result in dilution to Spur shareholders and Spur warrant holders.

In addition, the issuance of Spur Shares as a result of the exercise of Spur Options may result in dilution to Spur shareholders.

Issuances of substantial amounts of Spur securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for Spur's securities. A decline in the market prices of Spur's securities could impair Spur's ability to raise additional capital through the sale of securities should it desire to do so.

(2) **Spur securities may experience price and volume fluctuations**

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

There can be no assurance that such fluctuations will not affect the price of Spur's securities. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm Spur's profitability and reputation.

(3) **Spur Common Share CDIs and Spur Share Purchase Warrant CDIs may trade at a discount**

The number of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs quoted on ASX will be less than the number of Spur Shares and Spur Warrants listed on TSXV. It is

therefore likely that the market for Spur Common Share CDIs and Spur Share Purchase Warrant CDIs will be less liquid than the market for Spur Shares and Spur Warrants on TSXV. This may have the effect of reducing the volume of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs that can be bought and sold on ASX and the speed with which they can be bought and sold. This reduced liquidity may also result in Spur Common Share CDIs and Spur Share Purchase Warrant CDIs trading at a discount to Spur Shares and Spur Warrants on TSXV. However, as mentioned in section 8.3, a holder of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs can convert their Spur Common Share CDIs and Spur Share Purchase Warrant CDIs into Spur Shares and Spur Warrants tradeable on TSXV, should the holder wish to access the market in Spur Shares and Spur Warrants on TSXV.

(4) **Spur does not expect to pay dividends on Spur Shares in the near future**

Spur has never paid cash dividends on Spur Shares. Spur currently intends to retain its future earnings, if any, to fund the development and growth of its business, and does not anticipate paying any cash dividends on Spur Shares in the near future. As a result, Spur shareholders will have to rely on capital appreciation, if any, to earn a return on investment in Spur Shares in the near future. Furthermore, Spur may in the future become subject to contractual restrictions on, or prohibitions against, the payment of dividends.

(5) **Spur follows corporate governance requirements of Canadian corporate and securities law**

Non-Canadian residents who are issued New Spur Common Shares, New Spur Share Purchase Warrants, Spur Common Share CDIs or Spur Share Purchase Warrant CDIs under the Scheme should be aware that Spur follows the corporate governance requirements of applicable Canadian corporate and securities laws, which may differ from corporate governance requirements under laws applicable in their place of residence.

6.6 Risks relating to the Merged Group

(1) **Issue of New Spur Common Shares, New Spur Share Purchase Warrants and Spur Common Share CDIs and Spur Share Purchase Warrant CDIs as consideration**

The Scheme Consideration that is proposed to be issued to Scheme Shareholders consists of a specified number of New Spur Common Shares and New Spur Share Purchase Warrants (either in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants), rather than a number of New Spur Common Shares and New Spur Share Purchase Warrants (either in the form of Spur Common Share CDIs and Spur Share

6 Potential risk factors

Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants) with a specified market value. As a result, the value of Scheme Consideration will fluctuate depending upon the market value of New Spur Common Shares, New Spur Share Purchase Warrants, Spur Common Share CDIs and Spur Share Purchase Warrant CDIs.

Under the Scheme, Spur will issue a significant number of New Spur Common Shares and New Spur Share Purchase Warrants. Some Atlantic Shareholders may not intend to continue to hold their New Spur Common Shares, New Spur Share Purchase Warrants, Spur Common Share CDIs or Spur Share Purchase Warrant CDIs and may wish to sell them. There is a risk that if a significant number of Atlantic Shareholders seek to sell their New Spur Common Shares, New Spur Share Purchase Warrants, Spur Common Share CDIs or Spur Share Purchase Warrant CDIs, this may adversely impact the price of New Spur Common Shares, New Spur Share Purchase Warrants, Spur Common Share CDIs or Spur Share Purchase Warrant CDIs.

(2) Integration risks

There are risks that any integration between the businesses of Spur and Atlantic may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups and the potential loss of key personnel.

6.7 Risk factors relating to the operations of the Merged Group

(1) Mineral resource and mineral reserve estimates of the Merged Group

The Ore Reserve and Mineral Resource figures included in this Scheme Booklet for Atlantic's Touquoy and Cochrane Hill gold projects are estimates only, and there is no certainty that the indicated levels of gold production relating the projects (or any future projects) will be realised by the Merged Group.

Ore Reserve estimates have been compiled in accordance with JORC standards and may require revision to comply with NI43-101 standards and as well to accommodate various factors such as actual production experience, market price fluctuations of gold, results of drilling, metallurgical testing, production costs or recovery rates. For example, estimated mineral resources and mineral reserves may have to be recalculated based on actual production or exploration results. Market price fluctuations of gold, as well as increased production costs or alteration in recovery rate, may render the proven and probable mineral reserves unprofitable to develop at a particular property or for a specific mine. If there is a material reduction in the estimates of the Merged Group's mineral reserves or the Merged Group is unable to extract the relevant mineral reserves, this could have a

material adverse effect on the Merged Group's future cash flow, results of operations and financial condition.

There are numerous uncertainties inherent in estimating proven and probable mineral reserves and measured, indicated and inferred mineral resources, including many factors beyond the Merged Group's control. The estimation of mineral resources and mineral reserves is a subjective process, and the accuracy of any such estimates is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable. There can be no assurance that these estimates will be accurate, that mineral reserve and mineral resource figures will be accurate, or that mineral resources or mineral reserves can be mined or processed profitably. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Furthermore, it cannot be assumed that all or any part of the measured mineral resources, indicated mineral resources, or inferred mineral resource will ever be upgraded to a higher category.

(2) Resource exploration and development is a high risk, speculative business

Exploration for and development of mineral resource is a speculative business, characterised by a high number of failures. Substantial expenditures are required to discover new deposits and to develop the infrastructure, mining and processing facilities at any site chosen for mining. Most exploration projects do not result in the discovery of commercially viable deposits and no assurance can be given that any particular level of recovery or mineral reserves will in fact be realised by the Merged Group or that any mineral deposit identified by the Merged Group will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited.

(3) Fluctuations in the price and availability of energy and other commodities

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation and/or development of future projects, including the Touquoy Gold Project and Cochrane Hill Gold Project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation and/or development of these projects will be commenced or completed on a timely basis, if at all, or the resulting operations will achieve the anticipated production volume, or the construction costs and ongoing operating costs associated with the exploitation and/or development of these projects (and other projects, if any) will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage or other interference in

the maintenance or provision of such infrastructure could adversely affect the Merged Group's operations and profitability.

The profitability of the Merged Group's business may be affected by the market prices and availability of commodities which are consumed or otherwise used in connection with its operations and development projects, such as diesel fuel, electricity, steel, concrete and cyanide. Prices of such commodities also can be subject to volatile price movements, which can be material and can occur over short periods of time, and are affected by factors that are beyond the Merged Group's control. Operations consume significant amounts of energy, and are dependent on suppliers to meet these energy needs. In some cases, no alternative source of energy is available. An increase in the cost, or decrease in the availability, of construction materials such as steel and concrete may affect the timing and cost of its development projects. If the costs of certain commodities consumed or otherwise used in connection with the Merged Group's operations and development projects were to increase significantly, and remain at such levels for a substantial period of time, the Merged Group may determine that it is not economically feasible to continue the development of its projects, which could have a material adverse effect on the Merged Group's profitability.

The Merged Group's ability to acquire critical resources such as input commodities, drilling equipment, tires and skilled labour, due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times of its future projects, potentially impacting operating costs, capital expenditures and production schedules.

(4) Metal prices have fluctuated widely in the past and are expected to continue to do so in the future, which may adversely affect the amount of revenues derived from production of mineral reserves

The commercial feasibility of the Merged Group's ability to arrange funding to conduct its planned exploration projects is dependent on, among other things, the price of gold and other potential by-products. Depending on the price to be received for any minerals produced, the Merged Group may determine that it is impractical to commence or continue commercial production. A reduction in the price of gold or other potential by-products may prevent the Atlantic's projects from being economically mined or result in the write-off of assets whose value is impaired as a result of low precious metals prices.

Future revenues, if any, are expected to be in large part derived from the future mining and sale of gold and other potential by-products or interests related thereto. The prices of these commodities fluctuate and are affected by numerous factors beyond the Merged Group's control, including, among others:

- international economic and political conditions;
- expectations of inflation or deflation;

- international currency exchange rates;
- interest rates;
- global or regional consumptive patterns;
- speculative activities;
- levels of supply and demand;
- increased production due to new mine developments;
- decreased production due to mine closures;
- improved mining and production methods;
- availability and costs of metal substitutes;
- metal stock levels maintained by producers and others; and
- inventory carrying costs.

The effect of these factors on the price of gold and other potential by-products cannot be accurately predicted. If the price of gold and other potential by-products decreases, the value of Merged Group's assets would be materially and adversely affected, thereby materially and adversely impacting the value and price of the Merged Group's common shares.

(5) The Merged Group may face adverse import and export regulations

The Merged Group's Touquoy Gold Project and Cochrane Hill Gold Project are located in Canada. The Merged Group may face import and export regulations, including restrictions on the export of gold, disadvantages of competing against companies from countries that are not subject to Canadian, United States and Australian laws, including the laws relating to foreign corrupt practices, restrictions on the ability to pay dividends offshore, and risk of loss due to disease and other potential endemic health issues. This may make Spur less competitive and have a negative effect on its financial position.

(6) Exploration and mining permits and licences

All mineral resources in Canada, where the Touquoy Gold Project and Cochrane Hill Gold Project are owned by the Canadian federal or provincial governments (subject to aboriginal title in certain instances), and mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licences in accordance with the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licences will be issued to the Merged Group or, if they are issued, that they will be renewed, or that the Merged Group will be in a position to comply with all conditions that are imposed.

Additionally, nearly all mineral exploration and mining projects require approvals from Governmental Agencies. There can be no certainty that these approvals will be granted to the Merged Group in a timely manner, or at all.

(7) Entering into Mutual Benefit Agreements with the Mi'kmaq

On 24 May 2014, Atlantic announced that DDV Gold and the Assembly of Nova Scotia Mi'kmaq Chiefs had concluded a

6 Potential risk factors

non-binding memorandum of understanding (MOU) which established the framework for discussion and development of a Mutual Benefits Agreement which would cover the Touquoy Gold Project as well as other projects developed by DDV Gold. The MOU indicates that the parties have made a good faith commitment to negotiate and enter into a Mutual Benefits Agreement to facilitate meaningful Nova Scotia Mi'kmaq participation in this development. There can be no certainty as to the timing of entering into a Mutual Benefits Agreement in respect of the Touquoy Gold Project or any other projects held by DDV Gold and any delays could have an impact on the overall development timeline in relation to the respective projects.

(8) Development project risks

Mine development projects, including the potential development of Atlantic's Touquoy Gold Project and Cochrane Hill Gold Project, typically require a number of years and significant expenditures during the development phase before production is possible.

Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and receipt of adequate financing. The economic feasibility of development projects is based on many factors, such as:

- estimation of mineral reserves;
- anticipated metallurgical recoveries;
- environmental considerations and permitting;
- availability of project financing, including debt and equity to support development and construction;
- future gold prices; and
- anticipated capital and operating costs of such projects.

Particularly for development projects, estimates of proven and probable mineral reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of gold from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project:

- unanticipated changes in grade and tonnage of ore to be mined and processed;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- costs of constructing and operating a mine in a specific environment;

- availability of labour;
- availability and costs of processing and refining facilities;
- availability of economic sources of power;
- adequacy of water supply;
- availability of surface tenure on which to locate processing and refining facilities;
- adequate access to the site, including competing land uses (such as agriculture and illegal mining);
- unanticipated transportation costs;
- government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands);
- fluctuations in gold prices; and
- accidents, labour actions and force majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production.

(9) Risks and hazards that may materially affect the Merged Group's operations

The Merged Group's development operations may be subject to a number of risks and hazards including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mining equipment;
- labour disputes;
- supply problems and delays;
- changes in the regulatory environment;
- encountering unusual or unexpected geologic formations or other geological or grade problems;
- unanticipated changes in metallurgical characteristics and gold recovery;
- encountering unanticipated ground or water conditions;
- cave-ins, pit wall failures, flooding, rock bursts and fire;
- periodic interruptions due to inclement or hazardous weather conditions; and
- other acts of God or unfavourable operating conditions and bullion losses.

Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on the Merged Group's future cash flow, results of operations and financial condition.

From time to time the Merged Group may be required to engage the services of contractors and subcontractors in connection with its production activities. There is a risk that if

any such contractors or subcontractors become insolvent, this could adversely affect the Merged Group's production activities.

(10) The Merged Group may not realise the benefits currently anticipated due to challenges associated with integrating the operations, technologies and personnel of Spur and Atlantic

The success of the Merged Group will depend in large part on the success of management of the Merged Group in integrating the operations, technologies and personnel of Spur and Atlantic after the Implementation Date. The failure of the Merged Group to achieve such integration could result in the failure of the Merged Group to realise any of the anticipated benefits of the Scheme and could impair the results of operations, profitability and financial results of the Merged Group.

In addition, the overall integration of the operations, technologies and personnel of Spur and Atlantic into the Merged Group may result in unanticipated operational problems, expenses, liabilities and diversion of management's attention.

(11) The Merged Group may not realise the benefits of its growth projects

As part of its strategy, the Merged Group will focus on the advancement of the Atlantic's Touquoy Gold Project and Cochrane Hill Gold Project located in the Meguma Terrane of Nova Scotia. There are a number of risks and uncertainties that are associated with the development of these types of projects as described above. The failure to develop one or more of these initiatives successfully could have an adverse effect on the Merged Group's financial position and results of operations.

(12) The Merged Group may not meet key production and cost estimates

A decrease in the amount of, or a change in the timing of the production outlook for, or in the prices realised for, gold of the Merged Group will directly affect the amount and timing of the Merged Group's cash flow from operations. The actual effect of such a decrease on the Merged Group's cash flow from operations would depend on the timing of any changes in production and on actual prices and costs. Any change in the timing of these projected cash flows that would occur due to production shortfalls or other factors described above would, in turn, result in delays in receipt of such cash flows and in using such cash to fund capital expenditures, including capital for the Merged Group's development projects, in the future. Any such financing requirements could adversely affect the Merged Group's ability to access capital markets in the future to meet any external financing requirements or increase its debt financing costs.

The level of production and capital and operating cost estimates relating to development projects, which are used in establishing mineral reserve estimates for determining and obtaining financing and other purposes, are based on certain

assumptions and are inherently subject to significant uncertainty as described above. It is very likely that actual results for the Merged Group's projects will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions which could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, the Merged Group's business, results of operations, financial condition and liquidity could be materially adversely affected.

(13) The Merged Group will be subject to significant capital requirements associated with its expanded operations and its expanded portfolio of development projects

The Merged Group must generate sufficient internal cash flow or be able to utilise available financing sources to finance its growth and sustain capital requirements. If the Merged Group does not realise satisfactory prices for gold that it may potentially produce, it could be required to raise significant additional capital through equity financings in the capital markets or to incur significant borrowings through debt financings to meet its capital requirements. If these financings are required, the Merged Group's cost of raising capital in the future may be adversely affected. In addition, if the Merged Group is required to make significant interest and principal payments resulting from a debt financing, the Merged Group's financial condition and ability to raise additional funds may be adversely impacted. Any significant delay in completing its development projects or in achieving commercial production from them on a consistent basis, or the incurring of capital costs that are significantly higher than estimated, could have a significant adverse effect on the Merged Group's results of operations, cash flow from operations and financial condition.

Increases in the prices of labour and materials, to some extent caused by an increase in commodity prices, including the prices of the metals being mined by the industry have led to significantly increased capital and operating costs for mining projects. Increasing costs are a factor to be considered in the economic model for any mining project. Significant operating cost increases as experienced by the industry in recent years prior to the recent financial crisis had the effect of reducing profit margins for some mining projects. Such increases in both operating and capital costs need to be considered in economic assessments of the Touquoy Gold Project and the Cochrane Hill Project and proposed future mining projects and may increase the financing requirements for such projects or render such projects uneconomic.

6 Potential risk factors

(14) The Merged Group will be subject to a broad range of laws and regulations in the jurisdictions in which it operates

As noted above, Spur is subject to a broad range of laws and regulations and these laws and regulations will continue to apply to the Merged Group after the Implementation Date. The costs of complying with these laws and regulations may be significant. In addition, these standards can create the risk of substantial liabilities, including liabilities associated with divested assets and past activities, and cannot be predicted with certainty.

6.8 Risks relating to the DDV Gold Alternative Transaction

The potential risk factors discussed in sections 6.2, 6.3, 6.4, 6.5(1), 6.5(2), 6.5(4), 6.5(5), 6.6, 6.7 and 6.9 also apply to the DDV Gold Alternative Transaction and the Spur/DDV Gold Group.

There is also a risk that Atlantic cannot obtain the requisite Regulatory Approvals to distribute the DDV Gold Sale Consideration to Atlantic Shareholders.

If the DDV Gold Alternative Transaction proceeds to closing, there is a risk that ASX may:

- (1) form the view that Atlantic's level of operations is insufficient to warrant the continued quotation of Atlantic Shares and Atlantic's continued listing; and/or
- (2) require Atlantic to re-comply with the requirements in Chapters 1 and 2 of the Listing Rules as if Atlantic were applying for admission to the official list of ASX.

In either case, Atlantic Shares may be suspended from quotation on ASX and, if Atlantic is unable to satisfy any applicable requirements of the Listing Rules or ASX, it may ultimately cease to be listed on ASX.

The risks described in paragraphs (1) and (2) above also apply to the proposed distribution of the DDV Gold Sale Consideration to Atlantic Shareholders outlined in section 7.5(7).

6.9 Other risks

Additional risks and uncertainties not currently known to Spur or Atlantic may also have a material adverse effect on business of Spur and/or Atlantic and that of the Merged Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Spur, Atlantic or the Merged Group.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations (which may include Spur, Atlantic or the Merged Group in the future) may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. This could also increase costs and have a material adverse impact on Spur and/or Atlantic.

7 Information about the Merger

7.1 The Merger

On 7 April 2014, Atlantic and Spur announced that they had entered into a Heads of Agreement which set out the basis on which the parties intended to pursue the Merger.

Under the Heads of Agreement, the Merger was subject to:

- (1) Atlantic and Spur each undertaking due diligence investigations in respect of the other party and each party being satisfied with the results of its due diligence investigations; and
- (2) the parties negotiating and executing a legally binding implementation agreement for the Merger.

On 15 May 2014, Atlantic and Spur announced that they had completed their due diligence investigations on each other and had entered into the Merger Implementation Deed and DDV Gold Sale Agreement to implement the Merger by way of the Scheme or, if the Scheme is not approved by Atlantic Shareholders or the Court, the DDV Gold Alternative Transaction.

7.2 Merger Implementation Deed

The Merger Implementation Deed sets out each of Atlantic's and Spur's rights and obligations in connection with the implementation of the Merger.

Certain key terms of the Merger Implementation Deed are discussed in this section, including terms relating to the Scheme Conditions Precedent (see section 7.17), the Scheme End Date (see section 7.18), Atlantic's obligations to deal with Spur on an exclusive basis (see section 7.21), break and reimbursement fees (see section 7.22) and termination rights (see section 7.23).

A copy of the Merger Implementation Deed (excluding certain annexures) is included in this Scheme Booklet as Annexure E.

7.3 DDV Gold Sale Agreement

The DDV Gold Sale Agreement sets out the terms and conditions on which Spur, subject to the Scheme not being approved by Atlantic Shareholders or the Court, agrees to acquire the DDV Gold Shares.

Certain key terms of the DDV Gold Sale Agreement are discussed in this section, including terms relating to the conditions precedent to the DDV Gold Sale Agreement becoming legally binding (see section 7.5), the DDV Gold Sale

Conditions Precedent (see section 7.19), the DDV Gold Sale End Date (see section 7.20) and termination rights (see section 7.24).

A copy of the DDV Gold Sale Agreement is included in this Scheme Booklet as Annexure H.

7.4 Information concerning the Scheme

(1) Legal effect

A scheme of arrangement is a court-administered legal procedure commonly used in Australia to implement mergers. It is an arrangement between a company and either its shareholders (or a class of shareholders) or its creditors (or a class of creditors).

If the Scheme becomes Effective (that is, it is approved by Atlantic Shareholders and the Court), all Atlantic Shares outstanding at 5:00 pm on the Record Date, and not already owned by Spur or another Excluded Shareholder, will be transferred to Spur in return for the issue by Spur to Scheme Shareholders of the Scheme Consideration.

A copy of the Scheme is included in this Scheme Booklet as Annexure G.

(2) Spur Deed Poll

On 18 June 2014, Spur executed the Spur Deed Poll pursuant to which it agreed, subject to the Scheme becoming Effective, to provide each Scheme Shareholder with, or procure the provision to each Scheme Shareholder of, the Scheme Consideration to which it is entitled under the Scheme.

A copy of the Spur Deed Poll is attached to this Scheme Booklet as Annexure F.

(3) Scheme Consideration

The Scheme Consideration comprises:

- 0.05564 New Spur Common Shares (either in the form of Spur Common Share CDIs or New Spur Common Shares) and 0.02782 New Spur Share Purchase Warrants (either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants) for each Atlantic Fully Paid Share held at 5:00 pm (Sydney time) on the Record Date; and
- 0.005564 New Spur Common Shares (either in the form of Spur Common Share CDIs or New Spur Common Shares) and 0.002782 New Spur Share Purchase Warrants (either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants) for each Atlantic Partly Paid Share

7 Information about the Merger

held at 5:00 pm (Sydney time) on the Record Date, with the total Scheme Consideration for any Scheme Shareholder rounded down to the nearest whole number of New Spur Common Shares and New Spur Share Purchase Warrants, respectively (i.e. fractional entitlements are eliminated).

By default, the Scheme Consideration will be issued in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs to be quoted on ASX.

However, Scheme Shareholders may elect to receive directly New Spur Common Shares and New Spur Share Purchase Warrants to be listed on TSXV instead. Please refer to section 8 for information about the election process and CDIs.

Ineligible Foreign Shareholders will not receive Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants under the Scheme but will instead automatically participate in the Sale Facility described in section 8.4.

(4) Scheme Meeting

On 26 June 2014, the Court ordered that Atlantic convene the Scheme Meeting at Launceston Room, Lower Ground Floor North Wing, The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000 on Thursday 31 July 2014, commencing at 10.00 am for the purpose of Atlantic Shareholders considering and, if thought fit, agreeing to the Scheme.

Atlantic Shareholders who are registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014 may attend and vote at the Scheme Meeting.

Voting at the Scheme Meeting will be by poll.

In accordance with article 15.1(b) of the Articles of Association of Atlantic, each Atlantic Shareholder who is registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014 will have the following voting rights at the Scheme Meeting:

- 1 vote for each Atlantic Fully Paid Share held; and
- 9/20ths of a vote for each Atlantic Partly Paid Share held (being, the fraction of a vote which represents the amount in cash paid up on each Atlantic Partly Paid Share over the issue price of each Atlantic Partly Paid Share).

A copy of the Notice of Scheme Meeting is attached to this Scheme Booklet as Annexure I. The Notice of Scheme Meeting includes explanatory notes on attendance and how to vote. This information is also summarised in the earlier section of this Scheme Booklet entitled 'Scheme Meeting and EGM details and how to vote'.

Atlantic Shareholders should also refer to the Scheme Proxy Form for the Scheme Meeting that accompanies this Scheme Booklet. If you did not receive a Scheme Proxy Form or need a new one, contact the Atlantic Registry on 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia).

Before the Scheme can become Effective, it must be approved at the Scheme Meeting by:

- (a) a majority in number of Atlantic Shareholders (other than Excluded Shareholders) who vote at the Scheme Meeting (whether in person or by proxy, attorney or, in the case of Corporate Atlantic Shareholders, corporate representative); and
- (b) at least 75% of the total number of votes cast by Atlantic Shareholders (other than Excluded Shareholders) at the Scheme Meeting (whether in person or by proxy, attorney or, in the case of Corporate Atlantic Shareholders, corporate representative).

(5) Warranties by Scheme Shareholders

The Scheme provides that each Scheme Shareholder is taken to have warranted to Atlantic and Spur on the Implementation Date, and appointed and authorised Atlantic as its attorney and agent to warrant to Spur on the Implementation Date, that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be:
 - (i) in the case of the Scheme Shares Category 1, fully paid; and
 - (ii) in the case of the Scheme Shares Category 2, be paid up to \$0.09 per Scheme Share Category 2, and, in the case of the Scheme Shares Category 1 and the Scheme Shares Category 2, free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
- (b) they have full power and capacity to transfer their Atlantic Shares to Spur together with any rights and entitlements attaching to those shares; and
- (c) they have no existing right to be issued any Atlantic Shares, Atlantic options, Atlantic performance rights, Atlantic convertible notes or any other Atlantic securities, other than the right to be issued Atlantic Shares upon the exercise of Atlantic Options (as appropriate).

7.5 Information concerning the DDV Gold Alternative Transaction

(1) Legal effect

The DDV Gold Sale Agreement will only become effective and the rights and obligations of the parties under the DDV Gold Sale Agreement (other than certain specified rights and obligations) will only become legally binding if the Merger Implementation Deed is terminated by either Atlantic or Spur as a result of either:

- (a) the Scheme Resolution not being approved by the requisite majorities of Atlantic Shareholders (other than Excluded Shareholders); or

(b) the Court not approving the Scheme in accordance with section 411(4)(b) of the Corporations Act on the Second Court Hearing Date.

If the DDV Gold Sale Agreement becomes legally binding and the DDV Gold Sale Conditions Precedent are satisfied or waived, all of the shares on issue in DDV Gold will be transferred to Spur in return for the issue by Spur to Atlantic of the DDV Gold Sale Consideration.

A copy of the DDV Gold Sale Agreement is attached to this Scheme Booklet as Annexure H.

The DDV Gold Alternative Transaction is conditional on the Scheme not being approved by Atlantic Shareholders (other than the Excluded Shareholders) at the Scheme Meeting or by the Court at the Second Court Hearing.

As the Second Court Hearing will occur after the date of the Scheme Meeting and the EGM, the Atlantic Board proposes to hold the EGM immediately following the Scheme Meeting even if the Scheme is approved by Atlantic Shareholders at the Scheme Meeting. This will ensure that, subject to Atlantic Shareholders approving the DDV Gold Alternative Transaction at the EGM, the DDV Gold Alternative Transaction can proceed to closing under the DDV Gold Sale Agreement on the DDV Gold Sale Closing Date if the Scheme is not approved by the Court at the Second Court Hearing.

If the Scheme is approved by Atlantic Shareholders at the Scheme Meeting and Atlantic Shareholders also approve the DDV Gold Alternative Transaction at the EGM, Atlantic Shareholder approval for the DDV Gold Alternative Transaction will be conditional on the Court not approving the Scheme at the Second Court Hearing.

(2) DDV Gold Sale Consideration

The DDV Gold Sale Consideration comprises the issue to Atlantic of:

- (a) such number of Spur Series A Preferred Shares that is equal to the aggregate number of New Spur Common Shares (either in the form of Spur Common Share CDIs or New Spur Common Shares) which would have been issued under the Scheme if the Scheme had become Effective; and
- (b) such number of Spur Preferred Share Warrants that is equal to the aggregate number of New Spur Share Purchase Warrants (either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants) which would have been issued under the Scheme if the Scheme had become Effective.

(3) Information on Spur Series A Preferred Shares and Spur Preferred Share Warrants

(a) Spur Series A Preferred Shares

Subject to regulatory approvals, including from TSXV, certain special rights and restrictions will be attached to the Spur Series A Preferred Shares upon issue. A summary of these special rights and restrictions is set out below.

- (i) Conversion by Atlantic: Atlantic may, at its election and at any time, convert Spur Series A Preferred Shares held by

Atlantic into Spur Shares provided that the number of Spur Series A Preferred Shares to be converted, when aggregated with the total number of Spur Series A Preferred Shares previously converted by Atlantic, does not exceed 10% of the total number of Spur Series A Preferred Shares issued to Atlantic upon the acquisition of DDV Gold by Spur.

- (ii) Conversion upon distribution to Atlantic Shareholders: Spur Series A Preferred Shares distributed or transferred by Atlantic to the Atlantic Shareholders, subject to any requisite Atlantic Shareholder approval, will automatically convert into Spur Shares upon such distribution or transfer.
- (iii) 10% holding limitation: Atlantic must not distribute or transfer the Spur Series A Preferred Shares until and unless the Spur Board is satisfied that: (a) no person, or combination of persons acting jointly or in concert (as such concept is defined by applicable Canadian securities legislation) will, taking into account the conversion of such Spur Series A Preferred Shares into Spur Shares and all other Spur Shares held by such person(s), hold 10% or more of the total number of Spur Shares then outstanding; and (b) such distribution or transfer by Atlantic will not otherwise cause a change of control of Spur as such concept is defined by the policies of TSXV.
- (iv) Dividends: No dividends will be paid or payable to any holder of Spur Series A Preferred Shares.
- (v) Voting: The holders of Spur Series A Preferred Shares will not be entitled to vote at any meetings of shareholders of Spur, but will be entitled to notices of meetings of shareholders of Spur called for the purpose of authorising the dissolution of Spur or the sale of its undertaking or a substantial part thereof, or the creation of any class or classes of shares ranking in priority to the Spur Series A Preferred Shares.
- (vi) Distribution of assets or property upon winding-up or dissolution (priority): In the event of any distribution of the assets or property of Spur among its shareholders, other than by way of dividend or by way of redemption or purchase for cancellation of the Spur Series A Preferred Shares or upon the winding-up or other liquidation or dissolution of Spur, no assets or property of Spur will be distributed to the shareholders of Spur ranking junior to the Spur Series A Preferred Shares until there has been paid to the holders of the Spur Series A Preferred Shares, an amount equal to the redemption price of such Spur Series A Preferred Shares. The redemption price of the Spur Series A Preferred Shares shall mean the amount paid up thereon.

If upon any distribution of the assets and property of Spur among its shareholders, the assets and property of Spur are insufficient to permit payment in full to the holders of the Spur Series A Preferred Shares of the sum distributable to them as referred to above, then the entire assets and property of Spur will be distributed rateably among the holders of the

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Spur Series A Preferred Shares then outstanding according to their respective rights.

After payment in full to the holders of Spur Series A Preferred Shares of the sums distributable to them as referred to above, the holders of Spur Series A Preferred Shares will not have the right to receive anything further in the distribution of the assets and property of Spur and the remaining assets and property of Spur will be distributed to the holders of Spur Shares ranking junior to the Spur Series A Preferred Shares according to their respective rights.

(vii) Purchase by Spur for cancellation: Spur may at any time and from time to time purchase the Spur Series A Preferred Shares for cancellation: (a) on the open market; (b) with the consent of the holders of the Spur Series A Preferred Shares; or (c) pursuant to tenders received by Spur upon request for tenders addressed to all of the holders of the Spur Series A Preferred Shares, the whole or any part of the Spur Series A Preferred Shares at the lowest price which, in the opinion of the Spur Board, such shares are obtainable.

(viii) Amendment: Any amendment to the Articles of Spur to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Spur Series A Preferred Shares or to create any special shares ranking in priority to or on a parity with the Spur Series A Preferred Shares, in addition to the authorisation by a special resolution, must be authorised by at least 75% of the votes cast at a meeting of the holders of Spur Series A Preferred Shares duly called for that purpose.

(b) Spur Preferred Share Warrants

The key terms and conditions of the Spur Preferred Share Warrants are set out below.

(i) Exercise: Each Spur Preferred Share Warrant will be exercisable for a period of 4 years following the date of issuance at an exercise price of C\$0.60, and, if exercised, will result in the issue of one Spur Series A Preferred Share (see section 7.5(3)(a) for information on the Spur Series A Preferred Shares).

(ii) Warrant Indenture: It is expected that the definitive terms and conditions of the Spur Preferred Share Warrants will be set forth in a warrant indenture to be entered into between Spur and Computershare Trust Company of Canada, acting in its capacity as warrant agent in relation to the Spur Preferred Share Warrants.

(iii) Conversion upon distribution to Atlantic Shareholders: Spur Preferred Share Warrants distributed or transferred by Atlantic to the Atlantic Shareholders, subject to any requisite Atlantic Shareholder approval, will automatically convert into Spur Warrants upon such distribution or transfer.

(iv) Conversion of Spur Series A Preferred Shares: If Atlantic exercises its rights to convert Spur Series A Preferred Shares (see section 7.5(3)(a)(i)), Spur Preferred Share Warrants held by Atlantic equal to 50% of the number of Spur Series A

Preferred Shares converted by Atlantic into Spur Shares will be converted into Spur Warrants.

(4) EGM

The Atlantic Board has resolved to convene the EGM at Launceston Room, Lower Ground Floor North Wing, The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000 on 31 July 2014 commencing at 11.00 am or immediately after the Scheme Meeting (whichever is later) for the purpose of Atlantic Shareholders considering and, if thought fit, passing a resolution to approve the DDV Gold Alternative Transaction.

Atlantic Shareholders who are registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014, may attend and vote at the EGM.

Voting at the EGM will be by poll.

In accordance with rule 15.1(b) of the Articles of Association of Atlantic, each Atlantic Shareholder who is registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014 will have the following voting rights at the EGM:

- 1 vote for each Atlantic Fully Paid Share held; and
- 9/20ths of a vote for each Atlantic Partly Paid Share held (being, the fraction of a vote which represents the amount in cash paid up on each Atlantic Partly Paid Share over the issue price of each Atlantic Partly Paid Share).

A copy of the Notice of EGM is attached to this Scheme Booklet as Annexure J. The Notice of EGM includes explanatory notes on attendance and how to vote. This information is also summarised in the earlier section of this Scheme Booklet entitled '*Scheme Meeting and EGM details and how to vote*'.

You should also refer to the EGM Proxy Form for the EGM that accompanies this Scheme Booklet. If you did not receive an EGM Proxy Form or need a new one, contact the Atlantic Registry on 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia).

(5) Shareholder approval to be sought at the EGM

ASX Listing Rule 11.2 provides that if an ASX listed entity wishes to make a significant change to its activities which involves the entity disposing of its main undertaking, the entity must obtain the approval of holders of its ordinary securities.

DDV Gold is the legal and beneficial holder of all of Atlantic's Canadian mining interests, including the Touquoy Gold Project and Cochrane Hill Gold Project. Accordingly, the proposed sale of DDV Gold to Spur on the terms and conditions of the DDV Gold Sale Agreement will constitute a disposal by Atlantic of its main undertaking.

Before the DDV Gold Alternative Transaction can proceed to closing it must be approved at the EGM by a majority in number (more than 50%) of votes cast on the EGM Resolution by Atlantic Shareholders entitled to vote (whether in person or by proxy, attorney or, in the case of Corporate Atlantic Shareholders, corporate representative) at the EGM.

(6) Closing Date

If the Scheme is not approved by the requisite majorities of Atlantic Shareholders (other than the Excluded Shareholders) at the Scheme Meeting but the DDV Gold Alternative Transaction is approved by Atlantic Shareholders at the EGM, Spur and Atlantic will proceed to closing under the DDV Gold Sale Agreement on the DDV Gold Sale Closing Date.

At closing under the DDV Gold Sale Agreement:

- (a) Atlantic will undertake all necessary actions to transfer the DDV Gold Shares to Spur;
- (b) Atlantic will assign, and Spur will take an assignment of, the DDV Gold Loan; and
- (c) Spur will issue to Atlantic the DDV Gold Sale Consideration.

(7) Proposed distribution of DDV Gold Sale Consideration to Atlantic Shareholders

As soon as reasonably practicable after closing under the DDV Gold Alternative Transaction, but subject to receipt by Atlantic of all necessary Regulatory Approvals, it is the current intention of the Atlantic Board to convene a further meeting of Atlantic Shareholders for the purposes of considering and, if thought fit, passing a resolution to approve an equal access share buy-back scheme under which Atlantic Shareholders may elect to have their Atlantic Shares bought back by Atlantic in consideration for the transfer to them of Spur Series A Preferred Shares and Spur Preferred Share Warrants comprising the DDV Gold Sale Consideration. Spur Series A Preferred Shares and Spur Preferred Share Warrants transferred to Atlantic Shareholders will convert into Spur Shares and Spur Warrants upon transfer in accordance with the terms and conditions of issue of the Spur Series A Preferred Shares and Spur Preferred Share Warrants (further details of which are set out in section 7.5(3)).

The number of Spur Series A Preferred Shares and Spur Preferred Share Warrants to be transferred to each Atlantic Shareholder will be determined using the same ratio applied to the calculation of Scheme Consideration which would otherwise have been issued to Atlantic Shareholders if the Scheme had become Effective (refer to sections 7.4(3) and 8.2), subject to an adjustment to each ratio to reflect any reduction in the number of Spur Series A Preferred Shares and Spur Preferred Share Warrants held by Atlantic at the time the buy-back scheme is implemented as a result of the Atlantic Board resolving to convert Spur Series A Preferred Shares and Spur Preferred Share Warrants into Spur Shares and Spur Warrants in accordance with the terms and conditions of issue of the Spur Series A Preferred Shares and Spur Preferred Share Warrants. Please refer to section 7.5(3) for further details in relation to Atlantic's conversion rights in respect of the Spur Series A Preferred Shares and Spur Preferred Share Warrants comprising the DDV Gold Sale Consideration.

The Atlantic Board currently intends to only exercise Atlantic's right to convert Spur Series A Preferred Shares and

Spur Preferred Share Warrants into Spur Shares and Spur Warrants where Atlantic requires funding to meet its ongoing working capital requirements. In those circumstances, the Atlantic Board intends to convert an appropriate number of the Spur Series A Preferred Shares and Spur Preferred Share Warrants and arrange for the underlying securities issued to Atlantic on conversion to be sold to third parties to raise the necessary funds to meet Atlantic's funding requirements. In accordance with the terms and conditions of issue of the Spur Series A Preferred Shares (a summary of which is set out in section 7.5(3)), Atlantic is not permitted to convert more than 10% of the total number of Spur Series A Preferred Shares issued to Atlantic at closing under the DDV Gold Sale Agreement. This restriction results in a corresponding limitation on the number of Spur Preferred Share Warrants which can be converted.

Spur has agreed under the DDV Gold Sale Agreement to provide Atlantic, at Atlantic's cost, with all reasonable assistance, including providing Atlantic with all necessary information in relation to the Spur Group which Atlantic reasonably requires to undertake:

- (a) any proposed conversion of Spur Series A Preferred Shares and Spur Preferred Share Warrants; and
- (b) the proposed share buy-back scheme contemplated in this section 7.5.

Importantly, Spur has agreed to use its best endeavours to procure that the Spur Shares and Spur Warrants which are to be issued by Spur on the transfer of the Spur Series A Preferred Shares and Spur Preferred Share Warrants comprising the Preferred Share Consideration to Atlantic Shareholders will be issued in form of CDIs and will be approved for official quotation on the ASX.

7.6 Atlantic Directors' recommendations

Atlantic Directors unanimously recommend that Atlantic Shareholders vote in favour of the Scheme at the Scheme Meeting and the DDV Gold Alternative Transaction at the EGM, in the absence of a Superior Proposal. The reasons for this recommendation, as well as other relevant considerations, are set out in section 1.

Atlantic Shareholders should also refer to section 2 for an explanation of why they may consider voting against the Scheme and the DDV Gold Alternative Transaction and section 6 for an explanation of potential risk factors associated with the Merger.

Each Atlantic Director intends to vote in favour of the Scheme and the DDV Gold Alternative Transaction in relation to the Atlantic Shares held by him or on his behalf at the time of the Scheme Meeting or the EGM (as applicable), in the absence of a Superior Proposal.

The interests of Atlantic Directors in the marketable securities of Atlantic are set out in section 12.2.

At the date of this Scheme Booklet, no Atlantic Director is aware of any Superior Proposal.

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7.7 Independent Expert's conclusions

Atlantic commissioned the Independent Expert, DMR Corporate, to prepare a report on the Scheme to ascertain whether the Scheme is in the best interest of Atlantic Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is both fair and reasonable and it is therefore in the best interests of Atlantic Shareholders.

DMR Corporate's Independent Expert's Report is included in Annexure A. Atlantic Shareholders are encouraged to read the Independent Expert's Report in its entirety.

7.8 Atlantic Optionholders

On 15 May 2014, Atlantic and Spur entered into an Option Cancellation Deed with each Atlantic Optionholder under which Spur agreed, in consideration for the cancellation of each Atlantic Option, to grant to each Atlantic Optionholder 0.05564 Spur Options with an exercise price of C\$0.50 and an expiry date of 28 August 2017 for each Atlantic Option held (each a Spur Option Offer). The expiry date of each Spur Option to be issued pursuant to the Spur Option Offers is substantially similar to the expiry date of each Atlantic Option to be cancelled.

17,500,000 Atlantic Options, held by 3 Atlantic Optionholders, are subject to Spur Option Offers.

Each Spur Option Offer, and the cancellation of each Atlantic Option, is conditional on:

- (1) the Scheme becoming Effective;
- (2) the ASX granting Atlantic a waiver from Listing Rule 6.23, and any conditions to such waiver being satisfied, or waived by ASX, or Atlantic Shareholders giving any necessary approvals under Listing Rule 6.23; and
- (3) any other required securities regulatory approval being granted in relation to the Spur Option Offer.

ASX has granted Atlantic the waiver contemplated in section 7.8(2). Please refer to section 12.9(1) for further details.

If the DDV Gold Alternative Transaction proceeds to closing, Atlantic and Spur will seek to enter into an Option Cancellation Deed with each Atlantic Optionholder on substantially similar terms to each Spur Option Offer.

7.9 Second Court Hearing

To become Effective, the Scheme must be approved by the Court at the Second Court Hearing.

If the Scheme is approved by the requisite majorities of Atlantic Shareholders (other than the Excluded Shareholders), and all other Scheme Conditions Precedent (other than the Court's approval) have been satisfied or waived, Atlantic will apply to the Court for orders approving the Scheme at the Second Court Hearing.

Each Atlantic Shareholder has the right to seek leave to appear at the Second Court Hearing and be heard in respect of the Scheme.

The Court may refuse to approve the Scheme, even if it is approved by the requisite majorities of Atlantic Shareholders.

If the Court refuses to approve Scheme and the DDV Gold Alternative Transaction has been approved by the Atlantic Shareholders at the EGM, the DDV Gold Alternative Transaction will proceed to closing under the DDV Gold Sale Agreement on the DDV Gold Sale Closing Date (refer to section 7.5).

7.10 Effective Date (suspension of trading in Atlantic Shares)

If the Court approves the Scheme, Atlantic will lodge a copy of the orders of the Court approving the Scheme with ASIC. The Scheme will become Effective on the date that lodgement occurs. This date is the Effective Date of the Scheme.

Upon the Scheme becoming Effective, the Scheme will bind Atlantic and all Scheme Shareholders including those who do not attend the Scheme Meeting or who do not vote at the Scheme Meeting or who vote against the Scheme at the Scheme Meeting.

Upon the Scheme becoming Effective, Atlantic will give notice of those events to ASX. It will also apply to ASX for trading in Atlantic Shares to be suspended from the close of trading on the Effective Date.

7.11 Record Date

If the Scheme becomes Effective, the Record Date for the Scheme is 5:00 pm (Sydney time) on the date which is 5 Business Days after the Effective Date.

(1) Determination of persons entitled to Scheme Consideration

Only Atlantic Shareholders whose names appear on the Atlantic Share Register at 5:00 pm (Sydney time) on the Record Date will be entitled to receive the Scheme Consideration under the Scheme.

(2) Dealings in Atlantic Shares on or prior to the Record Date

For the purposes of determining persons entitled to Scheme Consideration, dealings in Atlantic Shares or other alterations to the Atlantic Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected through CHESS, the transferee is registered in the Atlantic Share Register as the holder of the relevant Atlantic Shares on or before the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Record Date at the place where the Atlantic Share Register is kept.

Atlantic will not accept for registration, or recognise for any purpose (except a transfer to Spur pursuant to the Scheme and any subsequent transfer by Spur or its successors in title), any

transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

(3) Dealings in Atlantic Shares after the Record Date

At 5:00 pm (Sydney time) on the Record Date for the Scheme:

- (a) all statements of holding or certificates in respect of Atlantic Shares cease to have effect as documents of title in respect of such Atlantic Shares; and
- (b) each entry on the Atlantic Share Register at that date will cease to have any effect other than as evidence of entitlement to Scheme Consideration.

7.12 Implementation Date

The Implementation Date for the Scheme is the date which is the 5th Business Day after the Record Date for the Scheme.

On the Implementation Date for the Scheme, Spur must:

- (1) issue New Spur Common Shares and New Spur Share Purchase Warrants to CDN in sufficient number to enable the issue by CDN of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs to Scheme Shareholders entitled to them and procure that the name and address of CDN is recorded in the Spur Share Register and the Spur Warrant Register (as applicable);
- (2) use its best endeavours to procure that Spur Common Share CDIs and Spur Share Purchase Warrant CDIs are issued by CDN to Scheme Shareholders entitled to them and use its best endeavours to procure that their names and addresses are recorded in the records maintained by CDN;
- (3) issue New Spur Common Shares and New Spur Share Purchase Warrants to Scheme Shareholders entitled to them and procure that their names and addresses are recorded in the Spur Share Register and the Spur Warrant Register (as applicable); and
- (4) issue New Spur Common Shares and New Spur Share Purchase Warrants to the Sale Agent on trust for the Ineligible Foreign Shareholders in an amount that would otherwise have been issued as Scheme Consideration to those Ineligible Foreign Shareholders and procure that the name and address of the Sale Agent is recorded in the Spur Share Register and the Spur Warrant Register (as applicable).

In the case of each Scheme Shareholder entitled to Spur Common Share CDIs and Spur Share Purchase Warrant CDIs:

- (5) if they held their Scheme Shares on Atlantic's CHES subregister, Spur must use its best endeavours to procure that the Spur Common Share CDIs and Spur Share Purchase Warrant CDIs issued to them are held on the Spur's CHES subregister; and
- (6) if they held their Scheme Shares on Atlantic's issuer sponsored subregister, Spur must use its best endeavours to procure that the Spur Common Share CDIs and Spur Share

Purchase Warrant CDIs issued to them are held on the Spur's issuer sponsored subregister.

In the case of Scheme Shares held in joint names, the Scheme Consideration will be issued to, and registered in the names of, the joint holders, and holding statements or share certificates (as applicable) will be sent to holders whose name appears first on the Atlantic Share Register on the Record Date.

Once the relevant Scheme Consideration has been issued, all Scheme Shares will be transferred to Spur without any need for further action by Scheme Shareholders.

7.13 Despatch of holding statements and share certificates

On or before the date that is 10 Business Days after the Implementation Date, Spur must:

- (1) procure that a certificate or holding statement (or equivalent document) is sent to CDN representing the total number of New Spur Common Shares and New Spur Share Purchase Warrants issued to CDN under the Scheme;
- (2) use its best endeavours to procure that a CDI holding statement is sent to each Scheme Shareholder which sets out the number of CDIs held by that Scheme Shareholder; and
- (3) procure that a certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder that elected to be provided with Scheme Consideration in the form of New Spur Common Shares and New Spur Share Purchase Warrants which sets out the number of New Spur Common Shares and New Spur Share Purchase Warrants issued to them under the Scheme.

7.14 Commencement of trading in Spur Common Share CDIs and Spur Share Purchase Warrant CDIs on ASX

Trading in Spur Common Share CDIs and Spur Share Purchase Warrant CDIs on ASX is expected to commence on a deferred settlement basis on Friday 8 August 2014 and on a normal settlement basis on Friday 22 August 2014. The actual dates will be announced by ASX and published on Atlantic's website (www.atlanticgold.com.au).

The exact number of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs to be issued to Scheme Shareholders will not be known until after the Record Date and will not be confirmed to them until they receive their holding statement following the Implementation Date. It is the responsibility of Scheme Shareholders to confirm their holdings of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs before they trade them to avoid the risk of committing to sell more than will be issued to them.

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7.15 Commencement of trading in New Spur Common Shares and New Spur Share Purchase Warrants on TSXV

Trading in New Spur Common Shares and New Spur Share Purchase Warrants on TSXV is expected to commence at local time on the Implementation Date (currently, Thursday 21 August 2014). The actual date will be announced by Spur and published on Atlantic's website (www.atlanticgold.com.au).

The exact number of New Spur Common Shares and New Spur Share Purchase Warrants to be issued to Scheme Shareholders will not be known until after the Record Date and will not be confirmed to them until they receive their certificate, DRS Advice or holding statement following the Implementation Date. It is the responsibility of Scheme Shareholders to confirm their holdings of New Spur Common Shares and New Spur Share Purchase Warrants before they trade them to avoid the risk of committing to sell more than will be issued to them.

7.16 Delisting of Atlantic

Following the Implementation Date, Atlantic will request ASX to end official quotation of Atlantic Shares and remove Atlantic from the official list of ASX, subject to satisfaction of any conditions under the Listing Rules (as modified or waived).

7.17 Scheme Conditions Precedent

The Scheme can only be implemented if each Scheme Condition Precedent is satisfied or, to the extent applicable, waived in accordance with the Merger Implementation Deed.

Set out below is a summary of the Scheme Conditions Precedent and the status of their satisfaction at the date of this Scheme Booklet. Full details of the Scheme Conditions Precedent, the ability of Atlantic and Spur to rely on them, and the provisions relating to their satisfaction or waiver are set out in clause 3 of the Merger Implementation Deed included as Annexure E to this Scheme Booklet.

At the date of this Scheme Booklet, neither Atlantic nor Spur is aware of any reason why the Scheme Conditions Precedent will not be satisfied.

(1) Scheme Conditions Precedent that cannot be waived

- (a) The Court orders the convening of the Scheme Meeting under section 411(1) of the Corporations Act. This Scheme Condition Precedent was satisfied on Thursday 26 June 2014 when the Court ordered the convening of the Scheme Meeting.
- (b) The Scheme Resolution is duly approved by Atlantic Shareholders at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act.
- (c) The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act on the Second Court Hearing Date.

(2) Scheme Conditions Precedent that can only be waived by the agreement of both Atlantic and Spur

- (a) The issue or receipt, before 8:00 am (Sydney time) on the Second Court Hearing Date, of all Regulatory Approvals which are necessary, or which Atlantic and Spur agree are desirable, to implement the Scheme and such Regulatory Approvals remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.
 - (b) No temporary restraining order, preliminary or permanent injunction or other order issued by any Court or Governmental Agency or other material legal restraint or prohibition preventing or delaying the Scheme is in effect at 8:00 am on the Second Court Hearing Date.
 - (c) The Independent Expert, DMR Corporate, issues its Independent Expert's Report which concludes that the Scheme is in the best interest of Atlantic Shareholders before the date on which the Scheme Booklet was registered with ASIC pursuant to section 412(6) of the Corporations Act and the Independent Expert does not change or withdraw its recommendation prior to 8.00 am (Sydney time) on the Second Court Hearing Date. A copy of DMR Corporate's Independent Expert's Report is included in this Scheme Booklet as Annexure A.
 - (d) The New Spur Common Shares and New Spur Share Purchase Warrants to be issued pursuant to the Scheme have, before 8:00 am on the Second Court Hearing Date, been conditionally approved for listing on the TSXV subject only to the satisfaction of customary listing conditions and to the Scheme becoming Effective and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.
 - (e) The New Spur Common Shares in the form of CDIs and the New Spur Share Purchase Warrants in the form of CDIs to be issued pursuant to the Scheme have, before 8:00 am on the Second Court Hearing Date, been approved for official quotation on the ASX subject only to any conditions which ASX may reasonably require and to the Scheme becoming Effective and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.
- #### (3) Scheme Conditions Precedent that can only be waived by Atlantic
- (a) No Spur Prescribed Event occurs during the period commencing on and from the date of the Merger Implementation Deed (being, 15 May 2014) and expiring at 8:00 am (Sydney time) on the Second Court Hearing Date.

- (b) No Spur Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Atlantic during the period commencing on and from the date of the Merger Implementation Deed (being, 15 May 2014) and expiring at 8:00 am (Sydney time) on the Second Court Hearing Date.
- (c) No material breach of the Merger Implementation Deed by Spur has occurred (which has not been remedied to the satisfaction of Atlantic) before 8:00 am (Sydney time) on the Second Court Hearing Date.

(4) Scheme Conditions Precedent that can only be waived by Spur

- (a) Each Atlantic Optionholder entering into an Option Cancellation Deed in respect of the Atlantic Options held by that Atlantic Optionholder on or before the date of the Scheme Meeting. This Scheme Condition Precedent has been satisfied. Please refer to section 7.8 for further information.
- (b) No Atlantic Prescribed Event occurs during the period commencing on and from the date of the Merger Implementation Deed (being, 15 May 2014) and expiring at 8:00 am (Sydney time) on the Second Court Hearing Date.
- (c) No Atlantic Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Spur during the period commencing on and from the date of the Merger Implementation Deed (being, 15 May 2014) and expiring at 8:00 am (Sydney time) on the Second Court Hearing Date.
- (d) No material breach of the Merger Implementation Deed by Atlantic has occurred (which has not been remedied to the satisfaction of Spur) before 8:00 am (Sydney time) on the Second Court Hearing Date.

7.18 Scheme End Date

The Scheme will lapse if it does not become Effective before the Scheme End Date (currently, 17 November 2014).

Subject to the approval of Atlantic Shareholders and the Court, it is currently anticipated that the Scheme will become Effective on Thursday 7 August 2014.

If it becomes more likely than not that the Scheme will not become Effective by the Scheme End Date, Atlantic and Spur are required under the Merger Implementation Deed to consult in good faith to determine whether, without prejudice to the terms of the DDV Gold Sale Agreement, the Scheme or a transaction which results in the acquisition of Atlantic or, alternatively, DDV Gold by Spur may proceed by way of an alternative approach, to extend the relevant time or date for satisfaction of the Scheme Conditions Precedent or to extend the Scheme End Date. If Atlantic and Spur are unable to reach agreement within 10 Business Days or by the Scheme End Date, this may allow one or both parties to terminate the Merger Implementation Deed.

7.19 DDV Gold Sale Conditions Precedent

As noted in section 7.5(1), the DDV Gold Sale Agreement will only become effective and the rights and obligations of the parties under the DDV Gold Sale Agreement (other than certain specified rights and obligations) will only become legally binding if the Merger Implementation Deed is terminated by either Atlantic or Spur as a result of either:

- the Scheme Resolution not being approved by the requisite majorities of Atlantic Shareholders (other than Excluded Shareholders); or
- the Court not approving the Scheme in accordance with section 411(4)(b) of the Corporations Act on the Second Court Hearing Date.

If the DDV Gold Sale Agreement becomes legally binding, closing under the DDV Gold Sale Agreement (and implementation of the DDV Gold Alternative Transaction) can only occur if each DDV Gold Sale Conditions Precedent is satisfied or, to the extent applicable, waived in accordance with the DDV Gold Sale Agreement.

Set out below is a summary of the DDV Gold Sale Conditions Precedent. Full details of the DDV Gold Sale Conditions Precedent, the ability of Atlantic and Spur to rely on them, and the provisions relating to their satisfaction or waiver are set out in clause 3 of the DDV Gold Sale Agreement included as Annexure H to this Scheme Booklet.

At the date of this Scheme Booklet, neither Atlantic nor Spur is aware of any reason why the DDV Gold Sale Conditions Precedent will not be satisfied.

(1) DDV Gold Sale Conditions Precedent that can only be waived by the agreement of both Atlantic and Spur

- (a) The issue or receipt, by the DDV Gold Sale End Date, of all Regulatory Approvals which are necessary, or which Atlantic and Spur agree are desirable, to implement the transactions contemplated by the DDV Gold Sale Agreement and such Regulatory Approvals remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.
- (b) No temporary restraining order, preliminary or permanent injunction or other order issued by any Court or Governmental Agency or other material legal restraint or prohibition preventing or delaying closing under the DDV Gold Sale Agreement is in effect at 8:00 am on the DDV Gold Sale Closing Date.
- (c) Before the DDV Gold Sale End Date:
 - (i) the Spur Shares which are to be issued by Spur, in accordance with the terms and conditions of issue of the Spur Series A Preferred Shares; and
 - (ii) the Spur Warrants which are to be issued by Spur in accordance with the terms and conditions of issue of the Spur Preferred Share Warrants,

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have been conditionally approved for listing on the TSXV subject only to the satisfaction of customary listing conditions and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(2) DDV Gold Sale Conditions Precedent that can only be waived by Atlantic

- (a) No Spur Prescribed Event occurs during the period commencing on and from the date of the DDV Gold Sale Agreement (being, 15 May 2014) and expiring at 8:00 am (Sydney time) on the DDV Gold Sale Closing Date.
- (b) No Spur Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Atlantic during the period commencing on and from the date of the DDV Gold Sale Agreement (being, 15 May 2014) and expiring at 8:00 am (Sydney time) on the DDV Gold Sale Closing Date.
- (c) No material breach of the DDV Gold Sale Agreement by Spur has occurred (which has not been remedied to the satisfaction of Atlantic) before 8:00 am (Sydney time) on the DDV Gold Sale Closing Date.

(3) DDV Gold Sale Conditions Precedent that can only be waived by Spur

- (a) No DDV Gold Prescribed Event occurs during the period commencing on and from the date of the DDV Gold Sale Agreement (being, 15 May 2014) and expiring at 8:00 am (Sydney time) on the DDV Gold Sale Closing Date.
- (b) No DDV Gold Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Spur during the period commencing on and from the date of the DDV Gold Sale Agreement (being, 15 May 2014) and expiring at 8:00 am (Sydney time) on the DDV Gold Sale Closing Date.
- (c) No material breach of the DDV Gold Sale Agreement by Atlantic has occurred (which has not been remedied to the satisfaction of Spur) before 8:00 am (Sydney time) on the DDV Gold Sale Closing Date.
- (d) Atlantic and/or DDV Gold has obtained, by the DDV Gold Sale End Date, any approvals or consents from any DDV Gold Contractual Party which Spur considers (acting reasonably and after prior good faith consultation with Atlantic) are necessary or desirable to implement the transactions contemplated by the DDV Gold Sale Agreement and such approvals or consents remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

7.20 DDV Gold Sale End Date

If either or both of the DDV Gold Sale Conditions Precedent described in section 7.19(1)(a) and section 7.19(1)(c) are not satisfied by the DDV Gold Sale End Date, Atlantic or Spur may terminate the DDV Gold Sale Agreement (provided that the relevant DDV Gold Sale Conditions Precedent has not been satisfied or is incapable of satisfaction as a result of an act or omission of the relevant terminating party in material breach of its obligations under the DDV Gold Sale Agreement).

7.21 Exclusivity

Under the Merger Implementation Deed, Atlantic has agreed to certain exclusivity provisions that restrict it from encouraging, or engaging with, the proponent of a Competing Proposal.

(1) No shop and no talk

During the Exclusivity Period, Atlantic must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) (no shop) solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do anything referred to in this section 7.21(1)(a); or
- (b) (no talk) subject to section 7.21(2):
 - (i) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the receipt of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;
 - (ii) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
 - (iii) disclose or otherwise provide any non-public information about the business or affairs of the Atlantic Group to a Third Party (other than a Governmental Agency) with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of the Atlantic Group); or
 - (iv) communicate to any person an intention to do anything referred to in sections 7.21(1)(b)(i) to 7.21(1)(b)(iii) (inclusive).

(2) Fiduciary exceptions

The obligations of Atlantic described in section 7.21(1)(b) do not prohibit any action, including the provision of non-public information, or inaction by Atlantic or any of its Representatives in relation to an actual, proposed or potential Competing Proposal if compliance with those obligations, in the opinion of the Atlantic Board, formed in good faith after having consulted with its external legal advisers and Financial Advisor, would constitute, or would reasonably be likely to constitute, a breach of any of the fiduciary or statutory duties of the Atlantic Directors, provided that the actual, proposed or potential Competing Proposal was not, directly or indirectly, brought about, or facilitated, by a breach of the obligations of Atlantic described in section 7.21(1)(a).

(3) Obligation to notify Spur of approaches

If, during the Exclusivity Period, Atlantic or any of its Representatives, directly or indirectly, is aware of or becomes aware of or receives an actual, proposed or potential Competing Proposal (for the avoidance of doubt, whether or not subject to any pre-conditions, whether or not in writing and whether or not legally binding), Atlantic must as soon as possible (and, in any event, within 24 hours thereafter) notify Spur of that Competing Proposal. If that actual, proposed or potential Competing Proposal is in writing, Atlantic must provide Spur with a copy of that Competing Proposal (including all the material terms and conditions of that Competing Proposal) and inform Spur in writing of the identity of the person making or intending to make that Competing Proposal. If that actual, proposed or potential Competing Proposal is not in writing, Atlantic shall orally notify the Chairman, Chief Executive Officer or Chief Financial Officer of Spur of that Competing Proposal (including all the material terms and conditions of that Competing Proposal and of the identity of the person making or intending to make that Competing Proposal).

(4) Obligation to provide Spur with a Matching Right

(a) During the Exclusivity Period, Atlantic:

- (i) must not, and must procure that each of its Subsidiaries do not, enter into, or agree to enter into, any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, Atlantic (or any of its Subsidiaries) or both proposes or propose to undertake or give effect to a Superior Proposal; and
- (ii) must procure that no Atlantic Director publicly recommends or otherwise endorses a Superior Proposal or recommends against the Scheme or the DDV Gold Alternative Transaction,

unless:

- (iii) Atlantic has first given Spur the information described in section 7.21(3);

(iv) Atlantic has first given Spur 5 Business Days after the date of the provision of the information described in section 7.21(3) to provide Atlantic with a matching or superior proposal to the Superior Proposal; and

(v) Spur has not provided, in the reasonable opinion of the Atlantic Board, a matching or superior proposal to the Superior Proposal by the end of the period contemplated in section 7.21(4)(a)(iv).

(b) If Spur does provide Atlantic, in the reasonable opinion of the Atlantic Board, with a matching or superior proposal to the Superior Proposal by the end of the 5 Business Day period contemplated in section 7.21(4)(a)(iv), Spur and Atlantic must use their best endeavours to agree any amendments to the Merger Implementation Deed as reasonably necessary to reflect Spur's matching or superior proposal as soon as reasonably practicable.

7.22 Break and Reimbursement Fees

Under the Merger Implementation Deed, Atlantic and Spur acknowledged to each other that, if they enter into the Merger Implementation Deed and the Scheme is subsequently not implemented, Spur will incur significant costs.

Spur requested that provision be made for the payment of certain break or reimbursement fees (without which it would not have entered into the Merger Implementation Deed or otherwise agreed to implement the Scheme). The Atlantic Board believes that the implementation of the Scheme will provide benefits to Atlantic and Atlantic Shareholders and both the Spur Board and Atlantic Board believe that it is appropriate for Atlantic to agree to the payments referred to below.

(1) Payment by Atlantic to Spur of the Reimbursement Fee

Atlantic has agreed under the Merger Implementation Deed to pay Spur the Reimbursement Fee if:

- (a) during the Exclusivity Period, Atlantic or any of its Representatives, directly or indirectly, was aware of, becomes aware of or receives from a Third Party, an actual, proposed or potential Competing Proposal (for the avoidance of doubt, whether or not such proposal is subject to any pre-conditions, whether or not such proposal is in writing and whether or not legally binding) and, within the 12 months of the announcement of such Competing Proposal, the Third Party or any Associate of that Third Party:
 - (i) completes a Competing Proposal of a kind referred to in any of paragraph (a), (c) or (d) of the definition of "Competing Proposal"; or
 - (ii) enters into an agreement, arrangement or understanding with Atlantic or the Atlantic Board of the kind referred to in paragraph (e) of the definition of "Competing Proposal";
- (b) the Atlantic Directors change their recommendation in

7 Information about the Merger

favour of the Scheme or the DDV Gold Alternative Transaction or recommend that Atlantic Shareholders accept or vote in favour of or otherwise support or endorse (including support by way of accepting or voting, or by way of stating any intention to accept or vote, in respect of any Atlantic Shares in which an Atlantic Director has a Relevant Interest) any actual, proposed or potential Competing Proposal (whether or not such proposal is subject to any pre-conditions), except as a result of:

- (i) any matter or thing giving Atlantic the right to terminate the Merger Implementation Deed and Atlantic has given Spur the appropriate termination notice contemplated by the Merger Implementation Deed; or
- (ii) the Independent Expert concluding in the Independent Expert's Report (contained in this Scheme Booklet), that the Scheme is not in the best interest of Atlantic Shareholders (except where that conclusion is due wholly or partly to the existence, announcement or publication of a Competing Proposal); or
- (c) either the Scheme Meeting or the EGM is not held before the Scheme End Date following a deliberate act or omission by Atlantic in breach of its obligations under the Merger Implementation Deed, unless Atlantic has had the right to terminate the Merger Implementation Deed and Atlantic has given Spur the appropriate termination notice contemplated by the Merger Implementation Deed.

(2) Payment by Atlantic to Spur of the Break Fee

Atlantic has agreed under the Merger Implementation Deed to pay Spur the Break Fee if:

- (a) the:
 - (i) Court orders the convening of the Scheme Meeting under section 411(1) of the Corporations Act; and
 - (ii) the Scheme Resolution is not approved by Atlantic Shareholders (other than the Excluded Shareholders) at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act; and
- (b) the EGM Resolution is not approved by Atlantic Shareholders at the EGM by the requisite majorities.

7.23 Termination Rights – Merger Implementation Deed

Either Atlantic or Spur may terminate the Merger Implementation Deed in the following circumstances:

- the other party has materially breached the Merger Implementation Deed or there has been a material breach of certain representations or warranties given by the other party (subject to notice and applicable grace periods);
- the Scheme has not become Effective on or before the Scheme End Date; or
- subject to the good faith consultation obligations described in section 7.18, one or more of the Scheme Conditions

Precedent cannot be satisfied within the relevant time specified in the Merger Implementation Deed.

Atlantic may terminate the Merger Implementation Deed in the following circumstances:

- a Spur Material Adverse Change occurs prior to 8:00 am (Sydney time) on the Second Court Hearing Date;
- a Spur Prescribed Event occurs prior to 8:00 am (Sydney time) on the Second Court Hearing Date; or
- an Insolvency Event has occurred in relation to Spur or any of its Related Bodies Corporate prior to 8:00 am (Sydney time) on the Second Court Hearing Date.

Spur may terminate the Merger Implementation Deed in the following circumstances:

- an Atlantic Material Adverse Change occurs prior to 8:00 am (Sydney time) on the Second Court Hearing Date;
- an Atlantic Prescribed Event occurs prior to 8:00 am (Sydney time) on the Second Court Hearing Date; or
- an Insolvency Event has occurred in relation to Atlantic or any of its Related Bodies Corporate prior to 8:00 am (Sydney time) on the Second Court Hearing Date.

7.24 Termination Rights – DDV Gold Sale Agreement

Either Atlantic or Spur may terminate the DDV Gold Sale Agreement in the following circumstances:

- the other party has materially breached the DDV Gold Sale Agreement or there has been a material breach of certain representations or warranties given by the other party (subject to notice and applicable grace periods);
- closing under the DDV Gold Sale Agreement has not occurred on or before the date falling 5 Business Days after the DDV Gold Sale End Date; or
- if either or both of the DDV Gold Sale Conditions Precedent described in section 7.19(1)(a) and section 7.19(1)(c) are not satisfied by the DDV Gold Sale End Date.

Atlantic may terminate the DDV Gold Sale Agreement in the following circumstances:

- a Spur Material Adverse Change occurs prior to 8:00 am (Sydney time) on the Closing Date;
- a Spur Prescribed Event occurs prior to 8:00 am (Sydney time) on the Closing Date; or
- an Insolvency Event has occurred in relation to Spur or any of its Related Bodies Corporate prior to 8:00 am (Sydney time) on the Closing Date.

Spur may terminate the Merger Implementation Deed in the following circumstances:

- a DDV Gold Material Adverse Change occurs prior to 8:00 am (Sydney time) on the Closing Date;
- a DDV Gold Prescribed Event occurs prior to 8:00 am (Sydney time) on the Closing Date; or
- an Insolvency Event has occurred in relation to Atlantic or any of its Related Bodies Corporate prior to 8:00 am (Sydney time) on the Closing Date.

8 Scheme Consideration

8.1 Overview

This section provides additional information regarding Scheme Consideration, including:

- (1) information about the calculation and issue of Scheme Consideration (see section 8.2);
- (2) information about Spur Shares, New Spur Share Purchase Warrants, Spur Common Share CDIs and Spur Share Purchase Warrant CDIs (see section 8.3); and
- (3) information for Ineligible Foreign Shareholders (see section 8.4).

8.2 Calculation and issuance of Scheme Consideration

(1) Calculation

If the Scheme becomes Effective, Scheme Shareholders (other than Ineligible Foreign Shareholders) will be entitled to receive the Scheme Consideration from Spur in consideration for the transfer of their Scheme Shares to Spur. For the purposes of determining entitlements to the Scheme Consideration, holders of fully paid ordinary shares in Atlantic on the Record Date are referred to as Scheme Shareholders Category 1 and holders of partly paid ordinary shares in Atlantic on the Record Date are referred to as Scheme Shareholders Category 2.

The Scheme Consideration which Scheme Shareholders Category 1, being persons who hold Atlantic Fully Paid Shares as at the Record Date (other than Excluded Shareholders), will be entitled to receive will be different from the Scheme Consideration which Scheme Shareholders Category 2, being persons who hold Atlantic Partly Paid Shares as at the Record Date (other than Excluded Shareholders) will be entitled to receive.

A Scheme Shareholder Category 1 (other than an Ineligible Foreign Shareholder) will be entitled to receive the Scheme Consideration Category 1 in respect of each Scheme Share Category 1 held, which comprises:

- 0.05564 New Spur Common Shares either in the form of Spur Common Share CDIs or New Spur Common Shares; and
- 0.02782 New Spur Share Purchase Warrants either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants.

A Scheme Shareholder Category 2 (other than an Ineligible Foreign Shareholder) will be entitled to receive the Scheme Consideration Category 2 in respect of each Scheme Share Category 2 held, which comprises:

- 0.005564 New Spur Common Shares either in the form of Spur Common Share CDIs or New Spur Common Shares; and
- 0.002782 New Spur Share Purchase Warrants either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants.

The total Scheme Consideration which a Scheme Shareholder (other than an Ineligible Foreign Shareholder) will be entitled to receive will be rounded down to the nearest whole number of Spur Shares and Spur Warrants, respectively (i.e. fractional entitlements are eliminated).

(2) Issuance of Scheme Consideration

If the Scheme becomes Effective:

- (a) subject to section 8.2(2)(b), each Scheme Shareholder (other than Ineligible Foreign Shareholders) will be entitled receive the Scheme Consideration in respect of each of their Scheme Shares in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs, with holding statements (or

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equivalent documents) for the Spur Common Share CDIs and Spur Share Purchase Warrant CDIs being sent to the Scheme Shareholder as soon as practicable and, in any event, not later than 10 Business Days after the Implementation Date; and

- (b) if a Scheme Shareholder (other than an Ineligible Foreign Shareholder) has made a valid election to receive New Spur Common Shares and New Spur Share Purchase Warrants rather than Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or if Spur does not obtain admission to the official list of ASX and the condition in clause 3.1(10) (ASX Quotation) of the Merger Implementation Deed is waived, the relevant Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in the form of New Spur Common Shares and New Spur Share Purchase Warrants, with certificates, DRS Advices and holding statements (or equivalent documents) for the New Spur Common Shares and New Spur Share Purchase Warrants being sent to the relevant Scheme Shareholder as soon as practicable and, in any event, not later than 10 Business Days after the Implementation Date. The procedure for making an Election is set out in clause 8.3(7).

8.3 Information on Spur Shares, New Spur Share Purchase Warrants, Spur Common Share CDIs and Spur Share Purchase Warrant CDIs

(1) Election

Assuming Spur is admitted to the official list of ASX, Scheme Shareholders (other than Ineligible Foreign Shareholders) can elect to receive Scheme Consideration in the form of New Spur Common Shares and New Spur Share Purchase Warrants listed on TSXV instead of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs quoted on ASX, by making an Election. Atlantic Shareholders should consider the information in this section before deciding whether to make an Election. The procedure for making an Election is set out in clause 8.3(7).

The decision whether to elect to receive New Spur Common Shares and New Spur Share Purchase Warrants (rather than Spur Common Share CDIs and Spur Share Purchase Warrant CDIs) will depend on an Atlantic Shareholder's individual circumstances. Atlantic Shareholders should seek advice from a financial, legal or other professional adviser before deciding whether to make an Election.

If the Scheme becomes Effective, by default, Scheme Shareholders will be entitled to receive Scheme Consideration in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs quoted on ASX, unless the Scheme Shareholder is an Ineligible Foreign Shareholder (see section 8.4). However, if Spur does not obtain admission to the official list of ASX and the

condition in clause 3.1(10) (ASX Quotation) of the Merger Implementation Deed is waived, and the Scheme becomes Effective, Scheme Shareholders (other than Ineligible Foreign Shareholders) will instead be entitled to receive Scheme Consideration in the form of New Spur Common Shares and New Spur Share Purchase Warrants listed on TSXV. As at the Last Practicable Date, Spur is not aware of any particular issues that would prevent it from obtaining admission to ASX.

(2) Spur Shares

Spur Shares are common shares in the share capital of Spur (common shares are the equivalent of 'ordinary shares' in Australian companies). Share certificates are evidence of legal title to Spur Shares and should be kept in safe custody. Loss, defacement or destruction of a share certificate for Spur Shares will necessitate a process of issuance of a replacement certificate which may entail cost, time and appropriate indemnification and/or insurance.

Spur Shares are listed on TSXV. Accordingly, investors who wish to trade Spur Shares on the open market must do so on TSXV (Spur Shares cannot be traded on ASX). Such trades must be undertaken through a broker entitled to trade on TSXV. Not all Australian brokers are able to trade securities on TSXV. Spur Shares are quoted and traded on TSXV in Canadian dollars. The Australian dollar value of Spur Shares will depend on the prevailing A\$:C\$ exchange rate from time to time.

(3) New Spur Share Purchase Warrants

A New Spur Share Purchase Warrant is a warrant in respect of an unissued Spur Share. Each New Spur Share Purchase Warrant is exercisable for a period of 4 years following the Implementation Date at a price of C\$0.60 per Spur Share and, if exercised, will, subject to the terms of the Warrant Indenture, result in the issue of 1 Spur Share.

If the Scheme becomes Effective, New Spur Share Purchase Warrants (other than those in respect of which Spur Share Purchase Warrant CDIs have been issued) will be listed on TSXV. Accordingly, investors who wish to trade New Spur Share Purchase Warrants on the open market must do so on TSXV (New Spur Share Purchase Warrants cannot be traded on ASX). Such trades must be undertaken through a broker entitled to trade on TSXV. Not all Australian brokers are able to trade securities on TSXV. New Spur Share Purchase Warrants will be quoted and traded on TSXV in Canadian dollars. The Australian dollar value of New Spur Share Purchase Warrants will depend on the prevailing A\$:C\$ exchange rate from time to time.

At the date of this Scheme Booklet, Spur does not have any warrants on issue (although, as mentioned in section 4.9(1), it does have 4,650,000 Spur Options on issue).

(4) Spur Common Share CDIs and Spur Share Purchase Warrant CDIs

A CHESS Depositary Interest (i.e. a CDI) is a financial product quoted on ASX. One CHESS Depositary Interest represents a beneficial interest in one underlying security of a foreign company. This allows investors to trade interests in foreign securities by trading the relevant CHESS Depositary Interests on ASX.

A Spur Common Share CDIs or Spur Share Purchase Warrant CDI will represent one New Spur Common Share or one New Spur Share Purchase Warrant (as appropriate) and will confer a beneficial interest in that New Spur Common Share or New Spur Share Purchase Warrant as the case may be).

The New Spur Common Shares and New Spur Share Purchase Warrants represented by Spur Common Share CDIs and Spur Share Purchase Warrant CDIs will be held by CDN on behalf of the holders of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs. CDN is a wholly-owned subsidiary of ASX which operates as a depositary nominee. CDN will be appointed by Spur to hold legal title to the New Spur Common Shares and New Spur Share Purchase Warrants on behalf of the holders of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs for their benefit.

If Spur is admitted to the official list of ASX, Spur Common Share CDIs and Spur Share Purchase Warrant CDIs will be quoted and traded on ASX in Australian dollars. They will not be listed and will not be able to be traded on TSXV.

The key features of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs are summarised below. The detailed features of CDIs are set out in the ASX Settlement Operating Rules.

(a) General

Except for certain differences noted below, the rights attaching to Spur Common Share CDIs and Spur Share Purchase Warrant CDIs are economically equivalent to the rights attaching to New Spur Common Shares or New Spur Share Purchase Warrants respectively, and Spur will generally be required to treat holders of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs as if they were the holders of the New Spur Common Shares or New Spur Share Purchase Warrants represented by those CDIs. This means that economic benefits such as dividends, bonus issues and rights issues will generally flow through to holders of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs as if they were the registered holders of the underlying New Spur Common Shares or New Spur Share Purchase Warrants (as appropriate).

(b) Ratio

Each Spur Common Share CDI or Spur Share Purchase Warrant CDI will represent one New Spur Common Share or one New Spur Share Purchase Warrant (as appropriate) held by CDN.

(c) Voting

Holders of Spur Common Share CDIs will be sent notices of general meetings of Spur shareholders at the same time as they are sent to Spur shareholders.

As holders of Spur Common Share CDIs will not be the registered holders of the New Spur Common Shares represented by Spur Common Share CDIs, they will not be automatically entitled to vote in person at a general meeting of Spur shareholders.

However, the holder of a Spur Common Share CDI will be able to direct CDN to cast votes in a particular manner on their behalf or they will be able to require CDN to appoint the holder (or a person nominated by the holder) as proxy to exercise the votes attaching to the New Spur Common Shares represented by the holder's CDIs. In such latter case, a holder of a Spur Common Share CDI representing New Spur Common Shares may, as proxy, attend and vote in person at a general meeting of Spur shareholders. Except as mentioned in this paragraph, if a holder of Spur Common Share CDIs wishes to attend and vote in person at a general meeting of Spur shareholders, the holder must first convert their Spur Common Share CDIs into the underlying New Spur Common Shares in sufficient time before the record date for the meeting.

(d) Takeovers

CDN must not accept a takeover offer in respect of any New Spur Common Shares represented by Spur Common Share CDIs, except to the extent that holders of the relevant Spur Common Share CDIs have authorised CDN to accept the offer. It is CDN's responsibility to ensure that the bidder processes those acceptances.

(e) Conversion of Spur Common Share CDIs or Spur Share Purchase Warrant CDIs into New Spur Common Shares or New Spur Share Purchase Warrants

Holders of Spur Common Share CDIs or Spur Share Purchase Warrant CDIs may at any time convert their CDIs into the underlying New Spur Common Shares or New Spur Share Purchase Warrants (as appropriate) listed on TSXV by contacting:

- (i) the Spur registry (Computershare), if their Spur Common Share CDIs or Spur Share Purchase Warrant CDIs are held on the CDI issuer sponsored subregister; or
- (ii) their broker, if their Spur Common Share CDIs or Spur Share Purchase Warrant CDIs are held on the CDI CHESS subregister.

Requests for conversion will ordinarily be processed within 1 to 3 business days although the time for conversion may take longer. Conversion is achieved by transferring the underlying New Spur Common Shares or New Spur Share Purchase Warrants (as appropriate) from CDN to the holder of the Spur Common Share CDIs or Spur Share Purchase Warrant CDIs.

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No trading of the underlying New Spur Common Shares or New Spur Share Purchase Warrants (as appropriate) can take place on TSXV until the conversion process has been completed.

The conversion process also follows in the other direction, as holders of New Spur Common Shares and New Spur Share Purchase Warrants may at any time convert their securities into Spur Common Share CDIs or Spur Share Purchase Warrant CDIs (as appropriate), tradable on ASX, by contacting Spur's transfer agent, Computershare Canada.

(f) Communications from Spur

Spur will communicate directly with holders of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs with respect to corporate actions and will send notices and other documents (e.g. notices of meetings) to holders of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs at the same time as they are sent to Spur shareholders or Spur warrant holders (as appropriate).

(g) Trading

Following the quotation of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs on ASX, Spur Common Share CDIs and Spur Share Purchase Warrant CDIs can be traded on ASX. They will not be tradeable on TSXV.

If a holder of Spur Common Share CDIs or Spur Share Purchase Warrant CDIs wishes to trade on TSXV, they must convert the Spur Common Share CDIs or Spur Share Purchase Warrant CDIs into the underlying New Spur Common Shares or New Spur Share Purchase Warrants (as appropriate). Please refer to section 8.3(4)(e).

(h) Dividends

Dividend record and payment dates will be the same for Spur Shares and Spur Common Share CDIs.

Any cash dividends or distributions payable in respect of Spur Common Share CDIs will be converted by Spur or its agent from Canadian dollars into Australian dollars, paid by Spur to the CDI registry (Computershare) on trust for the relevant holders of Spur Common Share CDIs (net of any currency conversion costs) and then paid directly to the relevant holders of Spur Common Share CDIs by the CDI registry on the payment date.

Please note that Spur does not currently intend to pay any dividends. See section 5.3(2)(e) for further details.

(i) Evidence of ownership

If Spur Common Share CDIs and Spur Share Purchase Warrant CDIs are issued under the Scheme, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive a holding statement in respect of the Spur Common Share CDIs and Spur Share Purchase Warrant CDIs rather than a certificate, DRS Advice or holding statement in respect of the underlying New Spur Common Shares or New Spur Share Purchase Warrants (as appropriate). Revised holding statements will be provided on a periodic basis if there is a change in the number of Spur Common Share CDIs or Spur Share Purchase Warrant CDIs

held by a Scheme Shareholder.

Spur Common Share CDIs and Spur Share Purchase Warrant CDIs may be held on an issuer sponsored subregister or on a CHESS subregister. If a Scheme Shareholder receives Spur Common Share CDIs and Spur Share Purchase Warrant CDIs under the Scheme, the Scheme Shareholder will receive them:

- (i) on the CDI issuer sponsored subregister, to the extent they are issued as consideration for the transfer of Atlantic Shares held on the Atlantic issuer sponsored subregister; or
- (ii) on the CDI CHESS subregister, to the extent they are issued as consideration for the transfer of Atlantic Shares held on the Atlantic CHESS subregister.

(5) The principal differences between holding Spur Common Share CDIs or Spur Share Purchase Warrant CDIs and New Spur Common Shares or New Spur Share Purchase Warrants

(a) Principal difference

The principal difference between holding a Spur Common Share CDI or Spur Share Purchase Warrant CDI and holding a New Spur Common Share or New Spur Share Purchase Warrant (as appropriate) is that the holder of a CDI has, through CDN, an indirect beneficial interest in the underlying New Spur Common Share or New Spur Share Purchase Warrant (as appropriate) instead of directly owning that New Spur Common Share or New Spur Share Purchase Warrant. This means that the holder of the Spur Common Share CDI or Spur Share Purchase Warrant CDI is not the registered holder of the underlying New Spur Common Share or New Spur Share Purchase Warrant (as appropriate) and therefore:

- (i) cannot directly trade the underlying New Spur Common Share or New Spur Share Purchase Warrant (as appropriate); and
- (ii) is a beneficial holder (rather than registered legal holder) of the underlying New Spur Common Share or New Spur Share Purchase Warrant (as appropriate).

As noted in this section, there are certain differences which an Atlantic Shareholder should take into account in determining whether to elect to receive Scheme Consideration in the form of New Spur Common Shares and New Spur Share Purchase Warrants instead of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs.

For example, as mentioned above in section 8.3(4)(c), a holder of a Spur Common Share CDI cannot attend a Spur general meeting as a shareholder but can direct CDN how to vote or to appoint the holder as a proxy.

(b) Spur Common Share CDIs and Spur Share Purchase Warrant CDIs will be quoted on ASX

Spur Common Share CDIs and Spur Share Purchase Warrant CDIs will be tradeable on ASX only. This has the advantage that Spur Common Share CDIs and Spur Share Purchase Warrant

CDIs can be traded during Australian business hours using Australian brokers in prices quoted in Australian dollars.

However, see section 6.5(3) for a discussion of the liquidity of the market for Spur Common Share CDIs and Spur Share Purchase Warrant CDIs and the potential risk that they may trade at a discount to Spur Shares or Spur Warrants on TSXV.

(c) Exercise of shareholder rights

As holders of Spur Common Share CDIs are not registered holders of Spur Shares, the rights attaching to the underlying New Spur Common Shares must be exercised by CDN. A holder of Spur Common Share CDIs representing New Spur Common Shares may instruct CDN to exercise those rights on their behalf. In contrast, a registered holder of Spur Shares can directly exercise the rights attaching to their Spur Shares in such manner as they choose.

(d) Exercise of warrant holder rights

As holders of Spur Share Purchase Warrant CDIs are not registered holders of Spur Warrants, the rights attaching to the underlying New Spur Share Purchase Warrants must be exercised by CDN. A holder of Spur Share Purchase Warrant CDIs representing New Spur Share Purchase Warrants may instruct Computershare, who is able to act on CDN's behalf under a delegated power of attorney, to exercise those rights on their behalf. In contrast, a registered holder of Spur Warrants can directly exercise the rights attaching to their Spur Warrants in such manner as they choose.

(6) Conversion of New Spur Common Shares or New Spur Share Purchase Warrants into Spur Common Share CDIs or Spur Share Purchase Warrant CDIs

If a Scheme Shareholder elects to receive New Spur Common Shares and New Spur Share Purchase Warrants instead of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs, it is possible to later convert them into Spur Common Share CDIs and Spur Share Purchase Warrant CDIs. A Scheme Shareholder who wishes to convert its New Spur Common Shares and New Spur Share Purchase Warrants into Spur Common Share CDIs and Spur Share Purchase Warrant CDIs should contact Spur's transfer agent (Computershare Canada).

(7) How to make an Election

(a) Elections

An Atlantic Shareholder who wishes to make an Election should contact the Atlantic Registry on 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia) and ask them to provide an Election Form. The Atlantic Shareholder should then complete and return the Election Form in accordance with the instructions on that form. The deadline for receipt of Election Forms by the Atlantic Registry is 5.00 pm on the Record Date (currently Thursday 14 August 2014).

If Spur is admitted to the official list of ASX, and a Scheme Shareholder does not make a valid Election by 5.00 pm on the

Record Date, the Scheme Shareholder (other than an Ineligible Foreign Shareholder) will receive Spur Common Share CDIs and Spur Share Purchase Warrant CDIs to be quoted on ASX by default.

Other than in the case of Scheme Shareholders who are trustees or nominees:

- (i) a Scheme Shareholder (other than an Ineligible Foreign Shareholder) may only make an Election in respect of all their Scheme Consideration; and
- (ii) if a Scheme Shareholder (other than an Ineligible Foreign Shareholder) makes an Election, it will be deemed to apply to all of their Scheme Consideration regardless of whether the number of Atlantic Shares held at 5.00 pm on the Record Date is greater or less than the number held at the time the Election was made.

(b) Election by trustees and nominees

If an Atlantic Shareholder holds one or more parcels of Atlantic Shares as trustee or nominee for, or otherwise on account of, another person, that Atlantic Shareholder may make separate Elections in accordance with the Election process in respect of each of those parcels (subject to that Atlantic Shareholder providing to Atlantic and Spur any substantiating information they reasonably require) to reflect the fact that some of the underlying beneficiaries may prefer to receive Scheme Consideration in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs while others may prefer to receive Scheme Consideration in the form of New Spur Common Shares and New Spur Share Purchase Warrants. In order to make separate Elections, the trustee or nominee must establish distinct holdings in the Atlantic Share Register in respect of each parcel of Atlantic Shares and must make a separate Election in respect of each such parcel of Atlantic Shares. However, the trustee or nominee may not accept instructions from an underlying beneficiary to make an Election unless it is in respect of the Scheme Consideration attributable to all parcels of Atlantic Shares held by the trustee or nominee on behalf of that beneficiary.

(c) Variation or withdrawal of an Election

An Atlantic Shareholder may vary or withdraw an Election by following the instructions on the Election Form. The deadline for receipt by the Atlantic Registry of instructions to vary or withdraw an Election is 5.00 pm on the Record Date. If valid instructions are not received by this time, the relevant Scheme Shareholder will receive New Spur Common Shares and New Spur Share Purchase Warrants listed on TSXV in accordance with the then current Election.

8.4 Ineligible Foreign Shareholders and Sale Facility

Restrictions in certain foreign countries may make it impractical or unlawful for New Spur Common Shares and New Spur Share Purchase Warrants (either in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur

8 Scheme Consideration

Common Shares and New Spur Share Purchase Warrants) to be offered or issued under the Scheme to Scheme Shareholders in those countries.

Under the terms of the Scheme, Scheme Shareholders whose address as shown on the Atlantic Share Register at the Record Date is outside of Australia and its external territories, Singapore or New Zealand, will be regarded as Ineligible Foreign Shareholders for the purposes of the Scheme, unless Spur determines in its absolute discretion (acting reasonably) that it is lawful and not unduly onerous or impractical to issue New Spur Common Shares and New Spur Share Purchase Warrants (either in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants) to Scheme Shareholders in a particular country. As at the Last Practicable Date, it is Spur's intention to issue New Spur Common Shares and New Spur Share Purchase Warrants (either in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants) to Scheme Shareholders whose address as shown on the Atlantic Share Register as at the Record Date is in Australia and its external territories, Singapore, New Zealand, Malaysia, Canada, the United Kingdom and the United States of America.

Spur is under no obligation to issue New Spur Common Shares and New Spur Share Purchase Warrants (either in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs or New Spur Common Shares and New Spur Share Purchase Warrants) comprising the Scheme Consideration to any Ineligible Foreign Shareholder. In addition, Ineligible Foreign Shareholders will not be entitled to make an Election.

If a Scheme Shareholder is an Ineligible Foreign Shareholder, the New Spur Common Shares and New Spur Share Purchase Warrants which would otherwise be required to be issued to that Scheme Shareholder under the Scheme will be issued to the Sale Agent, to be held on trust for that Scheme Shareholder, for sale through the Sale Facility and that Scheme Shareholder will receive a pro rata share of the net proceeds (converted into Australian dollars) from the sale of all New Spur Common Shares and New Spur Share Purchase Warrants sold through the Sale Facility.

Spur will establish the Sale Facility, and appoint Haywood Securities Inc. (or a related body corporate), as Sale Agent, to sell the New Spur Common Shares and New Spur Share Purchase Warrants referred to in the previous paragraph (Sale Facility Securities) under the Sale Facility.

If the Scheme becomes Effective, the Sale Facility Securities will be issued by Spur to the Sale Agent, to be held on trust for the Sale Facility Participants, on the Implementation Date and the Sale Agent must sell the Sale Facility Securities under the Sale Facility as soon as reasonably practicable after the Implementation Date.

The Sale Agent may sell the Sale Facility Securities under the Sale Facility in such manner, at such price or prices and on such other terms as the Sale Agent determines in good faith. Sales will occur on market on TSXV and/or other Canadian electronic markets (with proceeds received by the Sale Agent in C\$). (However, Spur and the Sale Agent reserve the right to sell some or all of the Sale Facility Securities, in the form of Spur Common Share CDIs and Spur Share Purchase Warrant CDIs, on market on ASX.)

It is proposed that following the last sale of Sale Facility Securities under the Sale Facility, the Sale Agent must promptly convert the proceeds received from such sales (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges, and rounded down to the nearest whole cent) into A\$ and pay the converted A\$ amount to Atlantic. Following receipt, Atlantic will dispatch payment of each Sale Facility Participant's pro rata share of the converted A\$ amount (rounded down to the nearest cent) in full satisfaction of the Sale Facility Participants' rights under the Scheme.

The cash amount received by Sale Facility Participants will depend on the price at which the Sale Facility Securities can be sold under the Sale Facility by the Sale Agent at the relevant time, applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges incurred by the Sale Agent in connection with sales under the Sale Facility. The brokerage fees payable by each Sale Facility Participant will be equal to 1% of the proceeds of the Sale Facility Securities sold under the Sale Facility by the Sale Agent on behalf of that Sale Facility Participant.

A Sale Facility Participant's pro rata share of the Sale Facility proceeds may be more or less than the value of the Scheme Consideration which that Sale Facility Participant would have received had they not been an Ineligible Foreign Shareholder. None of Atlantic, Spur or the Sale Agent gives any assurance as to the price that will be achieved for the sale of Sale Facility Securities by the Sale Agent under the Sale Facility.

Further details on the Sale Facility are set out in clauses 5.4 and 6.4 of the Scheme.

9 Certain Australian taxation considerations

9.1 Introduction

This section provides general comments on the Australian income tax consequences for Atlantic Shareholders arising from the disposal of their Atlantic Fully Paid Shares or Atlantic Partly Paid Shares under the Scheme. This section does not provide comments on any Australian income tax consequences for Atlantic Shareholders arising from the DDV Gold Alternative Transaction. This section does not provide comments on the Australian tax consequences to Atlantic Optionholders.

This section merely provides general comments on the Australian tax consequences of the Scheme for Atlantic Shareholders. Atlantic Shareholders should obtain, and only rely upon, their own professional tax advice about the consequences of the disposal of their Atlantic Shares for New Spur Common Shares and New Spur Share Purchase Warrants.

The comments below are based on the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth) (collectively referred to as the Tax Act) and relevant Australian Taxation Office Pronouncements at the date of this Scheme Booklet, except as otherwise indicated.

The comments below in relation to a New Spur Common Share and a New Spur Share Purchase Warrant apply equally to a Spur Common Share CDI and a Spur Share Purchase Warrant CDI respectively. Likewise, the comments below in relation to Atlantic Fully Paid Shares apply equally to Atlantic Partly Paid Shares for the purposes of this section.

9.2 Income Tax Consequences of the Scheme

(1) Scope

This section does not attempt to address the Australian income tax consequences for all Atlantic Shareholders pursuant to the Scheme. Specifically, it only considers the income tax

consequences for Atlantic Shareholders who hold their shares on capital account and not the income tax consequences for Atlantic Shareholders who acquired their Atlantic Shares by means of employment or who hold their shares on revenue account, as trading stock, as assets used in carrying on a business, or taxpayers whose shares are dealt with under the Taxation of Financial Arrangements provisions.

(2) Australian Resident Atlantic Shareholders

(a) Capital Gains Tax (CGT)

Capital Gains Consequences

The disposal of Atlantic Shares to Spur will be a CGT event for Atlantic Shareholders. This CGT event will occur on the Implementation Date. Subject to the operation of the CGT roll-over relief provisions (discussed below), Atlantic Shareholders will:

- make a capital gain on the disposal of their Atlantic Shares to the extent that the capital proceeds received exceeds the tax cost base of their Atlantic Shares; or
- make a capital loss on the disposal of their Atlantic Shares if the capital proceeds is less than the reduced tax cost base of their Atlantic Shares.

The capital proceeds will be the combined market value of the New Spur Common Shares and New Spur Share Purchase Warrants received in respect of the disposal. The market value of a New Spur Common Share may be calculated as the volume average weighted price of a Spur Share on the Implementation Date. As soon as practicable after the Implementation Date, Atlantic will post that value on its website (www.atlanticgold.com.au).

Generally, the tax cost base of Atlantic Shares will be equal to the consideration paid by Atlantic Shareholders to acquire their Atlantic Shares. In addition, other incidental costs of acquiring

9 Certain Australian taxation considerations

the Atlantic Shares (such as brokerage fees and stamp duty) may be included in the tax cost base.

The sum of an Atlantic Shareholder's capital gains for an income year reduced by any capital losses incurred during the year, or carried forward from previous years (the net capital gain), should be included in their assessable income.

Australian resident individual Atlantic Shareholders who have held their Atlantic Shares for at least 12 months may be able to discount their capital gain by 50%. Similarly, an eligible superannuation entity that has held its Atlantic Shares for at least 12 months may be able to discount its capital gain by 33.3%. The discount will be applied to a taxpayer's capital gain for the period after the offset of any capital losses. Corporate Atlantic Shareholders are not entitled to discount their capital gain.

Cost base consequences

If an Atlantic Shareholder is unable to, or chooses not to, obtain CGT roll-over relief (discussed below), the tax cost base of the New Spur Common Shares and New Spur Share Purchase Warrants received will be the market value of the Atlantic Shares exchanged on the Implementation Date (which is likely to be the combined market value of the New Spur Common Shares and New Spur Share Purchase Warrants described above). The cost base will need to be apportioned between the New Spur Common Shares and New Spur Share Purchase Warrants based on their respective market values on the implementation date.

The date of acquisition for CGT purposes will be the Implementation Date. This date will be relevant for any future application of the CGT discount in relation to CGT events happening to the New Spur Common Shares or New Spur Share Purchase Warrants.

(b) Availability of CGT Roll-over Relief

Atlantic Shareholders who make a capital gain on the disposal of their Atlantic Shares may be eligible to apply a partial CGT roll-over to the gain to the extent that Atlantic Shares are exchanged for New Spur Common Shares. The receipt by Atlantic Shareholders of Spur Common Share CDIs, rather than the underlying New Spur Common Shares, should not preclude eligibility for this partial CGT roll-over relief on the basis that the Spur Common Share CDIs will be CHESS Units of Foreign Securities.

The roll-over relief will result in any capital gain being disregarded in respect of the New Spur Common Share component of the Scheme Consideration. CGT roll-over relief is not available in relation to any capital gains arising from the receipt of the New Spur Share Purchase Warrants under the Scheme (see below for further details).

No CGT roll-over relief is available where the disposal of the Atlantic Shares results in a capital loss.

Choosing roll-over relief has both CGT and cost base consequences as outlined below.

Capital gains consequences

A choice to obtain roll-over relief allows Atlantic Shareholders to

disregard any gain made on the disposal of their Atlantic Shares under the Scheme to the extent the proceeds from the disposal relate to the receipt of New Spur Common Shares. In these circumstances, the capital gain is effectively deferred until such time as a shareholder disposes of the New Spur Common Share however a capital gain may still arise at the Implementation Date in relation to the New Spur Share Purchase Warrants.

The gain attributable to the New Spur Purchase Warrants is calculated to be the market value of the New Spur Purchase Warrants received less the cost base of the Atlantic Shares reasonably attributable to those warrants.

The following table illustrates a methodology for attributing a portion of the first element of the cost base of the Atlantic Shares to the capital proceeds represented by the New Spur Share Purchase Warrants.

$$\text{Cost base of Atlantic Shares} \times \frac{\text{Value of New Spur Share Purchase Warrants}}{\text{Value of total consideration received (i.e. New Spur Share Purchase Warrants and New Spur Common Shares)}}$$

Cost base consequences

If an Atlantic Shareholder chooses CGT roll-over relief different rules apply to working out the cost base and reduced cost base of the New Spur Common Shares and the New Spur Share Purchase Warrants which may be relevant for a subsequent disposal of either interest.

The New Spur Common Shares received upon the disposal of the Atlantic Shares will have a cost base equal to the remainder of the cost base of the Atlantic Shares after applying the formula in the table above (being the amount not attributable to the New Spur Share Purchase Warrants). The New Spur Common Shares will be deemed to have been acquired by Atlantic Shareholders at the time they originally acquired their Atlantic Shares.

As no roll-over is available in relation to the receipt of the New Spur Share Purchase Warrants component of the Scheme Consideration by Atlantic Shareholders, the first element of the cost base or reduced cost base of those warrants will be the market value on the Implementation Date of the New Spur Share Purchase Warrants received under the Scheme. The New Spur Share Purchase Warrants will be considered to have been acquired on the Implementation Date.

Choosing roll-over relief

The benefit of choosing CGT roll-over relief will depend upon the individual circumstances of each Atlantic Shareholder. If an Atlantic Shareholder chooses roll-over relief, the choice must be made before they lodge their income tax return for the year in which they dispose of their Atlantic Shares. The way in which the Atlantic Shareholder prepares their income tax return is evidence of making the choice and there is no need for the shareholder to lodge a specific notice with the Australian Taxation Office. To evidence the choice to obtain rollover relief in their tax return, Atlantic Shareholders should exclude the capital gain attributable

to the receipt of New Spur Common Shares from their assessable income.

(3) Consequences of Holding New Spur Common Shares and New Spur Share Purchase Warrants

(a) Subsequent Disposal of New Spur Common Shares

If an Australian resident Atlantic Shareholder sells their New Spur Common Shares or New Spur Share Purchase Warrants after the Implementation Date, any gain or loss will be subject to CGT on the basis that the New Spur Common Shares have been held on capital account.

However, if an Australian resident Atlantic Shareholder is a company and it holds an interest of 10% or more of Spur, it may be able to disregard the capital gain or loss made on the disposal of its shares in certain circumstances.

(b) Conversion/expiry of New Spur Share Purchase Warrants

If an Australian resident shareholder converts a New Spur Share Purchase Warrant into a Spur Common Share the cost base for CGT purposes will be equal to the cost base of the New Spur Share Purchase Warrant plus any additional amounts paid to acquire the Spur Share. Any subsequent disposal of that share will be subject to the same treatment outlined in section 9.2(3) (a) above.

If the New Spur Share Purchase Warrants expire unexercised, shareholders will make a capital loss equal to their reduced cost base for the New Spur Share Purchase Warrant.

(c) Dividend Income

Dividends received by Australian resident Atlantic Shareholders in relation to their New Spur Common Shares are required to be included in their assessable income, including any amount of Canadian withholding tax withheld from those dividends (refer to section 10(3) below for further information in relation to the imposition of Canadian withholding tax on dividends paid to Australian residents).

Where dividends are subject to Canadian withholding tax, the withholding tax may be creditable as a Foreign Income Tax Offset (FITO) against the Atlantic Shareholder's Australian tax liability. The amount of the FITO will be limited to the greater of A\$1,000 and the Australian tax payable on assessable foreign income for the year (less any relevant deductions).

Further, if the shareholder is a company and it holds more than a 10% interest in Spur, any dividends received by the shareholder will effectively be treated as income that is not subject to tax.

(d) Other Taxes

No GST or duty should be payable in Australia by Atlantic Shareholders in relation to the disposal of Atlantic Shares or on the receipt of New Spur Common Shares.

(4) Non-Australian Resident Atlantic Shareholders

Non-Australian resident Atlantic Shareholders should seek their own independent advice in relation to the income tax (and any

other tax) consequences of the Scheme and the holding of New Spur Common Shares and New Spur Share Purchase Warrants in their country of residence.

The comments below are limited to the Australian income tax consequences for non-Australian resident Atlantic Shareholders who hold their Atlantic Shares on capital account.

(a) Disposal of Atlantic Shares

If the Atlantic Shares are not considered to be Taxable Australian Property (TAP) at the Implementation Date, non-Australian resident Atlantic Shareholders should not be subject to CGT in relation to any gains (or losses) from the disposal of their Atlantic Shares under the Scheme.

In broad terms, Atlantic Shares may be TAP of a non-Australian resident Atlantic Shareholder if the shareholder, together with associates, holds 10% or more of the shares in Atlantic at the time of disposal or throughout a 12 month period during the two years before the disposal, and the majority of Atlantic's assets consist of real property situated in Australia.

Atlantic has advised that as at the date of the Merger, it will not directly or indirectly own any real property situated in Australia (including any Australian mining, quarrying and prospecting rights).

(b) Subsequent Disposal of New Spur Common Shares

Non-Australian resident Atlantic Shareholders should not be subject to Australian CGT in relation to any gains (or losses) from the future disposal of New Spur Common Shares unless the New Spur Common Shares are effectively connected with a permanent establishment or fixed base which the non-Australian resident has in Australia.

(c) Dividend Income

Non-Australian resident Atlantic Shareholders should not be subject to Australian income tax on dividends received from New Spur Common Shares.



10 Certain Canadian federal income tax considerations

The following comments on Canadian federal income tax considerations for Atlantic Shareholders arising from the Scheme are based on the current provisions of the Income Tax Act (Canada) (the Canadian Tax Act) and the current provisions of the Australia-Canada Income Tax Convention (the Australia-Canada Treaty). This section does not provide comments on any Canadian tax considerations for Atlantic Shareholders arising from the DDV Gold Alternative Transaction.

These comments are of a general nature and are not intended to be, and should not be construed to be, legal, business or tax advice to any particular Atlantic Shareholder. The following comments also do not address all of the Canadian income tax consequences for Atlantic Optionholders who acquired Atlantic Options in respect of, in the course of, or by virtue of employment exercised in Canada. Atlantic Shareholders are urged to consult their tax adviser as to the taxation consequences of their particular circumstances.

The comments made below regarding a New Spur Common Share apply equally to a Spur Common Share CDI.

(1) Atlantic Shareholders who are not resident in Canada

The comments in sections 10(2) to 10(4) (inclusive) apply only to Atlantic Shareholders (Non-Canadian Holders) who:

- (a) for purposes of the Canadian Tax Act and at all relevant times, are not resident in Canada;
- (b) hold their Atlantic Shares and will hold their New Spur Common Shares and New Spur Share Purchase Warrants as capital property;
- (c) whose Atlantic Shares and New Spur Common Shares and New Spur Share Purchase Warrants do not constitute taxable Canadian property as defined under the Canadian Tax Act;

and

- (d) who do not use or hold their Atlantic shares or New Spur Common Shares and New Spur Share Purchase Warrants in connection with a business carried on in Canada.

The comments assume that more than 50% of the fair market value of an Atlantic Share, New Spur Common Share and New Spur Share Purchase Warrant, at any time in the 60 month period that ends at the disposition date, is derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties, and options in respect of, or interests in, or for civil law rights in the aforementioned properties.

Therefore, generally the Atlantic Shares, New Spur Common Shares and New Spur Share Purchase Warrants should not be taxable Canadian property to a Non-Canadian Holder provided that such shares and warrants are listed on a designated stock exchange, which includes the ASX and TSX, and the holder, persons with whom such holder does not deal at arm's length, or the holder and such persons, has not owned 25% or more of the issued shares of any class of Atlantic or Spur at any time during the 60-month period that ends at the date of disposition.

(2) Receipt of New Spur Common Shares and New Spur Share Purchase Warrants in exchange for Atlantic shares

There should be no Canadian income tax consequences when a Non-Canadian Holder receives New Spur Common Shares and New Spur Share Purchase Warrants pursuant to the Scheme, provided that the Atlantic Shares are not 'taxable Canadian property' to such holder at the time of disposition.

Generally, Atlantic Shares will not be taxable Canadian property to a non-Canadian holder provided that such shares are listed on a designated stock exchange, which includes the ASX

10 Certain Canadian federal income tax considerations

and TSX, and the holder, persons with whom such holder does not deal at arm's length, or the holder and such persons, has not owned 25% or more of the issued shares of any class of Atlantic at any time during the 60-month period that ends at the date of disposition.

Even if the Atlantic Shares constitute taxable Canadian property to a particular Non-Canadian Holder, any capital gain arising on their disposition may be exempt from Canadian tax under the provisions of an applicable income tax treaty. The Australia-Canada Treaty generally would not provide an exemption from Canadian income tax for Non-Canadian Holders who realise capital gains from the disposition of Atlantic Shares which are taxable Canadian property of the holder.

A Non-Canadian Holder whose Atlantic shares are taxable Canadian property generally will be required to file a tax return for purposes of the Canadian Tax Act for any taxation year in which a disposition or deemed disposition of those shares results in a capital gain which is not exempt from Canadian tax under the provisions of any applicable income tax treaty. The capital gain will be calculated as the excess of the proceeds of disposition over the aggregate of the adjusted cost base of the Atlantic shares and costs of disposition. For this purpose the proceeds of disposition would equal to the fair market value of the New Spur Common Shares and New Spur Share Purchase Warrants received for such disposition. Non-Canadian Holders whose Atlantic Shares may be taxable Canadian property should consult with their tax advisor for advice as to the taxation consequences of their particular circumstances.

The New Spur Common Shares and New Spur Share Purchase Warrants received as consideration for the Atlantic Shares should have a cost for Canadian income tax purposes equal to that same fair market value.

(3) Dividends on New Spur Common Shares

Dividends paid on New Spur Common shares to a Non-Canadian Holder generally will be subject to Canadian withholding tax at the rate of 25%. This rate, however, may be reduced under the provisions of an applicable income tax treaty. For example, under the Australia-Canada Treaty, the rate is generally reduced to 15% in respect to dividends paid to a person who is a resident of Australia for the purposes of the Australia-Canada Treaty.

(4) Capital gain or loss on a subsequent disposal of New Spur Common Shares

A Non-Canadian Holder will not be subject to tax on any capital gain realised on a disposition or deemed disposition of New Spur Common Shares and New Spur Share Purchase Warrants provided such shares and warrants are not 'taxable Canadian property' to such holder at the time of disposition. As mentioned previously, generally, New Spur Common Shares and New Spur Share Purchase Warrants will not be taxable Canadian property to a Non-Canadian Holder provided that such shares are listed

on a designated stock exchange, which includes the TSX, and the holder, persons with whom such holder does not deal at arm's length, or the holder and such persons, has not owned 25% or more of the issued shares of any class of Spur at any time during the 60-month period that ends at the date of disposition.

Even if the New Spur Common Shares and New Spur Share Purchase Warrants constitute taxable Canadian property to a particular Non-Canadian Holder, any capital gain arising on their disposition may be exempt from Canadian tax under the provisions of an applicable income tax treaty. The Australia-Canada Treaty generally would not provide an exemption from Canadian income tax for non-Canadian holders who realise capital gains from the disposition of New Spur Common Shares and New Spur Share Purchase Warrants which are taxable Canadian property of the holder.

The exercise of a New Spur Share Purchase Warrant for New Spur Common Shares is not considered a disposition of the New Spur Share Purchase Warrant. Instead the cost of the New Spur Share Purchase Warrant plus any amount payable to acquire the New Spur Common Shares becomes the tax cost of the New Spur Common Shares acquired.

A Non-Canadian Holder whose New Spur Common Shares and New Spur Share Purchase Warrants are taxable Canadian property generally will be required to file a tax return for purposes of the Canadian Tax Act for any taxation year in which a disposition or deemed disposition of those shares results in a capital gain which is not exempt from Canadian tax under the provisions of any applicable income tax treaty. Non-Canadian Holders whose New Spur Common Shares and New Spur Share Purchase Warrants may be taxable Canadian property should consult with their tax advisor for advice as to the taxation consequences of their particular circumstances.

11 Comparison of relevant Australian and Canadian laws and summary of rights attaching to Spur Shares

11.1 Introduction

Atlantic is a public company registered in Victoria, Australia and is subject to Australian law. Atlantic Shares are admitted to the official list of ASX.

Spur was incorporated in British Columbia, Canada and is subject to the laws of British Columbia and the laws of Canada applicable therein. Spur Shares are listed on TSXV.

If the Scheme is implemented, the rights of Atlantic Shareholders who receive New Spur Common Shares and New Spur Share Purchase Warrants will, in respect of those securities, be governed principally by Canadian law, the TSXV Corporate Finance Manual and Spur's notice of articles and articles. A copy of Spur's notice of articles and articles are attached to this Scheme Booklet as Annexure D. The rights of Atlantic Shareholders who receive New Spur Common Shares and New Spur Share Purchase Warrants in the form of CDIs will also be governed by the ASX Settlement Operating Rules and the Listing Rules but, other than in certain limited situations, not by the Corporations Act.

Spur is applying for a full listing of the Spur Common Share CDIs and Spur Share Purchase Warrant CDIs on ASX (as opposed to an exempt foreign listing). A foreign company with a full listing on ASX must comply with all of the Listing Rules, subject to any specific waivers granted by ASX. In this regard, Spur has sought specific waivers from ASX of some Listing Rules (see section 12.9 for information).

A comparison of some of the material provisions of Australian company law and Canadian company law as they relate to Atlantic and Spur respectively is set out below, along with a description of the rights and liabilities attaching to Spur Shares and a description of certain securities laws and stock

exchange rules where applicable. A summary of the rights and liabilities attaching to the Spur Warrants is set out in section 8.3.

Canadian company law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes pursuant to which companies are incorporated or continued. In the case of Spur, the relevant statute is the BCBCA.

References to 'Australian law' where they appear in this section are references to the Corporations Act, Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable. References to 'Canadian law' are references to the BCBCA, the TSXV Corporate Finance Manual, applicable Canadian securities laws and Canadian common law, as applicable.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. Atlantic Shareholders should consult with their own legal adviser, if they require further information.

11.2 Meetings of shareholders

(1) Calling meetings

(a) Atlantic

Under Australian law, the annual general meeting of Atlantic is required to be held within 5 months after the end of its financial year, unless ASIC agrees to an extension.

A general meeting of Atlantic Shareholders may be called from time to time by the Atlantic Board, individual directors or by Atlantic Shareholders in the circumstances set out below.

- When requested to do so by Atlantic Shareholders holding at least 5% of the votes that may be cast at the meeting or at least 100 Atlantic Shareholders who are entitled to vote at the meeting, the Atlantic directors must call a general meeting within 21 days after the request is given to Atlantic, and the



11 Comparison of relevant Australian and Canadian laws and summary of rights attaching to Spur Shares

meeting must be held not later than 2 months after the request is given.

- Alternatively, Atlantic Shareholders holding at least 5% of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting.

(b) Spur

The relevant provision of the BCBCA provides that an annual meeting of shareholders must be called by the directors at least once in each calendar year and not later than 15 months after the last preceding annual reference date, which in Spur's case would be the date of Spur's most recent annual general meeting.

The BCBCA, as well as Spur's articles, permit the board of directors to call an ordinary or special meeting of shareholders at any time. The BCBCA further provides that the holders of not less than 5% of the issued shares of a company that carry the right to vote at a general meeting may requisition the directors to call a meeting of shareholders for the purpose of transacting any business that may be transacted at a general meeting.

(2) Notice of meetings

(a) Atlantic

As Atlantic Shares are admitted to the official list of ASX, notice of a general meeting of Atlantic must be given at least 28 days before the date of the meeting. Atlantic is required to give notice only to Atlantic Shareholders entitled to vote at the meeting as well as its directors and auditors.

The quorum for a meeting under the Atlantic constitution is 3 Atlantic Shareholders. However, if within 15 minutes after the time for a meeting a quorum is not present, the meeting:

- if called by, or upon the requisition of, Atlantic Shareholders, is dissolved; and
- in any other case stands adjourned to the same day in the next week at the same time and place or such other day, time and place as the directors appoint by notice to the Atlantic Shareholders and others entitled to notice of the meeting. At a meeting so adjourned, if no quorum is present at the adjourned meeting within 15 minutes after the time for the meeting, the meeting is dissolved.

(b) Spur

The BCBCA requires that at least 21 days notice and not more than 60 days notice be given for all meetings. In addition, as a 'reporting issuer' under Canadian securities legislation, Spur must also make an advance notice filing, giving notice of the meeting and record date to all depositaries, the applicable securities regulatory authority and TSXV prior to the record date (subject to the fulfilment of certain conditions). Under the BCBCA, the record date for determining who the shareholders are for the purposes of receiving notice of a meeting must not be less than 21 days nor more than 60 days prior to the date for the meeting, and the record date for determining which shareholder may vote at the meeting must not be more than 60 days prior to the date for the meeting. Under applicable securities laws, the

record date for notice must not be less than 30 days or more than 60 days in advance of the meeting date, subject to certain exceptions.

Under the BCBCA, Spur is required to give notice only to registered shareholders entitled to attend the meeting as well as its directors and auditors. Under applicable Canadian securities laws, Spur is also required to give notice to certain beneficial shareholders.

Under the BCBCA, notice of an annual meeting must specify the date, time and place of the meeting but need not include a description of the purpose or purposes for which the meeting is called. Notice of a meeting at which special business is to be transacted must include the text of any special or exceptional resolution to be submitted at the meeting, and, under Spur's articles, the notice of meeting must state the general nature of that special business and, if the special business includes considering, approving, ratifying, adopting or authorising any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state how a copy of the document:

- (i) will be available for inspection by shareholders at the Spur's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and
- (ii) may provide that the document is available by request from Spur or accessible electronically or on a website as determined by the directors.

At an annual general meeting, all business is special business except for the following:

- (i) business relating to the conduct of or voting at the meeting;
- (ii) consideration of any financial statements of Spur presented to the meeting;
- (iii) consideration of any reports of the directors or auditor;
- (iv) the setting or changing of the number of directors;
- (v) the election or appointment of directors;
- (vi) the appointment of an auditor;
- (vii) the setting of the remuneration of an auditor;
- (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
- (ix) any other business which, under Spur's articles or the BCBCA, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

At a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting. Management proxy circulars, in the required form, are required to be provided under

applicable Canadian securities laws for any solicitation of proxies by management.

Spur's articles provide that if a meeting of shareholders is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting, and no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Spur's articles provide that, subject to the special rights and restrictions attached to the shares of any class or series of shares, the presence of one person present in person or represented by proxy will constitute a quorum for that meeting. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

(3) Voting requirements

(a) Atlantic

Unless the Corporations Act or a company's constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by Atlantic if not less than 28 days notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. A special resolution must be passed by at least 75% of the votes cast by shareholders entitled to vote.

The Corporations Act requires certain matters to be resolved by a company by special resolution, including:

- the change of name of the company;
- a selective reduction of capital or selective share buy-back;
- the giving by the company of financial assistance in connection with the acquisition of shares in the company;
- the conversion of the company from one type or form to another; and
- a decision to wind up the company voluntarily.

Under the Corporations Act, a special resolution is also required to modify or repeal the Atlantic constitution.

The Atlantic constitution also stipulates certain matters to be resolved by special resolution, including the variation of class rights attaching to shares and the exercise of certain powers by a liquidator on a winding up.

Each Atlantic Share (subject to any specific terms of issue) confers a right to vote at all general meetings. On a show of hands, each Atlantic Shareholder present in person, or by proxy, attorney or representative, has one vote. If a poll is held:

- the holders of Atlantic Fully Paid Shares present in person or by their proxy, attorney or representative will have one vote for every Atlantic Fully Paid Share held at the record date for the meeting; and
- the holders of Atlantic Partly Paid Shares present in person or by their proxy, attorney or representative will have a fraction of a vote equal to the amount in cash paid up on the Atlantic Partly Share over the issue price of the Atlantic Partly Paid Share held at the record date for the meeting.

Atlantic Shareholders are entitled to be present and vote at any general meeting in respect of any Atlantic Shares upon which all calls due to Atlantic have been paid. A member holding Atlantic Shares in respect of which moneys are due and payable to Atlantic and which have not been paid is not entitled to attend or vote at general meetings of Atlantic in respect of those Atlantic Shares.

The Atlantic constitution provides that a poll may be demanded by the chairman of the general meeting, at least 5 Atlantic Shareholders entitled to vote on the resolution, Atlantic Shareholders holding at least 10% of the votes that may be cast on the resolution on a poll or Atlantic Shareholders holding voting shares on which the aggregate sum paid up is not less than 10% of the total sum paid up on all voting shares.

A proxy's appointment must be signed and sent to Atlantic so as to be received at least 48 hours before a meeting.

(b) Spur

Unless the BCBCA requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Spur's articles provide that a special resolution must be passed by a majority of not less than two-thirds of the votes cast by shareholders entitled to vote.

Under the BCBCA, in general, ordinary resolutions are required for matters that do not significantly affect a company or its value. Special resolutions are required to approve matters with significant consequences to a company. The BCBCA requires certain matters to be approved by special resolution, including, among other matters:

- amendment to the company's articles, in certain circumstances;
- amalgamation with another arm's length company;
- continuance under the laws of another jurisdiction; and
- the sale, lease or disposition otherwise of all or substantially all of the company's undertaking other than in the ordinary course of business.

The BCBCA provides that, unless a company's articles provide otherwise, each share of a company entitles the holder to one vote at a meeting of shareholders. Except in certain circumstances, a vote may be held on a show of hands. On a show of hands, each holder of Spur shares present in person or by proxy and entitled to vote has one vote. If a ballot is called, each holder of Spur Shares present in person or by proxy will have one vote for each Spur Share held. Spur's articles provide that a ballot may be demanded by the chair of a meeting or any shareholder or proxyholder entitled to vote at the meeting. The BCBCA also provides that holders of shares of a class or a series are entitled to vote separately as a class or series on certain proposals to amend the articles that affect the rights of such holders, whether or not such shares carry the right to vote.

Applicable securities laws allow the Spur Board to specify in a notice calling a meeting of shareholders a time, not exceeding 48 hours (excluding Saturdays and holidays) preceding the meeting

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or an adjournment of the meeting, before which time proxies to be used at the meeting must be deposited with the company or its agent, unless the chairman of the meeting elects to exercise his/her discretion to accept proxies received subsequently.

(4) Shareholders' rights to bring resolution before a meeting

(a) Atlantic

Atlantic Shareholders holding at least 5% of the votes that may be cast at a general meeting or at least 100 Atlantic Shareholders who are entitled to vote at the meeting may, by written notice to Atlantic, propose a resolution for consideration at the next general meeting occurring more than 2 months after the date of the notice.

(b) Spur

Under the BCBCA, a proposal may be made by certain registered or beneficial holders of shares entitled to be voted at an annual meeting of shareholders. To be eligible to submit such a proposal, a shareholder must be the registered or beneficial holder of, or have the support of the registered or beneficial holders of: (i) at least 1% of the total number of outstanding voting shares of the company; or (ii) voting shares whose fair market value is at least C\$2,000. Such registered or beneficial holder(s) must have held such shares for an uninterrupted period of at least 2 years immediately prior to the date of the signing of the proposal and such shareholder shall not have, within 2 years before the date of the signing of the proposal, failed to present, in person or by proxy, at an annual general meeting, an earlier proposal submitted by such shareholder in response to which the company complied with its obligations under the BCBCA. A proposal under the BCBCA must include the name and address of the person submitting the proposal, the names and addresses of the person's supporters, and the number of shares of the company carrying the right to vote at annual general meetings that are owned by such person(s).

If the proposal is submitted at least 3 months before the anniversary date of the previous annual meeting and the proposal meets other specified requirements, then the company shall either set out the proposal, including the names and mailing addresses of the submitting person and supporters, in the proxy circular of the company, or attach the proposal thereto. In addition, if provided by the person submitting the proposal, the company shall include in or attach to the proxy circular a statement in support of the proposal by the person and the name and address of such person.

If the submitter is a qualified shareholder at the time of the annual general meeting to which its proposal relates, the company must allow the submitter to present the proposal, in person or by proxy, at such meeting. If 2 or more proposals received by the company in relation to the same annual general meeting are substantially the same, the company only needs to comply with such requirements in relation to the first proposal

received and not any others. The company may also refuse to process a proposal in certain other circumstances including when the directors have called an annual general meeting to be held after the date the proposal is received and have sent a notice of meeting, when substantially the same proposal was submitted to shareholders in a notice of meeting or an information circular relating to an annual general meeting of shareholders held within 5 years preceding the receipt of the request and the proposal did not obtain the prescribed level of support, or when a proposal deals with matters beyond the company's power to implement.

If a company refuses to process a proposal, the company shall notify the person making such proposal in writing within 21 days after its receipt of the proposal of its decision in relation to the proposal and the reasons therefore. In any such event, the person submitting the proposal may make application to a court for a review of the company's decision and a court may restrain the holding of the annual general meeting and make any further order it considers appropriate. In addition, a company may apply to a court for an order permitting the company to refrain from processing the proposal and the court may make such order as it considers appropriate.

11.3 Directors

(1) Directors' management of the business of the company

(a) Atlantic

Under the Atlantic constitution, the business of Atlantic is to be managed by or under the direction of the Atlantic directors. The Atlantic directors may exercise all the powers of Atlantic except any powers that the Corporations Act, the Listing Rules or the Atlantic constitution requires Atlantic to exercise in a general meeting.

(b) Spur

The BCBCA provides that the directors of a corporation shall manage, or supervise the management of, the business and affairs of the corporation. Subject to the articles, the directors may appoint officers of the corporation and may specify their duties. Spur's articles provide that the directors may, for each officer: (1) determine the functions and duties of the officer; (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

(2) Number and election of directors

(a) Atlantic

Under the Atlantic constitution, Atlantic must have no less than 3 nor, until otherwise determined at a general meeting, more than 8 directors. Under the Corporations Act, 2 directors must ordinarily be resident in Australia. At each annual general meeting, one-third of directors (or the number nearest to but not exceeding one-third), other than the managing director, must

retire from office but no director, other than the managing director, may retain office for more than 3 years without submitting himself for re-election. The director or directors to retire are those who have been longest in office since their election and, as between those who became directors on the same day, as determined by lot unless they otherwise agree. A retiring director is eligible for re-election. Up to one director appointed to the office of managing director may be exempt from retirement by rotation. Casual vacancies between annual general meetings may be filled by the Atlantic Board, and the Atlantic Board has the power to appoint additional directors, but so that the total number of directors does not at any time exceed 8 directors.

(b) Spur

The BCBCA and Spur's articles set a minimum of 3 directors so long as Spur is a public company. The BCBCA does not contain residency requirements for directors. Spur's articles provide that the election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected must be the number then in office unless the directors or shareholders determine otherwise. Casual vacancies between annual meetings may be filled by the Spur Board, and the Spur Board has the power to appoint as additional directors up to one-third of the number of directors elected at the previous annual meeting.

(3) Removal of directors

(a) Atlantic

Atlantic Shareholders may (without cause) remove a director before their period of office ends by passing a resolution to do so at a general meeting. The resolution must be passed by a majority of the votes cast by Atlantic Shareholders present and voting.

Atlantic directors cannot themselves remove a director from his or her office or require a director to vacate his or her office.

(b) Spur

The BCBCA provides that the shareholders of a company may, by special resolution, remove any director or directors from office.

The Spur directors cannot themselves remove a director from his or her office or require a director to vacate his or her office, unless the director is convicted of an indictable offence or if the director ceases to be qualified to act as a director of a company and does not promptly resign as required by Spur's articles.

11.4 Amendments to constituent documents

(1) Atlantic

Any amendment to the Atlantic constitution must be approved by a special resolution passed by Atlantic Shareholders present and voting on the resolution.

(2) Spur

Spur's constituent documents consist of its notice of articles and articles. Under the BCBCA, the notice of articles are the base constituent document of a company and set out details including the company's name, the mailing and delivery address of the registered and records offices of the company, the classes and number of shares the company is authorised to issue (and, where applicable, the rights, privileges, restrictions and conditions attaching to each class or series of shares), and the full name of, and prescribed address for, each of the directors. Subject to the BCBCA, the articles regulate the business and affairs of the company and provide for matters including meetings, elections of the board of directors and appointment of officers, filling of vacancies, notices, types and duties of officers, committees and other routine conduct.

In accordance with the BCBCA, any amendment to Spur's articles must be approved by the type of resolution specified by the BCBCA and/or Spur's articles, in the particular circumstances. Pursuant to Spur's articles, most alterations to the articles may be made by ordinary resolution and in some cases by directors' resolution, depending on the specific type of alteration. A shareholder entitled to vote at an annual meeting of shareholders and who has been a registered owner or beneficial owner of one or more such shares for an uninterrupted period of at least 2 years before the date of signing of the proposal may also make a proposal by way of written notice setting out a matter that the submitter wishes to have considered at the next annual general meeting in accordance with the procedure described above.

11.5 Issue of new shares

(1) Atlantic

Subject to specified exceptions (for pro rata issues, etc), the Listing Rules apply to restrict Atlantic from issuing, or agreeing to issue, more ordinary shares than the number calculated as follows in any 12 month period unless Atlantic has shareholder approval:

15% of the total of:

- the number of fully paid ordinary shares on issue 12 months before the date of the issue or agreement; plus
- the number of fully paid ordinary shares issued in the 12 months under a specified exception; plus
- the number of partly paid ordinary shares that became fully paid in the 12 months; plus
- the number of fully paid ordinary shares issued in the 12 months with shareholder approval; less
- the number of fully paid ordinary shares cancelled in the 12 months,

less the number of ordinary shares issued or agreed to be issued in the 12 months before the date of issue or agreement to issue, but not under a specified exception or with shareholder approval.

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In addition, Atlantic (as an 'eligible entity' for the purposes of the Listing Rules with a market capitalisation of less than A\$300 million) may seek approval from its ordinary shareholders by special resolution passed at an annual general meeting to potentially issue an additional 10%, subject to certain conditions.

Subject to certain exceptions, Listing Rules 10.11 and 10.14 require the approval of Atlantic Shareholders by ordinary resolution in order for Atlantic to issue shares or options to directors.

Under the Atlantic constitution, Atlantic directors may issue shares on terms determined by the directors at such times as they think fit. This power is, however, subject to the Corporations Act, the Listing Rules, and any special rights previously conferred on the holders of any existing shares or class of shares.

(2) Spur

According to Spur's articles, Spur is authorised to issue an unlimited number of common shares and an unlimited number of preferred shares. Subject to the BCBCA, shares may be issued for such consideration as the directors may determine.

Shares issued by a BCBCA regulated company are non-assessable and may only be issued if consideration for such shares is fully paid.

As Spur is listed on TSXV, Spur will be subject to the rules of TSXV in relation to the issue of securities. Below is an overview of the various TSXV rules in relation to the issue of securities (section references relate to the TSXV Corporate Finance Manual, which can be viewed in its entirety at the following link: http://www.tmx.com/en/listings/venture_issuer_resources/finance_manual.html).

Generally, the listed issuer may not proceed with any transaction where listed securities are issued, unless both the transaction and the issue of securities are accepted by the TSXV (TSXV Policy 4.1 and 5.3). An exception is in relation to 'Expedited Acquisitions', which are arm's length acquisitions that do not require prior TSXV review because of their size and other built-in restrictions (e.g. not a change of business or reverse takeover; no new insiders created; aggregate number of securities issued under expedited procedures within previous 6 months does not exceed 50% of issuer's outstanding securities prior to the acquisition) under TSXV Policy 5.3.

TSXV retains discretion to impose conditions on acceptance of all transactions, including security holder approval and escrow and resale restrictions (TSXV Policy 1.1, 4.1, 5.3 and 5.4).

For equity financings (e.g. private placements), TSXV will generally require security holder approval for: (a) a financing which will result in the creation of a new control person (such new control person is not eligible to vote its securities in respect of such approval); and (b) a financing where the issuance involves a related party (such related party is not eligible to vote its securities in respect of such approval) (TSXV Policy 4.1).

For listed share for debt transactions, TSXV will require disinterested security holder approval where the transaction will result in the creation of a new control person (TSXV Policy 4.3).

For acquisitions and dispositions of non-cash assets, TSXV generally requires security holder approval for: (a) any such transaction which results in the creation of a new control person; (b) any such transaction where the number of securities issued or issuable to non-arm's length parties, as a group, as payment of the purchase price for an acquisition, exceeds 10% of the number of outstanding securities of the issuer on a non-diluted basis, prior to the closing date of the transaction (such non-arm's length parties are not eligible to vote their securities in respect of such approval); and (c) the sale of more than 50% of the issuer's assets, business or undertaking (TSXV Policy 5.3).

The TSXV Corporate Finance Manual (Policy 1.1) provides that a 'control person' is any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

TSXV also requires securityholder approval of securities-based compensation arrangements, including any compensation or mechanism involving the potential issuance of securities from treasury such as stock options. TSXV prescribes specific disclosure requirements for the materials provided to securityholders for the purposes of such approval, including all material information that securityholders may reasonably require to approve the arrangements. Certain substantive requirements are imposed that must be complied with: exercise prices may not be lower than 'Discounted Market Price' (as that term is defined in the TSXV policies) the day prior to the date on which stock options are granted and there must be a maximum number or percentage of securities issuable. In general, TSXV policies require that amendments to any of the following provisions of a stock option plan will be subject to shareholder approval: (a) persons eligible to be granted options under the plan; (b) the maximum number or percentage, as the case may be, of shares that may be reserved under the plan for issuance pursuant to the exercise of stock options; (c) the limitations under the plan on the number of options that may be granted to any one person or any category of persons (such as, for example, 'Insiders'); (d) the method for determining the exercise price of options; (e) the maximum term of options; and (f) the expiry and termination provisions applicable to options. Notwithstanding the foregoing, TSXV will not require that the following types of amendments be subject to shareholder approval as a condition to TSXV acceptance of the amendment: (a) amendments to fix typographical errors; and (b) amendments to clarify existing provisions of a stock option plan that do not have the effect of altering the scope, nature and intent of such provisions.

Disinterested shareholder approval is required under TSXV policies in certain instances.

11.6 Variation of class rights

(1) Atlantic

Under the Atlantic constitution, rights attaching to a class of shares may only be varied or cancelled with the approval of a special resolution of Atlantic Shareholders and either:

- by special resolution passed at a meeting of the shareholders holding shares in the class; or
- with the written consent of shareholders with at least 75% of the votes in the class.

(2) Spur

The BCBCA and Spur's articles provide that rights attaching to a class of shares may only be varied by an amendment to the articles approved by ordinary or special resolution, depending on the circumstances.

11.7 Protection of minority shareholders/oppression remedy

(1) Atlantic

Under the Corporations Act, any Atlantic Shareholder can bring an action in cases of conduct which is contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.

A statutory derivative action may also be instituted by an Atlantic Shareholder, former shareholder or person entitled to be registered as a shareholder. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that:

- it is probable that Atlantic will not itself bring the proceedings or properly take responsibility for them or for the steps in them;
- the applicant is acting in good faith;
- it is in the best interests of Atlantic that the applicant be granted leave;
- if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and
- either at least 14 days before making the application, the applicant gave written notice to Atlantic of the intention to apply for leave and the reasons for applying, or it is otherwise appropriate to grant leave.

In addition to the above, a shareholder may be able to bring a claim against Atlantic based on the general laws of contract, tort or other laws applicable in Australia.

(2) Spur

Canadian securities laws provide certain procedural protections for securityholders, including minority approval rights, valuation requirements and enhanced disclosure requirements, for certain non-arm's length transactions such as issuer bids, insider bids,

related party transactions and business combinations.

The BCBCA provides that on the application of one or more Spur shareholders who, in aggregate, hold at least 20% of the issued shares of Spur, may apply to the Supreme Court of British Columbia for an order to appoint an inspector to conduct an investigation of Spur, and to determine the manner and extent of the investigation. Under the BCBCA, a company may also, by special resolution, appoint an inspector to investigate the affairs and management of the company, and to report in the manner and to the persons the resolution directs.

For the court to make such an order of investigation, among other requirements, it must appear to the court that there are reasonable grounds for believing that: (a) the affairs of the company are being or have been conducted, or the powers of the directors are being or have been exercised, in a manner that is oppressive or unfairly prejudicial to one or more shareholders, within the meaning of the BCBCA, including the applicant; (b) the business of the company is being or has been carried on with intent to defraud any person; (c) the company was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose; or (d) persons concerned with the formation, business or affairs of the company have, in connection with it, acted fraudulently or dishonestly.

In addition, a shareholder (which, for the purposes of the relevant section of the BCBCA, includes shareholders and any other persons whom the court considers to be appropriate persons to make an application under the relevant section of the BCBCA) who applies to the court for an order on the grounds that:

- the affairs of Spur are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or
- some act of Spur has been done or is threatened, or that some resolution of the shareholders has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

This remedy is known as the 'oppression remedy'. The powers of the court under the BCBCA in making an order are broad – it may make any order it considers appropriate, including, but not limited to, an order directing or prohibiting any act, removing any director, varying and setting aside a transaction, or directing that a company be liquidated and dissolved.

Representative shareholder actions or derivative actions are also available under the BCBCA to 'complainants' (which includes shareholders and directors of the company, and any other person whom the court considers appropriate to bring a derivative action). The statutory provisions of the BCBCA allow complainants to prosecute a legal proceeding in the name and on behalf of the company: (a) to enforce a right, duty or obligation owed to the company that could be enforced by the company itself, or (b) to obtain damages for any such breach of said right,

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duty or obligation. The BCBCA also allows complainants to defend a legal proceeding brought against the company.

To bring a derivative action or defend a legal proceeding brought against a company under the BCBCA, it is first necessary to obtain the leave of the court. The granting of leave is not automatic, but requires the court to exercise judicial discretion. The court may grant leave, on terms it considers appropriate, if:

- the complainant has made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding;
- notice of the application for leave has been given to the company and to any other person the court may order;
- the complainant is acting in good faith; and
- it appears to the court that it is in the best interests of the company for the legal proceeding to be prosecuted or defended.

The court has broad powers to direct the conduct of any such legal proceeding. No legal proceeding prosecuted or defended under the derivative actions provisions of the BCBCA may be discontinued, settled or dismissed without the approval of the court.

In addition to the above, a shareholder may be able to bring a claim against Spur based on the general laws of contract, tort or other laws applicable in Canada.

The BCBCA provides that shareholders, whether or not the shareholders' shares carry the right to vote, are entitled to exercise dissent rights and demand payment for the fair value of their shares, provided that they comply strictly with the requirements in the BCBCA. Dissent rights exist when there is a vote upon matters such as:

- altering the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- adopting an amalgamation agreement;
- approving an amalgamation into a foreign jurisdiction;
- approving an arrangement, the terms of which arrangement permit dissent;
- authorising or ratifying the sale, lease or other disposition of all or substantially all of the company's undertaking;
- authorising the continuation of the company into a jurisdiction other than British Columbia;
- any other resolution, if dissent is authorised by the resolution; or
- any court order permitting dissent.

However, a shareholder is not entitled to dissent in certain circumstances as provided in the BCBCA, including if the court determines that the dissenter is not entitled to dissent.

11.8 Source and payment of dividends

(1) Atlantic

Under the Atlantic constitution, Atlantic may pay dividends only out of profits. In addition, under the Corporations Act, Atlantic

must not pay a dividend unless:

- Atlantic's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to the Atlantic Shareholders as a whole; and
- the payment of the dividend does not materially prejudice Atlantic's ability to pay its creditors.

Under the Atlantic constitution, the Atlantic directors may determine that a dividend is payable and fix the amount, the time for determining entitlements to the dividend, the time for payment and the method of payment. Dividends may be subject to withholding taxes.

(2) Spur

The BCBCA provides that a company may pay a dividend by issuing fully paid shares or warrants or (subject to the following sentence) in property, including in money. A company may declare or pay a dividend in property, including in money, unless there are reasonable grounds for believing that the company is insolvent, or the payment of the dividend would render the company insolvent. 'Insolvent' under the BCBCA means, in relation to a company, unable to pay its debts as they become due in the ordinary course of business. Dividends may be subject to withholding taxes.

11.9 Remuneration of directors and officers

(1) Atlantic

Under the Listing Rules, the maximum amount to be paid to directors for their services as directors (other than the salary of an executive director) is not to exceed the amount approved by shareholders in general meeting. The latest approval was at Atlantic's 2004 annual general meeting, at which Atlantic Shareholders approved aggregate remuneration for non-executive directors of A\$200,000 per year.

Legislation gives shareholders of listed companies (such as Atlantic Shareholders) the right to participate in a non-binding vote, to be held at the annual general meeting, on the adoption of the remuneration report of the company. The remuneration report is included in the directors' report and is required to contain a discussion of the board's policy in relation to remuneration of key management personnel of the company.

Where the resolution that the remuneration report be adopted receives a 'no' vote of 25% or more of the votes cast for two consecutive years, a resolution must be put to shareholders that:

- another meeting be held within 90 days (the Spill Meeting);
- all of the company's directors (excluding any managing directors) who were directors when the directors resolved that the directors' report be considered at the later of the two annual general meetings will cease to hold office immediately before the end of the Spill Meeting; and
- resolutions be put to the vote at the Spill Meeting to appoint

new directors (which may include the re-appointment of some or all of the directors who will cease to hold office at the end of the Spill Meeting).

(2) Spur

Under Spur's articles, the directors may fix the remuneration of the directors, officers and employees of Spur. Under applicable Canadian securities laws, a statement of executive compensation in a prescribed form is required to be included in the management proxy circular in connection with a Spur meeting: (a) that is an annual general meeting; (b) at which the company's directors are to be elected; or (c) at which the company's shareholders will be asked to vote on a matter relating to executive compensation.

11.10 Retirement benefits

(1) Atlantic

Formerly, the Corporations Act allowed a company to pay benefits to directors and officers on their retirement or termination of up to 7 times the director's or officer's total annual remuneration. Benefits above that limit could only be paid on shareholder approval.

Under reforms effected by the *Corporations Amendment (Improving Accountability on Termination Payments) Act 2009* (Cth) (**Corporations Amendment Act**), retirement or termination benefits that can be paid to company directors, senior executives and key management personnel without shareholder approval have been significantly reduced. The threshold above which shareholder approval is required is the equivalent of one year's base salary. The Corporations Amendment Act provides a mechanism for calculating that threshold, including by averaging salary over the past 3 years.

The changes affect only benefits under contracts of employment that are executed on or after the commencement date of the Corporations Amendment Act (24 November 2009), or where a contract is varied or extended on or after that date.

In addition, the Listing Rules provide that Atlantic must ensure that no officer of the company may be entitled to termination benefits (or any increase in them) if a change occurs in the shareholding or control of Atlantic. Further, Atlantic Shareholder approval is required if the value of the termination benefits that may become payable to all officers together exceeds 5% in aggregate of Atlantic's equity interests.

(2) Spur

Spur is not subject to any restrictions on the quantum of retirement benefits that it may pay to its directors and officers.

11.11 Fiduciary duties of directors and officers

(1) Atlantic

Under Australian law, the directors and officers of Atlantic are subject to duties to:

- act in good faith in the interests of Atlantic;
- act for a proper purpose;

- not fetter their discretion (in the case of directors only);
- exercise care, skill and diligence;
- avoid conflicts of interest;
- not use their position to their advantage or the advantage of somebody else;
- not misappropriate company property; and
- otherwise act in accordance with the Corporations Act and, subject to the provisions of the Corporations Act, Atlantic's constitution.

(2) Spur

In accordance with the BCBCA, applicable Canadian securities laws and Canadian common law, every director and officer of Spur, in exercising their powers and discharging their duties, must:

- act honestly and in good faith with a view to the best interests of Spur (commonly referred to as the 'duty of loyalty');
- act for a proper purpose;
- not fetter their discretion;
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (commonly referred to as the 'duty of care');
- avoid conflicts of interest;
- not use their position to their advantage;
- not misappropriate company property; and
- otherwise act in accordance with the BCBCA, and, subject to the provisions of the BCBCA, Spur's articles.

11.12 Release from liability and indemnification of directors and officers

(1) Atlantic

Atlantic cannot:

- exempt an officer from liability to it incurred in his capacity as an officer;
- indemnify an officer against a liability owed to it or a related body corporate; or
- indemnify an officer against the cost of legal proceedings, including where such proceedings result in them being found to have a liability to it or a related body corporate.

However, Atlantic may indemnify an officer against a liability owed to someone other than Atlantic or a Related Body Corporate (and also the cost of any related legal proceedings), provided the liability does not arise out of conduct involving a lack of good faith or the liability is not a penalty or compensation order made under the Corporations Act. For the purposes of these provisions, an 'officer' includes a director, secretary or senior manager of Atlantic.

The Atlantic constitution contains a provision indemnifying every Atlantic director, auditor, secretary and other officer or agent of Atlantic, out of the assets of the Atlantic, against any liability incurred by the relevant person in defending any civil or criminal proceedings relating to the affairs of Atlantic in which

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judgment is given in favour of the relevant person, the relevant person is acquitted or relief is granted to the relevant person by the court in respect of the proceedings.

(2) Spur

Spur's articles require Spur to indemnify its directors and officers, and former directors and officers, and alternate directors, and their respective heirs and personal or other legal representatives, to the greatest extent permitted by the BCBCA. The BCBCA allows a company to indemnify an eligible party (directors, officers and former directors and officers) against all judgments, penalties or fines awarded or imposed in, or an amount paid in settlement of, a proceeding in which an eligible party, by reason of being or having been a director or officer of the company or holding or having held an equivalent position, is or may be joined as a party, or is or may be liable for any expenses related to such proceedings or fines.

Spur's articles and the BCBCA also provide that Spur must pay the expenses reasonably and actually incurred by an eligible party after the final disposition of a proceeding. Spur may not indemnify any eligible party described above unless the eligible party:

- acted honestly and in good faith with a view to the best interests of Spur or, as the case may be, to the best interests of the associated entity for which he or she acted as a director or officer or in a similar capacity; and
- in the case of an eligible proceeding other than a civil proceeding, the individual had reasonable grounds for believing that his or her conduct in respect of which the proceeding was brought was lawful.

Furthermore, under the BCBCA, a director or officer or former director or officer that meets the 2 conditions above and is, after final disposition of a proceeding, wholly successful, on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding, is entitled to mandatory payment from Spur in respect of all expenses reasonably incurred by the eligible party in respect of that proceeding provided the eligible party has not been reimbursed for those expenses.

The BCBCA and Spur's articles also authorise Spur to purchase and maintain liability insurance for the benefit of the eligible parties described against any liability incurred by an eligible party in his or her capacity as director or officer, or equivalent position, of Spur or an associated corporation.

11.13 Transactions involving directors, officers or other related parties

(1) Atlantic

The Corporations Act prohibits a public company such as Atlantic from giving a related party a financial benefit unless it:

- obtains the approval of shareholders and gives the benefit within 15 months after approval; or
- the financial benefit is exempt.

A related party is defined to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms.

The Listing Rules prohibit a listed company such as Atlantic from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the company, unless it obtains the approval of shareholders. The related parties include a director, a person who has or has had in the prior 6 month period an interest in 10% or more of the shares in the company and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's-length terms.

The Listing Rules also prohibit a listed company such as Atlantic from issuing or agreeing to issue shares to a director unless it obtains the approval of shareholders or the share issue is exempt. Exempt share issues include issues made pro rata to all shareholders, under an underwriting agreement or under a dividend or distribution plan.

(2) Spur

Spur, through the policies the TSXV, is subject to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (MI 61-101), which imposes valuation, minority approval and disclosure requirements on entities involved in certain related party transactions. A related party transaction includes a transaction between an issuer and a person that is a related party to the issuer at the time that the transaction is agreed to, whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with a connected transaction, the issuer directly or indirectly, among other things:

- purchases or acquires an asset from a related party for valuable consideration;
- sells, transfers or disposes of an asset to a related party;
- leases property to or from a related party;
- acquires a related party or combines with a related party through an amalgamation, arrangement or otherwise, whether alone or with joint actors;
- issues a security to, or subscribes for a security of, a related party;
- becomes subject to a liability of a related party or provides or materially amends the terms of a guarantee or collateral security for a debt or liability of a related party; or
- borrows money from or lends money to a related party, or releases, cancels, forgives or materially amends the terms of an outstanding debt or liability owed by or to a related party.

Unless a specific exemption is available, MI 61-101 requires a formal valuation of assets or securities involved in a related party

transaction. The valuation must be prepared by an appropriately qualified independent valuator and no more than 120 days before the earlier of the date that a disclosure document for the transaction is first sent to securityholders (if applicable) and the date that a disclosure document is filed with the relevant securities regulatory authorities. The valuation must contain certain required content and provide sufficient disclosure to allow the securityholders to understand the principal judgments and underlying reasoning of the valuator so as to form a reasoned judgment of the valuation.

Minority approval of a related party transaction is also required under MI 61-101, unless a specific exemption is available. Minority approval for these purposes consists of the approval of the proposed transaction by a majority of the votes cast by holders of each class of affected securities at a meeting of security holders of that class called to consider the transaction, excluding the votes attached to the securities of the issuer held or controlled, directly or indirectly, by the issuer, any interested party, their respective directors or senior officers, and any related parties or joint actors of such persons. If minority approval is required, it must be obtained from the holders of every class of affected securities of the issuer, in each case voting separately as a class. There are additional specific rules in MI 61-101 regarding obtaining minority approval, including the determination of the excluded votes and the disclosure required to be sent to securityholders.

MI 61-101 also requires an issuer to include certain detailed disclosure regarding related party transactions in a material change report that is required to be filed under applicable securities laws and in an information circular that is being sent to securityholders to obtain minority approval in respect of a related party transaction.

11.14 Directors' declarations of interest

(1) Atlantic

The Corporations Act generally requires an Atlantic director who has a material personal interest in a matter that relates to the affairs of Atlantic to give the other directors notice of that interest. That director must not be present at a meeting where the matter is being considered or vote on the matter unless the other directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of any act in which the director has an interest.

Atlantic directors, when entering into transactions with Atlantic, are subject to the common law and statutory duties to avoid conflicts of interest.

(2) Spur

The BCBCA requires directors and senior officers to disclose to Spur the nature and extent of any interest that they may have in

a material contract or transaction, whether made or proposed, with Spur, if the director or senior officer:

- has a material interest in the contract or transaction; or
- is director or officer of, or has a material interest in, a party who has a material interest in the contract or transaction.

Except as provided in the BCBCA, no director having such a disclosable interest may vote on any resolution to approve such contract or transaction. The BCBCA provides that a director or senior officer does not hold a disclosable interest in a contract or transaction merely because the contract or transaction, among other things:

- relates primarily to his or her remuneration as a director or senior officer in that person's capacity as director officer, employee or agent of the company or an affiliate of the company;
- relates to an indemnity or insurance under the BCBCA; or
- has been or will be made with or for the benefit of a corporation that is affiliated with the company and the director or senior officer is also a director or senior officer of that corporation or an affiliate of that corporation.

Subject to the BCBCA, a director or senior officer of a company is liable to account to the company for any profit that accrues to the director or senior officer under or as a result of a contract or transaction in which the director or senior officer holds a disclosable interest. A director who has a disclosable interest in a contract or transaction and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

Under the BCBCA, a director or senior officer is not accountable to the company or its shareholders for any profit realised from the contract or transaction in, among others, any of the following circumstances:

- the contract or transaction is approved by the directors in accordance with the BCBCA, after the nature and extent of the disclosable interest has been disclosed to the directors;
- the contract or transaction is approved by a special resolution in accordance with the BCBCA, after the nature and extent of the disclosable interest has been disclosed to the shareholders entitled to vote on that resolution;
- whether or not the contract or transaction is approved in accordance with certain sections of the BCBCA:
 - the company entered into the contract or transaction before the director or senior officer became a director or senior officer of the company,
 - the disclosable interest is disclosed to the directors or the shareholders, and
 - the director or senior officer does not participate in, and, in the case of a director, does not vote as a director on, any decision or resolution touching on the contract or transaction.

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Even if the above conditions are not met, a contract or transaction is not invalid merely because: (a) a director or senior officer of the company has an interest, direct or indirect, in the contract or transaction; (b) a director or senior officer has not disclosed such interest; or (c) the directors or shareholders of the company have not approved the contract or transaction in which the director or senior officer has an interest. Furthermore, even if the director or senior officer takes no steps to properly disclose his or her interest in the contract or transaction, the director or senior officer may still be relieved of the obligation to account for profits by the court if, on application, the court finds that the transaction was fair and reasonable to the company.

11.15 Takeovers

(1) Takeover requirements

(a) Atlantic

Australian law places restrictions on a person acquiring relevant interests in the voting shares of a public company such as Atlantic where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Generally, such acquisitions cannot be made unless the person does not acquire more than 3% of the voting shares in the company in the 6 month period before the acquisition, the acquisition is made with shareholder approval or the acquisition is made under a scheme of arrangement or takeover bid in accordance with Australian law. Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions about conditional offers exist and there are also substantial restrictions concerning the withdrawal and suspension of offers.

(b) Spur

In Canada, takeover bids are regulated primarily by provincial and territorial securities legislation and related rules and, to a limited extent, the corporate statutes under which the target company is incorporated. Unless an exemption from the formal takeover bid requirements under securities legislation is available or can be obtained, persons or companies making an offer to acquire shares in a jurisdiction where the subject shares, together with the offeror's securities (including any securities held by joint offerors), constitute in aggregate 20% or more of the outstanding shares of the company at the time of the offer are required to extend the offer to all securityholders in the jurisdiction. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company. These provisions are applicable for securityholders whose address in the books of the company is in Canada.

Takeover bids must treat all securityholders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. Takeover bids must

remain open for a minimum of 35 days from the date of the mailing of the circular, after which time all securities deposited under the offer may be taken up.

For the protection of target securityholders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general 'public interest jurisdiction' to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.

There are extensive disclosure requirements associated with takeover bids, beginning with 'early warning' disclosure required when an acquirer crosses the 10% ownership threshold. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid before, during and after the bid are also restricted. Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the BCBCA. If the acquirer obtained 90% of the outstanding securities owned by shareholders during the bid, other than shares already held at the date of the offer by the acquirer or its affiliate, then the acquirer may, within 5 months after making the offer, send written notice to any offeree who did not accept the offer, that the acquirer wants to acquire the shares of the offeree shareholder that were not involved in the bid. The acquirer must acquire all of the shares of that offeree for the same price and on the same terms contained in the bid, unless the court orders otherwise on an application made by the offeree shareholder. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining a two-thirds majority approval. The acquirer is generally permitted to vote the shares acquired pursuant to the bid at such meeting. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain procedural requirements.

Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to 5 persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.

(2) Takeover defence mechanisms

(a) Atlantic

Under Australian takeovers legislation and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat a takeover bid. For example, it is likely that the adoption of a shareholders' rights plan (or so-called 'poison pill') would give rise to a declaration of

unacceptable circumstances by the Australian Takeovers Panel if it had that effect.

(b) Spur

The Canadian securities regulatory authorities (CSA) have recognised that takeover bids play an important role in the economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, there is a possibility that the interests of management of the target company will differ from those of its shareholders. The CSA considers the primary objective of the takeover bid provisions of Canadian securities legislation to be the protection of the bona fide interests of the shareholders of the target company. Because certain defensive measures taken by management of a target company may have the effect of denying shareholders the ability to make a fully formed decision and frustrating an open takeover bid process, the CSA will therefore examine target company defensive tactics in specific cases to determine whether they are abusive of shareholder rights.

Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include:

- the issuance of or granting of an option on securities representing a significant percentage of the outstanding securities of the target company, including the introduction of a shareholders' rights plan;
- the sale, acquisition, optioning, or agreement to sell or acquire assets of a material amount; and
- the entering into a contract or taking corporate action other than in the normal course of business.

Shareholder approval of corporate action may be a factor in the decision as to whether the tactics are appropriate.

Notwithstanding the above, defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; however, tactics that are likely to deny or limit severely the ability of the shareholders to respond to a takeover bid or a competing bid may result in action by the CSA.

11.16 Disclosure of substantial shareholdings

(1) Atlantic

Under the Corporations Act, if a person acquires a 'substantial holding' in a company included in the official list of ASX, that person will be required to publicly disclose certain prescribed information relating to the acquisition, including the person's name, address, details of the relevant interest and the name of each associate who has a relevant interest in the voting shares.

A person who already has a substantial holding must make a subsequent public disclosure if they cease to have a substantial holding or if there is a change of at least 1% in their holding. The information must be given to ASX and also to the relevant company.

A person will have a substantial holding if they, alone or together with their associates, have a relevant interest in 5% or more of the total number of votes attached to voting shares in the company.

(2) Spur

The rules under applicable Canadian securities laws regarding early warning of acquisitions of securities are contained in National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* and Multilateral Instrument 62-104 - *Take-Over Bids and Issuer Bids*. Under these two instruments, if a person or any person acting jointly or in concert acquires beneficial ownership of, control or direction over, voting or equity securities of any class of a reporting issuer or securities convertible into voting or equity securities of any class of Spur that, together with the person's existing holdings, would constitute 10% or more of the outstanding securities of that class, such person is required to disseminate a news release containing certain prescribed information and file a report of the acquisition on SEDAR within 2 business days of the trade. In addition, each additional acquisition of 2% or more of the outstanding securities of the class acquired will require the person to disseminate a further news release and file another acquisition report on SEDAR.

Furthermore, certain reporting insiders, including directors, the chief executive officer, chief financial officer and chief operating officer, and significant shareholders (i.e. a person or company that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of Spur carrying more than 10% of the voting rights attached to all of Spur's outstanding voting securities) (**Insiders**) are required to file an Insider report under National Instrument 55-104 - *Insider Reporting Requirements and Exemptions*. Insider reports set out the number of Spur Shares, as well as ownership positions in any other securities of Spur (this includes the grant of options or other convertible securities to such persons or the exercise by them of such options or convertible securities) that the Insider owns or exercises control or direction over. Insider reports are publicly disclosed on SEDI (www.sedi.ca) and must be filed within 10 days of a person becoming an Insider and within 5 days of a change of that person's holdings in Spur.

11.17 Right to inspect register of shareholders

(1) Atlantic

The register of shareholders of an Australian company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public. If a person asks Atlantic for a copy of the register (or any part of the register) and pays the requested fee (up to a prescribed amount), Atlantic must give that person the copy within 7 days

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of the date on which Atlantic receives such payment.

Under the Atlantic constitution, the directors, or Atlantic by a resolution passed at a general meeting, may authorise an Atlantic Shareholder to inspect the books of Atlantic. An Atlantic Shareholder, other than an Atlantic director, does not have the right to inspect any document of Atlantic, other than the minute books for the meetings of its shareholders and for resolutions of shareholders passed without meetings, except as provided by law or authorised by the directors or by Atlantic in general meeting.

Under the Corporations Act, a shareholder must obtain a court order to obtain access to the corporate books. The applicant must be acting in good faith and be making the inspection for a proper purpose.

(2) Spur

Under the BCBCA, directors and shareholders may, without charge, inspect certain records of the company. Former shareholders and directors may also inspect certain records, free of charge, but only those records pertaining to the times that they were shareholders or directors.

Public companies must allow all persons to inspect certain records of the company free of charge. Under the BCBCA, any persons wishing to examine the central securities register of Spur must first make a request to Spur, accompanied by an affidavit stating that the list will not be used except for certain purposes permitted under the BCBCA.

As permitted by the BCBCA, Spur's articles prohibit shareholders from inspecting or obtaining any accounting records of the company, unless the directors determine otherwise, or unless otherwise determined by ordinary resolution.

11.18 Winding-up

(1) Atlantic

Under Australian law, an insolvent company may be wound up by a liquidator appointed by either creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. The shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation.

Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.

The Atlantic constitution provides that on winding-up, the liquidator may, with sanction of a special resolution, divide among Atlantic Shareholders, in specie or in kind, any part of the assets of Atlantic as the liquidator thinks fit.

(2) Spur

A company will cease to exist if it is voluntarily dissolved, if it is liquidated or if its certificate of incorporation is cancelled by the relevant official under the BCBCA. The principal distinction between dissolution and liquidation is the identity of the person or persons who carry out the steps required to terminate a company's existence. A dissolution is handled by the existing managers of the company, whereas liquidation is generally managed by another person appointed solely for that purpose.

Liquidation and dissolution may be proposed by a director or a shareholder entitled to vote at an annual meeting (i.e. voluntary liquidation) or by the court on the application of a shareholder, creditor or other person authorised under the legislation (i.e. involuntary or compulsory liquidation). A liquidation may begin as a voluntary, shareholder driven proceeding, but then be continued under court supervision upon the application of any interested person.

The Registrar under the BCBCA may also dissolve a company under certain circumstances, such as failure to comply with an order of the Registrar. In all cases, the company must be neither insolvent nor bankrupt to have its existence terminated under the BCBCA. Liquidation of a company may also take place completely outside the framework of the BCBCA. A company may also be liquidated under the provisions of the Bankruptcy and Insolvency Act 1985 (Canada), either by way of assignment into bankruptcy (voluntary) or on petition by a creditor (involuntary) or under the Companies' Creditors Arrangement Act 1985 (Canada). Finally, a company may be liquidated informally under contractual arrangement, usually by way of the private appointment of a receiver and manager.

Voluntary liquidation under the BCBCA may be initiated or proposed by the directors or shareholders, but must be sanctioned by a special resolution of the shareholders. A company must settle its debts, obligations or liabilities prior to dissolution.

Dissolution or liquidation by the court under the BCBCA may be commenced by application of the company, a shareholder, a director, or any other person (including a creditor of the company) whom the court considers an appropriate person to make such an application. The court may order the company be liquidated or dissolved if the court is satisfied that there has been conduct that is oppressive or unfairly prejudicial to the interests of shareholders, creditors, directors or officers or that it is just and equitable that company should be liquidated and dissolved. A liquidator may be appointed by the court.

12 Additional information

12.1 Atlantic Directors

The Atlantic Directors at the date of this Scheme Booklet are:

- Mr Ronald Hawkes, Non-Executive Chairman;
- Mr Wally Bucknell, Managing Director and CEO;
- Mr Robert Symons, Non-Executive Director; and
- Mr Rodney J Hanson, Non-Executive Director.

Mr Symons and Mr Hanson are considered to be independent directors for the purposes of the *Corporate Governance Principles and Recommendations* (3rd Edition) issued by the ASX Corporate Governance Council.

12.2 Atlantic marketable securities held by Atlantic Directors

At the date of this Scheme Booklet, each Atlantic Director held a Relevant Interest in the following marketable securities of Atlantic:

NAME	ATLANTIC FULLY PAID SHARES	ATLANTIC PARTLY PAID SHARES	ATLANTIC OPTIONS
Mr Ronald Hawkes	27,856,561	5,750,000	nil
Mr Wally Bucknell	8,015,492	1,036,860	10,000,000 ¹
Mr Robert Symons	1,195,750	nil	nil
Mr Rodney J Hanson	3,667,577	330,732	nil

¹ Exercisable at A\$0.027 with an expiry date of 28 August 2017. Held by Callisten Pty Ltd <Bucknell Super Fund>. However, please refer to section 12.4(2) below.

12.3 Spur marketable securities held by Atlantic Directors

At the date of this Scheme Booklet, no Atlantic Director had a Relevant Interest in any marketable securities of Spur.

12.4 Benefits and agreements

(1) Appointment of Mr Bucknell as a Spur Director

Spur has agreed under the Merger Implementation Deed and the DDV Gold Sale Agreement to invite Mr Wally Bucknell to become a non-executive director of Spur following implementation of the Scheme or the DDV Gold Alternative Transaction (as applicable). It is anticipated that Mr Wally Bucknell will be entitled to receive a retainer, meeting attendance fees, stock options, travel allowances and reimbursement of incidental expenses from Spur in connection with the performance of his duties as a non-executive director of Spur. At the date of this Scheme Booklet, it is proposed that Mr Bucknell's retainer will be C\$15,000 but no other specific arrangements have been agreed between Spur and Mr Wally Bucknell.

As noted in section 5.1(3), in addition to becoming a non-executive director of Spur, Mr Wally Bucknell has agreed in principle to continue in a full time role with the Merged Group for a period of 12 months following implementation of the Scheme. It is anticipated that Mr Wally Bucknell will be entitled to receive an annual salary and other employment entitlements in connection with this employment with the Merged Group.

(2) Atlantic Option cancellation arrangements between Spur and Mr Bucknell

On 15 May 2014, Spur and Atlantic entered into an Option Cancellation Deed with Callisten Pty Ltd <Bucknell Super Fund> (Callisten), an entity controlled by Mr Wally Bucknell, under which Spur agreed, in consideration for the cancellation of the 10,000,000 Atlantic Options held by Callisten (as referred to in the table in section 12.2), to grant to Callisten 556,400 Spur Options at an exercise price of C\$0.50 and with an expiry date

12 Additional information

of 28 August 2017. The cancellation of the 10,000,000 Atlantic Options held by Callisten and the issue of the 556,400 Spur Options is conditional on the Scheme becoming Effective.

Please refer to section 7.8 for further information on the cancellation of Atlantic Options.

(3) Other agreements or arrangements connected with or conditional on the Scheme

The Atlantic Board intends to procure that Atlantic obtains, and maintains for a period following implementation of the Merger, an insurance policy for the benefit of the Atlantic Directors in relation to any liability incurred by an Atlantic Director in his capacity as a director of Atlantic prior to implementation of the Merger. As at the date of this Scheme Booklet, no specific insurance arrangements have been effected.

Except as disclosed in this section 12.4 or elsewhere in this Scheme Booklet, there are no agreements or arrangements made between any Atlantic Director and another person in connection with, or conditional on, the outcome of the Scheme.

(4) Interests of Atlantic Directors in Spur contracts

Except as described in this section 12.4 or elsewhere in this Scheme Booklet, no Atlantic Director has any interest in any contract entered into by Spur.

12.5 Spur Loan Agreement

On 15 May 2014, DDV Gold (as borrower), Spur (as lender) and Atlantic (as guarantor) entered into a loan agreement (Spur Loan Agreement). Under the Spur Loan Agreement, Spur has agreed to provide a loan facility to DDV Gold for the sole purpose of repaying amounts outstanding under a loan agreement between DDV Gold (as borrower) and Brianna Holdings Pty Limited (ACN 062 977 815) (as lender) (Brianna Loan Agreement) and discharging the securities granted by DDV Gold in connection with the Brianna Loan Agreement. On 20 June 2014, the Spur Loan Agreement was amended to increase the amount of the loan facility from C\$1,000,000 to C\$1,800,000.

The key terms and conditions of the Spur Loan Agreement are:

- (1) the maximum amount that can be drawn down by DDV Gold is C\$1,800,000;
- (2) the loan facility will mature on 31 December 2014;
- (3) amounts drawn down will accrue interest at 14% per annum;
- (4) it will be an event of default if there is any change in the ownership of the voting shares of DDV Gold or Atlantic without the prior approval of Spur, except where such change of ownership is the transfer of voting shares to Spur pursuant to the Merger; and
- (5) the loan facility is secured by first priority security over the assets of DDV Gold and is guaranteed by Atlantic.

The loan facility is conditional on (among other things) the Merger Implementation Deed not having been terminated and

the registration and perfection of the security granted by DDV Gold.

12.6 Warrant Indenture

Before the Second Court Hearing Date, Spur will enter into a warrant indenture (Warrant Indenture) with Computershare Canada, as warrant agent.

The terms of the Warrant Indenture will apply to the New Spur Share Purchase Warrants (and Spur Share Purchase Warrant CDIs) and the rights and obligations as specified in the Warrant Indenture will be binding on Spur and the holders of New Spur Share Purchase Warrants (and Spur Share Purchase Warrant CDIs).

The Warrant Indenture will include, among other things, provisions relating to the following:

- (1) **Entitlement, exercise price and expiry date:** Each New Spur Share Purchase Warrant (or Spur Share Purchase Warrant CDI) will be exercisable for 1 Spur Share (or 1 Spur Common Share CDI), subject to any adjustments in accordance with the terms of the Warrant Indenture, for a period of 4 years following the Implementation Date at an exercise price of C\$0.60.
- (2) **Registers:** A Spur Warrant register will be established and maintained in Canada, and a Spur Share Purchase Warrant CDI register will be established and maintained in Australia. Certain provisions of the Warrant Indenture will apply only to New Spur Share Purchase Warrants registered on the Canadian register or to Spur Share Purchase Warrant CDIs registered on the Australian CDI register.
- (3) **Form of the New Spur Share Purchase Warrants (and the Spur Share Purchase Warrant CDIs):** New Spur Share Purchase Warrants held on the Canadian register may be issued in either certificated or uncertificated form. Spur Share Purchase Warrant CDIs issued on the Australian CDI register will be issued in the form of uncertificated CDIs only.
- (4) **Reconstruction of capital/adjustment provisions:** The number of Spur Shares (or Spur Common Share CDIs) issuable upon exercise of the New Spur Share Purchase Warrants (or Spur Share Purchase Warrant CDIs) will be subject to adjustment in certain events, including consolidation, subdivision, return of capital, reduction of capital, pro rata cancellation of capital, and in any other case where the issued capital of Spur is reconstructed such that a holder of New Spur Share Purchase Warrants (or Spur Share Purchase Warrant CDIs) will not receive a benefit that holders of ordinary securities of Spur do not receive, subject to TSXV approval.
- (5) **Participation in new issues:** There are no participation rights or entitlements inherent in the New Spur Share Purchase Warrants (or Spur Share Purchase Warrant CDIs) and holders thereof will not be entitled to participate in new issues of capital offered to shareholders of Spur during the currency of

the New Spur Share Purchase Warrants (or Spur Share Purchase Warrant CDIs) without exercising the New Spur Share Purchase Warrants (or Spur Share Purchase Warrant CDIs).

- (6) **Transfer and exercise:** Requirements for transfer and exercise of New Spur Share Purchase Warrants (and Spur Share Purchase Warrant CDIs), and for the possible issuance of certificates relating to New Spur Share Purchase Warrants held on the Canadian register.
- (7) **Meetings:** The regulation of any meetings of holders of New Spur Share Purchase Warrants (and Spur Share Purchase Warrant CDIs).
- (8) **Rights and obligations of Computershare Canada.**
- (9) **Indemnities:** An indemnity in favour of Computershare Canada in relation to any liabilities or claims which it might incur or to which it might become subject arising from any act, omission or error of Computershare Canada, provided that such act, omission or error was made in good faith and the conduct of Computershare Canada was in accordance with its duties under the Warrant Indenture and did not constitute gross negligence or wilful misconduct on the part of Computershare Canada.
- (10) **Enforcement:** Enforcement of the rights of holders of New Spur Share Purchase Warrants (and Spur Share Purchase Warrant CDIs).
- (11) **Amendments:** Subject to applicable law, the applicable exchange listing rules and any regulatory approval, holders of New Spur Share Purchase Warrants (and Spur Share Purchase Warrant CDIs) will have the power from time to time by extraordinary resolution (66.6%) to make certain amendments, including to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of the holders of New Spur Share Purchase Warrants (and Spur Share Purchase Warrant CDIs). Minor amendments for certain purposes, including curing defects or inconsistencies, may be made by agreement between Spur and Computershare Canada, provided that in the opinion of Computershare Canada, relying on the advice of counsel, the rights of Computershare Canada and of the holders of the New Spur Share Purchase Warrants (and Spur Share Purchase Warrant CDIs) are in no way prejudiced by such changes. While the Spur Share Purchase Warrant CDIs are quoted on ASX, any amendment to the Warrant Indenture must also comply with the relevant requirements in the Listing Rules. While the Spur Shares are listed on TSXV, any amendment to the Warrant Indenture must also comply with the relevant requirements in the TSXV listing rules.
- (12) **US Holders:** The New Spur Share Purchase Warrants (and Spur Share Purchase Warrant CDIs) may not be exercised by or on behalf of, or for the account or benefit of, a person in the United States or a US Person unless the Spur Shares issuable upon exercise thereof have been registered under the

United States Securities Act of 1933, as amended, and applicable state securities laws or an exemption from such registration requirements is available.

A copy of the proposed form of the Warrant Indenture is available upon request from Spur or by calling Atlantic on +61 (0)2 9410 0993. Following implementation of the Scheme, a copy of the Warrant Indenture will be available upon request, and without charge, from Spur, and a copy of the Warrant Indenture will also be available on Spur's profile on SEDAR at www.sedar.com.

12.7 Spur Subscription Commitment

In Atlantic's announcement to ASX dated 15 May 2014, it was noted that Atlantic had entered into underwriting arrangements with Spur in relation to the Share Purchase Plan. Under such arrangements, if Atlantic was unable to place any shortfall under the Share Purchase Plan, Spur would subscribe for that shortfall up to a maximum amount of A\$150,000 (Spur Subscription Commitment).

Atlantic and Spur have subsequently agreed that, in light of the amendment to the Spur Loan Agreement on 20 June 2014 to increase the amount of the loan facility from C\$1,000,000 to C\$1,800,000, the Spur Subscription Commitment will no longer apply and Spur will not be required to subscribe for any Atlantic securities.

12.8 Effect of Scheme on creditors

The Scheme, if implemented, is not expected to materially prejudice Atlantic's ability to pay its creditors as the Scheme involves the acquisition of Atlantic Shares for consideration provided by a third party, rather than the acquisition of Atlantic's underlying assets.

No material new liability (other than transaction costs associated with the Merger) is expected to be incurred by Atlantic as a consequence of the implementation of the Scheme.

Atlantic has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

12.9 Regulatory relief – Australia

(1) Atlantic

As noted in section 7.8, Atlantic and Spur have entered into an *Option Cancellation Deed* with each Atlantic Optionholder under which Spur has agreed, in consideration for the cancellation of each Atlantic Option, to grant to each Atlantic Optionholder 0.05564 Spur Options with an exercise price of C\$0.50 and an expiry date of 28 August 2017 for each Atlantic Option held. The cancellation of the Atlantic Options held by each Atlantic Optionholder and the issue of Spur Options to each Atlantic Optionholder is conditional on the Scheme becoming Effective.

Atlantic has obtained a waiver from ASX from compliance with Listing Rule 6.23.2 which would ordinarily prevent the

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Atlantic Options from being cancelled for consideration without the approval of Atlantic Shareholders at a general meeting (6.23.2 Waiver).

The 6.23.2 Waiver has been granted by ASX on the following conditions:

(a) Atlantic Shareholders approve by the requisite majority and a court of competent jurisdiction approves the Scheme as a result of which all of the Atlantic Shares will be acquired by Spur; and

(b) full details of the cancellation of the Atlantic Options are set out to ASX's satisfaction in this Scheme Booklet.

Please refer to section 7.8 for full details on the cancellation of Atlantic Options.

Atlantic Shareholder approval is not required in connection with the cancellation of the Atlantic Options contemplated under the *Option Cancellation Deeds*.

(2) Spur

(a) ASIC

ASIC has granted a modification or variation of:

- (i) subsection 707(3) of the Corporations Act to make it clear that Scheme Shareholders will be able to on-sell their New Spur Common Shares, New Spur Share Purchase Warrants, Spur Common Share CDIs and Spur Share Purchase Warrant CDIs within 12 months of their issue, without requiring disclosure under Chapter 6D of the Corporations Act; and
- (ii) subsections 601CK(1) to (6) of the Corporations Act to make it clear that those subsections do not apply in relation to a calendar year in respect of Spur where Spur gives to ASX the documents it would otherwise be required to lodge with ASIC under subsections 601CK(1) to (6) of the Corporations Act (other than the statement in writing in the prescribed form referred to in subsection 601CK(1)) in respect of the relevant calendar year.

In addition, ASIC has granted relief to exempt Spur and the Sale Agent from the operation of subsection 601ED(1) (registration of managed investment schemes), subsection 911A(1) (Australian financial services licence requirements) and Divisions 2 to 5 of Part 7.9 of the Corporations Act (disclosure relating to trading financial products) in relation to the Sale Facility.

(b) ASX

ASX has given in-principle advice to Spur that it would be likely to do each of the following:

- (i) agree that Spur may issue an information memorandum (the Information Memorandum) that complies with the requirements of Listing Rule 1.4, instead of a prospectus, for the purposes of satisfying Listing Rule 1.1 condition 3, on condition that the Information Memorandum incorporates this Scheme Booklet;
- (ii) grant a waiver from Listing Rule 1.1 condition 2 to the extent necessary to permit Spur's constitution not to comply

with the Listing Rules insofar as the constitution provides that Spur may do the following:

- (A) issue non-voting shares;
- (B) impose fees for the registration of transfer of securities;
- (C) issue preference shares on terms inconsistent with Listing Rule 6.3; and
- (D) permit the Spur Board to determine the remuneration of Spur's directors and increase directors' fees in a manner inconsistent with Listing Rule 10.17,

on condition that Spur gives to ASX an undertaking (executed in the form of a deed) that it will not do any of these things while it remains listed on ASX and while they remain forbidden by the Listing Rules;

- (iii) grant a waiver from Listing Rule 1.1 condition 6 to the extent necessary to permit Spur to apply for quotation only of those CDIs issued over its fully paid common shares into the Australian market, subject to the following conditions:
 - (A) Spur applies for quotation of new CDIs issued into the Australian market on a monthly basis, and Spur provides to the market a monthly update of the net changes in the number of CDIs over its common shares; and
 - (B) Spur releases details of this waiver as pre-quotation disclosure;
- (iv) grant a waiver from Listing Rule 1.4.1 to the extent necessary to permit the Information Memorandum not to state that it contains all information required under section 710 of the Corporations Act, subject to the following conditions:
 - (A) the Information Memorandum incorporates this Scheme Booklet; and
 - (B) Spur releases all of the documents incorporated into this Scheme Booklet by reference to the market as pre-quotation disclosure;
- (v) grant a waiver from Listing Rule 1.4.7 to the extent necessary to permit the Information Memorandum not to include additional experts' consents for the inclusion in the Information Memorandum of reports included in this Scheme Booklet, on condition that the Information Memorandum includes a clear statement indicating that the report is with reference to this Scheme Booklet only;
- (vi) grant a waiver from Listing Rule 1.4.7 to the extent necessary to permit the Information Memorandum to include a statement that Spur has not raised any capital in Australia for the three months before the date of issue of the Information Memorandum and will not need to raise any capital in Australia for the three months after the date of issue of the Information Memorandum, on condition that any fundraising document released by Spur in the three months before the date of the Information Memorandum is released to the market as pre-quotation disclosure;
- (vii) grant a waiver from Listing Rule 1.4.8 to the extent necessary to permit the Information Memorandum not to include a statement that a supplementary information

- memorandum will be issued if Spur becomes aware of certain matters occurring between the issue of the Information Memorandum and the date Spur's securities are quoted on ASX, on condition that:
- (A) if, before it is admitted to the official list of ASX, Spur files any disclosures of the matters set out in Listing Rule 1.4.8 with the TSXV and/or the Canadian regulatory authorities, it will at the same time provide a copy of the document to Atlantic for release to the Australian market; and
 - (B) Atlantic undertakes to release any such documents provided by Spur. This undertaking is to be given and executed in the form of a deed no later than the date the Information Memorandum is released over the ASX Market Announcements platform;
- (viii) grant a waiver from Listing Rule 2.4 to the extent necessary to permit Spur to apply for quotation only of those CDIs issued over its fully paid common shares and share purchase warrants into the Australian market, subject to the following conditions:
- (A) Spur applies for quotation of CDIs issued into the Australian market on a monthly basis, and Spur provides to the market a monthly update of the net changes in the number of CDIs over its common shares and share purchase warrants; and
 - (B) Spur releases details of this waiver as pre-quotation disclosure;
- (ix) grant a waiver from Listing Rule 2.8 to the extent necessary to allow Spur not to apply for quotation of CDIs which are issued as a result of holders of fully paid common shares or share purchase warrants in Spur converting their shares or share purchase warrants to CDIs, within 10 business days of issue of those CDIs, subject to the following conditions:
- (A) Spur applies for quotation of CDIs issued into the Australian market on a monthly basis, and Spur provides to the market a monthly update of the net changes in the number of CDIs over its common shares and share purchase warrants; and
 - (B) Spur releases details of this waiver as pre-quotation disclosure;
- (x) grant a waiver from Listing Rule 4.10.9 to the extent necessary that Spur not be required to include in its annual report the names of the 20 largest holders of its quoted securities, the number of equity securities each holds, and the percentage of capital each holds;
- (xi) grant a waiver from Listing Rule 6.10.3 to the extent necessary to permit Spur to set the "specified time" to determine whether a shareholder is entitled to vote at a shareholders meeting in accordance with the requirements of the relevant Canadian legislation;
- (xii) grant a waiver from Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4 to the extent necessary to permit Spur to:
- (A) have the option plan approved by Spur's shareholders on 27 June 2007 (the Spur Option Plan) that does not comply with Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4; and
 - (B) issue options and have options on issue under the Spur Option Plan that do not specifically comply with Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4, on condition that the full terms of the Spur Option Plan are released to the market as pre-quotation disclosure, and Spur undertakes to obtain ASX approval for the implementation of any future employee or director option plans;
- (xiii) grant a waiver from Listing Rules 10.11 and 10.14 to the extent necessary to permit Spur to issue, without shareholder approval, options to its directors and their associates pursuant to the Spur Option Plan on the following conditions:
- (A) each annual report of Spur discloses details of the shares and options issued under the Spur Option Plan for the period in which they were issued;
 - (B) Spur remains subject to, and complies with, the listing rules of TSXV;
 - (C) where Spur seeks shareholder approval for the issue of options to a director, the votes of the director (and his or her associates) not be counted and a voting exclusion statement be included in the notice of meeting;
 - (D) Spur certifies to ASX on an annual basis when it releases its annual report that it remains subject to, has complied with, and continues to comply with the requirements of TSXV with respect to the issue of securities to directors under an employee incentive scheme;
 - (E) if Spur becomes aware of any change to the application of the rules of TSXV with respect to the issue of securities to directors (and directors' associates) under an employee incentive scheme, or Spur is no longer in compliance with the requirements of the TSXV with respect to the issue of securities to directors (and directors' associates) under an employee incentive scheme, it must immediately advise ASX; and
 - (F) Spur releases the terms of this waiver to the market as pre-quotation disclosure;
- (xiv) grant a waiver from Listing Rule 10.18 to the extent necessary to permit Spur upon a change of control to pay termination benefits to existing Spur employees pursuant to the terms of Spur's existing employment contracts;
- (xv) grant a waiver from Listing Rule 14.2.1 to the extent necessary to permit Spur not to provide in its proxy form for holders of CDIs to vote against a resolution to elect a director or to appoint an auditor, on the following conditions:
- (A) Spur complies with the relevant Canadian laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor;
 - (B) the notice given by Spur to CDI holders under ASX Settlement Operating Rule 13.8.9 makes it clear that

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- holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case;
- (C) Spur releases details of the waiver to the market as pre-quotation disclosure and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs; and
- (D) without limiting ASX's right to vary or revoke its decision under Listing Rule 18.3, the waiver from Listing Rule 14.2.1 only applies for so long as the relevant Canadian laws prevent Spur from permitting shareholders to vote against a resolution to elect a director or appoint an auditor;
- (xvi) grant a waiver from Listing Rule 14.3 to the extent necessary to permit Spur to accept nominations for the election of directors in accordance with the shareholder proposal provisions of section 188 and section 189 of the British Columbia Business Corporations Act, on condition that Spur releases the terms of the waiver to the market as pre-quotation disclosure, and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs;
- (xvii) grant a waiver from Listing Rule 15.7 to the extent necessary to permit Spur to provide announcements simultaneously to both ASX and TSXV;
- (xviii) grant a waiver from Listing Rule 15.12 to the extent necessary to permit Spur's constitution not to contain the provisions required by Listing Rules 15.12.1 to 15.12.3 inclusive, on condition that Spur undertakes not to acquire any classified assets in circumstances under which the Listing Rules would require the issue of restricted securities, without the written consent of ASX. The undertaking is to be given and executed in the form of a deed; and
- (xix) form the following views or provide the following confirmations or approvals:
- (A) Spur may comply with the requirements of paragraphs 22 and 23 of the Information Form and Checklist by making reference to the relevant sections of the Information Memorandum in respect of its current capital structure;
- (B) Spur is not required to make the statement required by paragraph 25 of the Information Form and Checklist as its Information Memorandum incorporates this Scheme Booklet issued in connection with the Scheme;
- (C) Spur may comply with the requirements of paragraph 67 of the Information Form and Checklist and the Information Form and Checklist Annexure I by making reference to the appropriate sections of the Information Memorandum outlining Atlantic's assets and Spur's assets;
- (D) if this Scheme Booklet contains a consolidated reviewed pro forma statement of financial position for Atlantic and Spur, ASX will accept this for the purposes of Listing Rule 1.3.5(c);
- (E) Spur may comply with the requirements of Listing Rule

- 1.4.3 by having the Information Memorandum signed by a director, secretary or local agent under section 351 of the Corporations Act, on condition that every director and proposed director has consented to the Information Memorandum being signed on their behalf;
- (F) Listing Rules 4.3A, 4.3B and 5.1 do not apply to Spur on the basis that it will be a mining exploration entity; and
- (G) subject to Spur not entering into any transactions for the acquisition of classified assets before Spur's admission to the official list, ASX will not apply the restrictions in Appendix 9B to Spur's securities already on issue as at the date of Spur's admission to the official list.

12.10 Consents and disclaimers

(1) Consents to be named

The following parties have given and have not, before the time of registration of this Scheme Booklet by ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- (a) Westchester Corporate Finance, as financial adviser to Atlantic;
- (b) Norton Rose Fulbright Australia, as legal adviser to Atlantic;
- (c) KPMG, as Atlantic's auditors;
- (d) DMR Corporate Pty Ltd, as the Independent Expert;
- (e) PricewaterhouseCoopers Securities Ltd, as the Investigating Accountant;
- (f) PricewaterhouseCoopers LLP, Canada, as Spur's auditors;
- (g) Haywood Securities Inc. (or a related body corporate), as the Sale Agent;
- (h) Computershare Trust Company of Canada, as warrant agent;
- (i) Computershare Investor Services Pty Limited, as the Atlantic Registry; and
- (j) Merit Engineers Pty Ltd and Ausenco Limited, the co-authors of the Touquoy Study referred to in section 3.

(2) Consent to the inclusion of information and statements

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- (a) Spur, in respect of the Spur Information;
- (b) DMR Corporate, in respect of the Independent Expert's Report and references to the Independent Expert's Report in this Scheme Booklet; and
- (c) PricewaterhouseCoopers Securities Ltd, in respect of the Investigating Accountant's Report and references to the Investigating Accountant's Report in this Scheme Booklet.

Each of the persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear in this Scheme Booklet, and has not withdrawn that consent before the time of registration of this Scheme Booklet with ASIC.

PricewaterhouseCoopers LLP, as auditors of Spur, has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the incorporation by reference in this Scheme Booklet to the consolidated financial statements of Spur as at and for the years ended 31 December 2013 and 2012 and 31 December 2012 and 2011 together with the notes thereto and PricewaterhouseCoopers LLP's independent auditor's reports thereon.

KPMG, as auditors of Atlantic, has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the incorporation by reference in this Scheme Booklet to the consolidated financial statements of Atlantic as at and for the years ended 31 December 2013 and 2012 and 31 December 2012 and 2011 together with the notes thereto and KPMG's independent auditor's reports thereon.

Merit Engineers Pty Ltd and Ausenco Limited, as the co-authors of the Touquoy Study referred to in section 3, has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the incorporation by reference in this Scheme Booklet to the Touquoy Study.

Bloomberg has not consented to data and information attributed to it in this Scheme Booklet. This data has been accurately reproduced and, so far as Atlantic is aware and able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced data and information inaccurate or misleading.

(3) Disclaimers of responsibility

Each person referred to in this section:

- (a) has not authorised or caused the issue of this Scheme Booklet;
- (b) does not make, or purport to make, any statement in this booklet or any statement on which a statement in this booklet is based other than as specified in this section 12.10; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and the statements (if any) included in this Scheme Booklet with the consent of that person as specified in this section 12.10.

12.11 Information relating to Mineral Resources or Ore Reserves

The information in this Scheme Booklet relating to Exploration Targets, Mineral Resources or Ore Reserves is based on information compiled by Mr Walter Bucknell, a Competent Person (as defined in the JORC Code 2012) who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bucknell is a full-time employee of Atlantic and as the Managing Director, and shareholder, of Atlantic has a potential conflict of interest. Mr Bucknell has sufficient experience that is relevant to

the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person (as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bucknell has consented to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears in this Scheme Booklet, and has not withdrawn that consent before the time of registration of this Scheme Booklet with ASIC.

12.12 No unacceptable circumstances

The Atlantic Directors believe that the Scheme and the DDV Gold Alternative Transaction do not involve any circumstances in relation to the affairs of Atlantic that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

12.13 Disclosure of benefits

No person has paid or agreed to pay any amount, or provided or agreed to provide any benefit, to a director or proposed director of Spur:

- (1) to induce them to become, or to qualify as, a director of Spur; or
- (2) for services provided by the director or proposed director of Spur in connection with the formation or promotion of Spur or the offer of Spur securities under the Scheme or the DDV Gold Alternative Transaction.

12.14 Interest of experts and advisors

Westchester Corporate Finance has acted as the Financial Adviser to Atlantic for the Merger. Westchester Corporate Finance is entitled to receive a monthly retainer of \$8,000 and a success fee equal to a maximum of \$200,000 less the aggregate amount of all retainer payments (plus, in each case, GST).

Norton Rose Fulbright Australia has acted as Australian legal advisers to Atlantic in connection with the Merger and is entitled to receive approximately \$400,000 (including GST) for these services. Further amounts may be paid to Norton Rose Fulbright Australia in accordance with normal time-based charges.

DMR Corporate was appointed as the independent expert to opine on the Scheme. DMR Corporate is entitled to receive approximately \$40,000 plus disbursements of approximately \$9,200 and GST for these services.

PricewaterhouseCoopers Securities Ltd was appointed as an investigating accountant to report on the pro forma historical financial information of the Merged Group and the pro forma historical financial information of the Spur/DDV Gold Group set out in this Scheme Booklet. PricewaterhouseCoopers Securities Ltd is entitled to receive approximately \$105,000 (including GST) for these services.

12 Additional information

12.15 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme or the DDV Gold Alternative Transaction, being information that is within the knowledge of any Atlantic Director, or any director of any Related Body Corporate of Atlantic, which has not previously been disclosed to Atlantic Shareholders.

12.16 Supplementary information

Subject to any direction from the Court, Atlantic will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Scheme Meeting:

- (1) a material statement in this Scheme Booklet is misleading or deceptive;
- (2) a material omission from this Scheme Booklet;
- (3) a significant change affecting a matter included in this Scheme Booklet; or
- (4) a significant new matter which has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form the supplementary document may take, and whether a copy will be sent to each Atlantic Shareholder, will depend on the nature and the timing of the statement, omission, change or new matter. Any supplementary document will be released to ASX and made available for download on the ASX website at www.asx.com.au (Atlantic ASX Code: ATV).



13 Glossary and definitions

TERM	MEANING
All-in Sustaining Operation Costs	operating costs which comprise on-site mining, processing and general and administration costs; smelting, refining and transport costs; royalties and production taxes; corporate general and administration costs; reclamation amortisation; and sustaining capital costs.
Announcement Date	7 April 2014, being the day the Merger was announced on the ASX Market Announcements Platform.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning given to that term in section 12 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this Scheme Booklet and Atlantic, Spur or the relevant Third Party (as applicable) was the designated body
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
ASX Settlement Operating Rules	the official operating rules of ASX.
Atlantic	Atlantic Gold NL ACN 062 091 909.
Atlantic Board	the board of directors of Atlantic.
Atlantic Director	a person who is a director of Atlantic.
Atlantic Fully Paid Share	an issued fully paid ordinary share in the capital of Atlantic.
Atlantic Group	Atlantic and its Subsidiaries and, in the appropriate context, any member of the Atlantic Group.
Atlantic Information	means all information included in this Scheme Booklet, other than: (a) the Spur Information; (b) the Independent Expert's Report and the Investigating Accountant's Report; and (c) the pro forma financial information regarding the Merged Group and the Spur/DDV Gold Group set out in sections 5.4, 5.5 and 5.6 respectively.
Atlantic Material Adverse Change	has the meaning given in clause 1.1 of the Merger Implementation Deed.
Atlantic Option	an option granted by Atlantic under the Atlantic Option Plan to acquire by way of issue one Atlantic Fully Paid Share.
Atlantic Option Plan	the Atlantic Gold NL <i>Director/Employee Share Option Plan</i> dated 9 April 2006.
Atlantic Optionholder	a holder of Atlantic Options.
Atlantic Partly Paid Share	an issued partly paid ordinary share in the capital of Atlantic.

13 Glossary and definitions

TERM	MEANING
Atlantic Prescribed Event	has the meaning given in clause 1.1 of the Merger Implementation Deed.
Atlantic Registry	Computershare Investor Services Pty Limited ACN 078 279 277.
Atlantic Share	an Atlantic Fully Paid Share or an Atlantic Partly Paid Share (as the context requires).
Atlantic Share Register	the register of members of Atlantic maintained by Atlantic or the Atlantic Registry in accordance with the Corporations Act.
Atlantic Shareholder	a person who is registered in the Atlantic Share Register as the holder of an Atlantic Share.
BCBCA	British Columbia <i>Business Corporations Act</i> .
Bloomberg	Bloomberg L.P.
Break Fee	A\$250,000 (exclusive of any applicable GST).
Business Day	a day other than a Saturday, Sunday or public holiday, on which banks are open for business in Sydney and Vancouver.
CDI	CHESS Depositary Interest, being a unit of beneficial ownership in a New Spur Common Share or New Spur Share Purchase Warrant (as appropriate) registered in the name of CDN.
CDN	CHESS Depositary Nominees Pty Limited ACN 071 346 506.
CHESS	Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd ACN 008 504 532.
CIL	Carbon-in-leach technology for extracting gold from gold ores.
Claim	a demand, claim, action or proceeding, however arising and whether present, unascertained, immediate, future or contingent, including any claim for specific performance.
Cochrane Hill Gold Project	the gold mine development project located at the Cochrane Hill Property.
Cochrane Hill Property	the property: (a) located in Guysborough County, Nova Scotia, approximately 15 kilometres north of the Town of Sherbrooke and about 40 kilometres south of the town of Antigonish (the centre of the Cochrane Hill Property is approximately 62°03' minutes West, 45°15' North); and (b) comprising Exploration Licence 06310 and consisting of 53 contiguous claims covering approximately 848 hectares of land in Guysborough County, Nova Scotia (where such claims are oriented east - west in a block about 6.4 km long by about 1.6 km wide).
Competing Proposal	any expression of interest, proposal, offer, agreement, transaction or arrangement by or with a Third Party, pursuant to which a Third Party (either alone or together with any Associate) will, if the expression of interest, proposal, offer, agreement, transaction or arrangement is entered into or completed: (a) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have, a legal, beneficial or economic interest in, or control of, all or any material part of the business or assets of Atlantic or any of its Subsidiaries; (b) acquire (whether directly or indirectly) a Relevant Interest in, or Voting Power in, or become the holder of, or otherwise acquire, have a right to acquire or have, a legal, beneficial or economic interest in, or control of, 15% or more of Atlantic Shares or the shares of any of its Subsidiaries; (c) acquire Control of Atlantic or any of its Subsidiaries; (d) otherwise acquire or merge (whether directly or indirectly) with Atlantic or any of its Subsidiaries; or (e) enter into any agreement, arrangement or understanding (whether directly or indirectly) requiring Atlantic to abandon, or otherwise fail to proceed with, the Scheme or the DDV Gold Alternative Transaction or requiring any Atlantic Director to recommend against, or otherwise not endorse, the Scheme or the DDV Gold Alternative Transaction, whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction or buy back, sale or purchase of shares or other securities or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement.
Computershare Canada	Computershare Trust Company of Canada, a trust company existing under the laws of Canada and authorised to carry on business in all provinces of Canada.
Control	has the meaning given to that term in section 50AA of the Corporations Act.

TERM	MEANING
Corporate Atlantic Shareholders	an Atlantic Shareholder which is a body corporate.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Federal Court of Australia (New South Wales Registry), or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Spur and Atlantic.
DDV Gold	DDV Gold Limited, a wholly-owned Canadian Subsidiary of Atlantic.
DDV Gold Alternative Transaction	a transaction under which Spur acquires all of the outstanding securities on issue in DDV Gold from Atlantic, on and subject to the terms and conditions of the DDV Gold Sale Agreement.
DDV Gold Contractual Party	has the meaning given in clause 1.1 of the DDV Gold Sale Agreement.
DDV Gold Loan	all amounts owing by DDV Gold to Atlantic as at the DDV Gold Sale Closing Date, together with all interest (if any) that has accrued or may accrue in the future.
DDV Gold Material Adverse Change	has the meaning given in clause 1.1 of the DDV Gold Sale Agreement.
DDV Gold Prescribed Event	has the meaning given in clause 1.1 of the DDV Gold Sale Agreement.
DDV Gold Sale Agreement	the Share Sale Agreement between dated 15 May 2014 between Atlantic and Spur, a copy of which is set out in Annexure H to this Scheme Booklet.
DDV Gold Sale Closing Date	(a) 5 Business Days after the last of the conditions precedent in clause 3.1(1) (<i>Transaction Regulatory Approvals</i>) and clause 3.1(7) (<i>TSXV Quotation</i>) of the DDV Gold Sale Agreement are satisfied or waived; or (b) any other date agreed in writing by Atlantic and Spur.
DDV Gold Sale Conditions Precedent	the conditions precedent to closing under the DDV Gold Sale Agreement set out in clause 3.1 of the DDV Gold Sale Agreement and summarised in section 7.19 of this Scheme Booklet.
DDV Gold Sale Consideration	the Preferred Share Consideration and the Preferred Share Warrant Consideration.
DDV Gold Sale End Date	(a) the date that is the 1st Business Day that is 3 months after the date on which the DDV Gold Sale Agreement becomes effective under clause 2 of the DDV Gold Sale Agreement; or (b) such other date as agreed in writing between Spur and Atlantic.
DDV Gold Shares	the 100 fully paid common shares on issue in DDV Gold, being all of the issued and outstanding shares in the capital of DDV Gold.
Definitive Feasibility Study	a Definitive Feasibility Study (or Bankable Feasibility Study) is equivalent to a Feasibility Study as defined under JORC Code 2012 as "a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study".
DMR Corporate	DMR Corporate Pty Ltd ACN 063 564 045.
DRS Advice	a direct registration system advice evidencing ownership of securities in Computershare Canada's registration system.
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	when used in relation to the Scheme, means the date on which the Scheme becomes Effective.

13 Glossary and definitions

TERM	MEANING
EGM	the general meeting of Atlantic Shareholders to be convened by Atlantic at which the EGM Resolution is to be considered.
EGM Excluded Shareholders	those Atlantic Shareholders whose votes at the EGM are to be disregarded, as set out in the "Voting Exclusion Statement" included in the Notice of EGM.
EGM Proxy Form	a proxy form for the EGM, being the yellow proxy form which accompanies this Scheme Booklet or which is available from the Atlantic Registry.
EGM Resolution	the resolution of Atlantic Shareholders as set out in the Notice of EGM necessary to approve the DDV Gold Alternative Transaction
Election	an election made by a Scheme Shareholder pursuant to clauses 5.1 or 6.1 of the Scheme and referred to in section 8.3(7).
Election Form	an election form for the purposes of a Scheme Shareholder making an Election.
Excluded Shareholders	any Atlantic Shareholder which is Spur or a Related Body Corporate of Spur.
Exclusivity Period	the period commencing on and from the date of the Merger Implementation Deed and expiring on the earlier of: (a) the Implementation Date; (b) the termination of the Merger Implementation Deed in accordance with its terms; and (c) the Scheme End Date.
Exploration Targets	has the meaning given in the JORC Code 2012.
Financial Adviser	any financial advisor retained by a party in relation to the Scheme, the DDV Gold Alternative Transaction or a Competing Proposal from time to time.
Governmental Agency	any Australian, Canadian or other foreign government or governmental, semi governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian, including: (a) ASIC and ASX; (b) TSXV; (c) a Tax Authority; (d) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; (e) any regulatory organisation established by statute; and (f) without limiting the foregoing, the Nova Scotia Minister of Environment.
GST	has the meaning given to that term in the GST Act.
GST Act	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
IFRS	International Financial Reporting Standards
Implementation Date	the 5th Business Day following the Record Date, or such other date as agreed in writing by Spur and Atlantic.
Independent Expert	DMR Corporate.
Independent Expert's Report	the Independent Expert's report prepared in relation to the Scheme, a copy of which is included in this Scheme Booklet as Annexure A.
Ineligible Foreign Shareholder	an Ineligible Foreign Shareholder Category 1 or an Ineligible Foreign Shareholder Category 2 (as appropriate).
Ineligible Foreign Shareholder Category 1	a Scheme Shareholder Category 1 whose address shown in the Atlantic Share Register on the Record Date is a place outside Australia and its external territories, Singapore or New Zealand, unless Spur determines that it is lawful and not unduly onerous or impracticable to issue New Spur Common Shares and New Spur Share Purchase Warrants to that Scheme Shareholder Category 1 or CDN to be held on trust for that Scheme Shareholder Category 1.

TERM	MEANING
Ineligible Foreign Shareholder Category 2	a Scheme Shareholder Category 2 whose address shown in the Atlantic Share Register on the Record Date is a place outside Australia and its external territories, Singapore or New Zealand, unless Spur determines that it is lawful and not unduly onerous or impracticable to issue New Spur Common Shares and New Spur Share Purchase Warrants to that Scheme Shareholder Category 2 or CDN to be held on trust for that Scheme Shareholder Category 2.
Insolvency Event	has the meaning given in clause 1.1 of the Merger Implementation Deed.
Investigating Accountant	PricewaterhouseCoopers Securities Ltd.
Investigating Accountant's Report	the Investigating Accountant's report prepared in relation to the financial information contained in the Scheme Booklet, a copy of which is included in this Scheme Booklet as Annexure B.
JORC Code 2012	the Joint Ore Reserve Committee Code is the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.
Last Practicable Date	19 June 2014.
Listing Rules	the official listing rules of ASX as from time to time amended or waived in their application to a party.
Meguma Group / Meguma Terrane	a sequence of Cambro-Ordovician sedimentary rocks extending about 400 km through central and south-western Nova Scotia.
Merger	the proposed merger of Atlantic and Spur through the implementation of the Scheme or the DDV Gold Alternative Transaction, as described in this Scheme Booklet.
Merged Group	the corporate group, following implementation of the Scheme, of which Spur will be the ultimate holding company.
Merged Group Board	the board of directors of the Merged Group following implementation of the Scheme.
Merger Implementation Deed	the Merger Implementation Deed between Atlantic and Spur dated 15 May 2014, a copy of which (excluding the annexures) is included in this Scheme Booklet as Annexure E.
Mineral Resource	has the meaning given in the JORC Code 2012.
New Spur Common Share	a fully paid common share in the capital of Spur to be issued under the Scheme.
New Spur Share Purchase Warrant	a warrant in respect of an unissued Spur Share to be issued under the Scheme on the terms and conditions referred to in section set out in section 8.3.
Notice of EGM	the notice of meeting relating to the EGM which is contained in Annexure J to this Scheme Booklet.
Notice of Scheme Meeting	the notice of meeting relating to the Scheme Meeting which is contained in Annexure I to this Scheme Booklet.
Ore Reserve	has the meaning given in the JORC Code 2012.
Preferred Share Consideration	such number of Spur Series A Preferred Shares that is equal to the aggregate number of fully paid common shares in the capital of Spur which would have been issued under the Scheme if the Scheme had become Effective.
Preferred Share Warrant Consideration	such number of Spur Preferred Share Warrants that is equal to the aggregate number of warrants in respect of an unissued fully paid common shares in the capital of Spur which would have been issued under the Scheme if the Scheme had become Effective.
PPSA	<i>Personal Property Securities Act 2009</i> (Cth).
PricewaterhouseCoopers Securities Ltd	PricewaterhouseCoopers Securities Ltd ACN 003 311 617 holder of Australian Financial Services Licence Number 244572.
Record Date	5:00 pm (Sydney time) on the 5th Business Day following the Effective Date, or such other date (after the Effective Date) as Atlantic and Spur agree in writing.
Registered Address	in relation to an Atlantic Shareholder, the address shown in the Atlantic Share Register as at the Record Date.

13 Glossary and definitions

TERM	MEANING
Regulatory Approvals	(1) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver or exemption from by or with a Governmental Agency; or (2) in relation to anything that would be fully or partly prohibited or restricted by law if a Governmental Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.
Reimbursement Fee	the sum of A\$750,000 (exclusive of any applicable GST).
Related Body Corporate	has the meaning given to that term in section 50 of the Corporations Act.
Relevant Interest	has the same meaning as given by sections 608 and 609 of the Corporations Act.
Sale Agent	Haywood Securities Inc. (or a related body corporate), being the person appointed by Spur, after consultation with Atlantic, to sell New Spur Common Shares and New Spur Share Purchase Warrants under the Sale Facility.
Sale Facility	the facility described in section 8.4.
Sale Facility Participant	a Scheme Shareholder in respect of whom New Spur Common Shares and New Spur Share Purchase Warrants are issued to the Sale Agent as nominee in trust in the circumstances referred to in section 8.4.
Sale Facility Securities	the securities described in section 8.4.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Atlantic and the Scheme Shareholders, as set out in Annexure G (or as otherwise agreed by Spur and Atlantic in writing) subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Atlantic and Spur.
Scheme Booklet	this scheme booklet, including the annexures to it.
Scheme Conditions Precedent	the conditions precedent to the Scheme included in clause 3.1 of the Merger Implementation Deed and summarised in section 7.17 of this Scheme Booklet.
Scheme Consideration	the Scheme Consideration Category 1 and the Scheme Consideration Category 2.
Scheme Consideration Category 1	for each Scheme Share Category 1 held by a Scheme Shareholder Category 1: (a) 0.05564 New Spur Common Shares either in the form of Spur Common Share CDIs or New Spur Common Shares; and (b) 0.02782 New Spur Share Purchase Warrants either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants, subject to the terms of the Scheme.
Scheme Consideration Category 2	for each Scheme Share Category 2 held by a Scheme Shareholder Category 2: (a) 0.005564 New Spur Common Shares either in the form of Spur Common Share CDIs or New Spur Common Shares; and (b) 0.002782 New Spur Share Purchase Warrants either in the form of Spur Share Purchase Warrant CDIs or New Spur Share Purchase Warrants, subject to the terms of the Scheme.
Scheme End Date	(a) the date that is the 1st Business Day that is 6 months after the date on which the Merger Implementation Deed is executed; or (b) such other date as agreed in writing between Spur and Atlantic.
Scheme Meeting	the meeting of the Atlantic Shareholders (other than the Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Proxy Form	a proxy form for the Scheme Meeting, being the blue proxy form which accompanies this Scheme Booklet or which is available from the Atlantic Registry.
Scheme Resolution	the resolution set out in the Notice of Scheme Meeting to agree to the terms of the Scheme.
Scheme Share	a Scheme Share Category 1 or a Scheme Share Category 2 (as appropriate).

TERM	MEANING
Scheme Share Category 1	an Atlantic Fully Paid Share on issue as at the Record Date (other than an Atlantic Fully Paid Share held by an Excluded Shareholder).
Scheme Share Category 2	an Atlantic Partly Paid Share on issue as at the Record Date (other than an Atlantic Partly Paid Share held by an Excluded Shareholder).
Scheme Shareholder	a Scheme Shareholder Category 1 or a Scheme Shareholder Category 2 (as appropriate).
Scheme Shareholder Category 1	a holder of a Scheme Share Category 1 as at the Record Date (other than an Excluded Shareholder).
Scheme Shareholder Category 2	a holder of a Scheme Share Category 2 as at the Record Date (other than an Excluded Shareholder).
Second Court Hearing	the hearing of the application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Second Court Hearing Date	the 1st day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
SEDAR	the System for Electronic Document Analysis and Retrieval operated by TSX.
SEDI	the System for Electronic Disclosure by Insiders operated by TSX.
Share Purchase Plan	the share purchase plan announced by Atlantic to the ASX on 7 April 2014, the terms and conditions of which were amended in accordance with the announcement by Atlantic to the ASX on 23 May 2014.
Spur	Spur Ventures Inc. ARBN 600 024 397.
Spur Board	the board of directors of Spur.
Spur BVI	Spur Chemicals (BVI) Inc.
Spur Common Share CDI	a CDI in respect of a New Spur Common Share.
Spur/DDV Gold Group	the corporate group, following implementation of the DDV Gold Alternative Transaction, of which Spur will be the ultimate holding company.
Spur Deed Poll	the deed poll set out in Annexure F to this Scheme Booklet.
Spur Director	a person who is a director of Spur.
Spur Group	Spur and its Subsidiaries and, where the context applies, any member of the Spur Group.
Spur Information	the information in the Letter from the Chairman of Spur and sections 4, 5 (other than sections 5.4, 5.5 and 5.6), 6, 8, 11, 12.6 and 12.9(2).
Spur Loan Agreement	meaning given in section 12.5.
Spur Net Cash	means Spur's cash balance held in Canadian dollar cash deposits and short term guaranteed investment certificates with major Canadian financial institutions, net of the aggregate amount of any trade creditors (including incurred but unpaid costs and expenses relating to, or incurred in connection with, the Scheme, the DDV Gold Alternative Transaction or a Spur Permitted Transaction) and interest bearing debt of the Spur Group.
Spur Material Adverse Change	has the meaning given in clause 1.1 of the Merger Implementation Deed.
Spur Option	an option granted by Spur under the Spur Ventures Inc. 2007 Stock Option Plan to acquire an unissued common share in Spur.
Spur Permitted Transaction	has the meaning given in clause 1.1 of the Merger Implementation Deed.
Spur Prescribed Event	has the meaning given in clause 1.1 of the Merger Implementation Deed.
Spur Share	fully paid common share in the capital of Spur.
Spur Share Purchase Warrant CDI	a CDI in respect of a New Spur Share Purchase Warrant.

13 Glossary and definitions

TERM	MEANING
Spur Series A Preferred Share	a preferred share in the capital of Spur issued on the terms and conditions set out in section 7.5(3).
Spur Preferred Share Warrant	a warrant in respect of an unissued Spur Series A Preferred Share issued on the terms and conditions referred to in section 7.5(3).
Spur Subscription Commitment	meaning given in section 12.6.
Spur Share Register	the register of shareholders maintained by Spur or its agent.
Spur Warrant	a warrant in respect of an unissued Spur Share.
Spur Warrant Register	the register of warrant holders maintained by Spur or its agent.
Subsidiary	has the meaning given to it in the Corporations Act.
Superior Proposal	means a bona fide Competing Proposal which the Atlantic Board, acting in good faith and after having consulted its external legal advisers and Financial Advisers, determines: (a) is reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal including any timing considerations, any conditions precedent and the identity of the proponent; and (b) would, if completed substantially in accordance with its terms, be more favourable to Atlantic Shareholders (as a whole) than the Scheme (as the Scheme may be amended or varied following application of the matching right set out in clause 12.4 of the Implementation Deed), taking into account all terms and conditions of the Competing Proposal.
Tax	all forms of taxes, duties, imposts, charges, withholdings, rates, levies, clawbacks or other governmental impositions of whatever nature and by whatever authority imposed, assessed or charged together with all costs, charges, interest, penalties, fines and other additional statutory charges incidental or related to the imposition, assessment or charge of those amounts.
Tax Authority	any Governmental authority responsible for the imposition, collection or recovery of any Tax.
Third Party	means a person other than Spur or its Associates.
Touquoy Gold Project	the gold mine development project located at the Touquoy Property.
Touquoy Property	(a) located 60 km ENE of Halifax in Halifax County, Nova Scotia and centred on the former mining village of Moose River Gold Mines at 44°59' north latitude and 62°57' west longitude; and (b) held under Mining Lease 11-1 and adjoining Exploration Licence 10377 and situated on NTS sheets 11D/15C and 11E/2B and which covers an area of 1822 ha and which can be accessed via 110 km of sealed roads from Halifax and takes approximately an hour and a quarter by vehicle.
TSX	Toronto Stock Exchange, or any of the financial markets operated by it (as the context requires).
TSXV	the TSX Ventures Exchange, or any of the financial markets operated by it (as the context requires).
TSXV Exchange Rules	the official rules and policies of the TSXV as from time to time amended or waived in their application to a party.
Voting Power	has the meaning given in section 610 of the Corporations Act.
VWAP	Volume Weighted Average Price.



Annexure A

Independent Expert's Report

Annexure A

Independent Expert's Report

DMR CORPORATE

DMR

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Melbourne
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26 June 2014

The Directors
Atlantic Gold NL
506/815 Pacific Highway
Chatswood
NSW 2067

By email

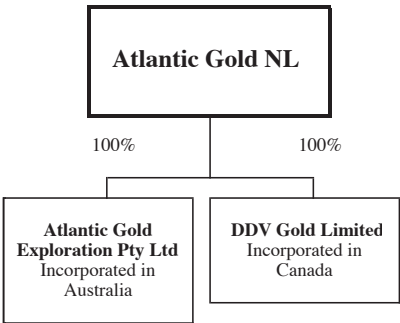
Dear Sirs,

Re: Proposed Acquisition of Atlantic Gold NL by Spur Ventures Inc.

1. Introduction

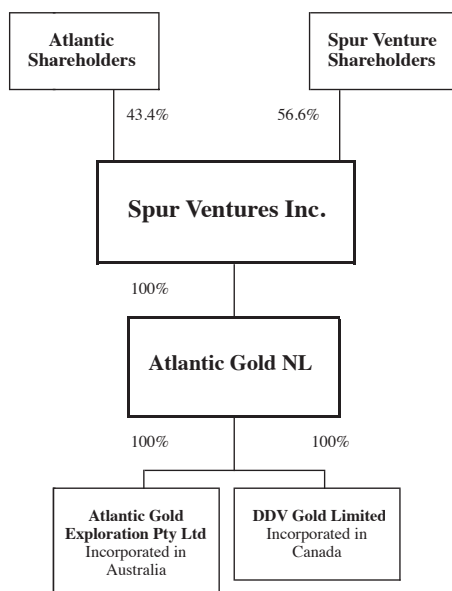
You have requested DMR Corporate Pty Ltd (“DMR Corporate”) to prepare an independent expert's report in respect of the proposed acquisition of all of the shares on issue in Atlantic Gold NL (“Atlantic” or “the Company”) by Spur Ventures Inc. (“Spur”). The acquisition is to be effected pursuant to Part 5.1 of the Corporations Act 2001 (“the Act”) by a Scheme of Arrangement between Atlantic and its shareholders (“the Scheme”). For the acquisition to be effected Atlantic’s shareholders and the Federal Court of Australia (“the Court”) must approve the Scheme.

The present corporate structure of the Atlantic group is as follows:



Following the approval and implementation of the Scheme, Atlantic shareholders will hold a 43.4% interest in Spur prior to any dilution through the exercise of options and warrants or a 51.2% interest on a fully diluted basis.

Following the implementation of the proposed Scheme and prior to any dilution, the proposed corporate structure of Spur will be as follows:



Section 412 (1) of the Act requires that an explanatory statement (hereinafter referred to as the Scheme Booklet) be forwarded to the Atlantic shareholders, setting out the terms of the proposed scheme of arrangement and certain other information. Under Section 411, a scheme of arrangement must be approved by a majority in number (i.e. more than 50%) of each class of shareholders present and voting (either in person or by proxy) at the meeting, and by at least 75% of the votes cast by members of that class on the resolution.

Failure of the Scheme to be approved will result in it not proceeding. If approved by the shareholders, the Scheme is then subject to approval by the Court and it is also subject to certain conditions, as set out in the Scheme Booklet.

The Directors of Atlantic have requested DMR Corporate to prepare an independent expert's report to be included in the Scheme Booklet advising whether, in the opinion of the expert, approval of the proposed Scheme is in the best interests of the Atlantic shareholders.

A copy of our report will accompany the Notice of Meeting and will be included as part of the Scheme Booklet to be sent by Atlantic to its shareholders.

2. Terms of the Proposed Scheme of Arrangement

2.1 Approval of the proposed Scheme by the Atlantic shareholders and the Court will result in:

- (a) the Atlantic shareholders holding fully paid ordinary shares receiving 0.05564 of a Spur share for every one [1] Atlantic fully paid share held, together with 0.02782 of a Spur Purchase Warrant¹; and

¹ Each Spur Purchase Warrant will enable the holder to acquire one Spur common share for a period of 4 years following the date of implementation of the Scheme at a price of C\$0.60 per share.

Annexure A

Independent Expert's Report

DMR

- (b) the Atlantic shareholders holding partly paid ordinary shares receiving 0.005564 of a Spur share for every one [1] Atlantic share held, together with 0.002782 of a Spur Purchase Warrant.
- (c) if the existing Spur employee options together with all of the Spur Purchase Warrants being issued pursuant to the Scheme are exercised, the fully diluted Spur capital will be 137,494,621 issued shares and the Atlantic shareholders would hold a 51.2% interest in Spur.

The terms and conditions of the proposed Scheme are detailed in the accompanying Scheme Booklet. The terms, which are defined in the Glossary and Definition Section of the Scheme Booklet, have the same meaning in this report unless otherwise defined herein.

- 2.2 The Scheme consideration and the Atlantic shareholders' interests have been calculated as follows:

Atlantic Gold NL			Spur Ventures Inc.		Share Purchase Warrants Exercisable 4 Years @ \$0.60	Employee Options	Fully Diluted Capital	
Corporate Restructure	Ordinary Fully Paid Shares	Partly Paid to \$0.09 and Call \$0.11 Outstanding		Spur Ordinary Fully Paid Shares				%
Shareholders - listed on ASX	828,671,993 96.47%	30,286,342 3.53%	Shareholders - TSXV	60,407,187	56.6%	6,700,000	67,107,187	48.8%
Consideration - Part A	0.05564 of a Spur Share		ATV Shareholders	46,107,310			46,107,310	
Consideration - Part B	0.02782 of a Spur Purchase Warrant		ATV Shareholders			23,053,655	23,053,655	
Consideration - Part C		10% of offer to Ordinary Shareholders Part A 0.005564 Part B 0.002782	ATV Partly Paid Shareholders	168,513			168,513	
			ATV Partly Paid Shareholders		84,257		84,257	
Note 1 - The 17,500,000 ATV options expiring in August 2017 will be cancelled pursuant to private treaties.			ATV option holders (0.05564 of a Spur option)			973,700	973,700	
			Sub-Total - ATV equity holders	46,275,823	43.4%	23,137,911	70,387,434	51.2%
			Total issued capital	106,683,010	100%		137,494,621	100%

- 2.3 Atlantic shareholders should refer to Section 9 of the Scheme Booklet for a general outline of the taxation implications of the Scheme.
- 2.4 Atlantic shareholders will also be asked to approve a resolution for an alternative to the Scheme, which would only proceed if the Scheme is not approved by Atlantic's shareholders or the Court, pursuant to which Spur would acquire all of the issued securities in DDV Gold Limited ("DDV Gold"), a wholly owned Canadian subsidiary of Atlantic which holds all of Atlantic's Canadian assets, in exchange for:
- a) such number of Spur Series A Preferred Shares that is equal to the aggregate number of Spur shares as would be issued pursuant to the proposed Scheme; and
 - (b) such number of Spur Series A Preferred warrants that is equal to the aggregate number of warrants as would be issued pursuant to the proposed Scheme.

3. Summary Opinion

In our opinion, the proposed Scheme is in the best interests of Atlantic shareholders.

Our principal reasons for reaching the above opinion are:

1. Holders of Fully Paid Ordinary Share

In Section 7.8 we valued the Atlantic shareholder interests in a range of \$29,500,000 to \$30,000,000 (\$0.0356 to \$0.0362 per share).

In Section 12.2 we valued the consideration receivable by the Atlantic shareholders in a range of \$0.034 to \$0.037 per share.

As the underlying value of holders of fully paid ordinary shares interests after the implementation of the Scheme is equal to or greater than the value of their interests before the Scheme is implemented, we consider that the Scheme is **fair**.

2. Holders of Partly Paid Ordinary Shares

In Section 7.9 we valued the Atlantic partly paid shares at nil.

In Section 12.3 we valued the consideration to be received by the holders of partly paid shares to be in a range of \$103,222 to \$112,100 and this equates to \$0.0034 to \$0.0037 per partly paid share.

As the underlying value of holders of partly paid shares interests after the implementation of the Scheme is equal to or greater than the value of their interests before the Scheme is implemented we consider that the Scheme is fair to the partly paid shareholders.

3. After giving due consideration to the other significant factors referred to in Section 14, we consider that the proposed Scheme is **reasonable**. Our principal reason for this view is that the Scheme is part of a plan that should result in the required capital being raised and financing facilities being consummated to enable the Touquoy gold project to proceed in the short term.

4. In the absence of a superior proposal, the proposed Scheme is **both fair and reasonable and it is therefore in the best interests of the Atlantic shareholders**.

4. Structure of this Report

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Independent Expert’s Report

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5. Purpose of the Report

The proposed merger is to be implemented by way of a scheme of arrangement under Section 411 of the Act.

Section 411 of the Act provides that where a scheme of arrangement is proposed between a company and its members or any class of them, the Court may order that a meeting of members or meetings of classes of members be convened. Section 412 (1) provides that where a meeting is convened under Section 411, the notice sent to members convening the meeting shall include an explanatory statement that includes prescribed information.

The Directors of Atlantic have requested that we prepare an independent expert’s report for the benefit of the Atlantic shareholders stating whether or not, in our opinion, the proposed Scheme is in the best interests of Atlantic’s shareholders and setting out our reasons for this opinion.

Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111 – Content of Expert Reports (“RG111”) details the approach that an expert should take in preparing an expert report pursuant to Ch 5 of the Act.

RG111.4 states:

“In deciding on the appropriate form of analysis for a report, an expert should bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the proposed transaction. An expert should focus on the purpose and outcome of the transaction, that is, the substance of the transaction, rather than the legal mechanism used to effect the transaction.”

RG111.15 states:

“Schemes of arrangement can be used as an alternative to a Ch 6 takeover bid to achieve substantially the same outcome. In these circumstances, we expect the form of analysis to be substantially the same as a takeover bid, even though the wording of the opinion will also be whether the proposed scheme is ‘in the best interests of the members of the company’. This reflects that the legislative test for schemes of arrangements differs from that applicable to a Ch 6 takeover bid.”

Regulatory Guide 111 also states that:

- Fair - “an offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer.”
- Reasonable - “an offer is ‘reasonable’ if it is fair. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.”

The methodology that we have used to form an opinion as to whether the Scheme is in the best interests of the Atlantic shareholders can be summarised as follows:

- (i) the Scheme will be judged to be fair if the underlying value of shareholders’ interests after the implementation of the Scheme is equal to or greater than the value of their interests before the Scheme is implemented.

DMR

- (ii) in determining whether the Scheme is reasonable, we have analysed the advantages and disadvantages of approving the Scheme from the position of Atlantic's shareholders.
- (ii) in determining whether the proposed Scheme is in the best interests of Atlantic's shareholders, we have considered and concluded upon the results of (i) and (ii) above.

6. Atlantic – Key Information

6.1 Background

Atlantic engages in the exploration and development of precious minerals, primarily for gold. Atlantic's objective is to discover highly profitable gold reserves with near-term development potential through the acquisition and exploration of prospective acreage with workable mining tenure.

Atlantic holds interests in the Touquoy and Cochrane Hill gold exploration projects in Nova Scotia, Canada. The Touquoy gold project represents the first stage of an extended production plan for the combined Touquoy and Cochrane Hill projects. The Company's production plan involves the re-location of the Touquoy processing plant 80 km to the east to Cochrane Hill upon completion of the Touquoy operations. Cochrane Hill is the Company's second core gold development project in the Nova Scotia goldfields.

Atlantic as the operator of the Touquoy gold project is responsible for the funding of all capital and exploration expenditure. Once gold production at Touquoy has commenced Atlantic will receive 100% of the Touquoy cash flow until all of these expenditures plus interest have been recouped. Thereafter Atlantic will share the pre-tax profits on a 60:40 basis with the vendor of the Touquoy tenements, Moose River Resources Inc. ("Moose River" or "MRRI"). A private royalty of 3% is also payable, two-thirds of which can be purchased for C\$2.5million.

At 31 December 2013 Atlantic had a 60% interest in the "Touquoy-Moose River Resources Inc." joint venture. Atlantic also holds an 8.7% beneficial interest in Moose River, which increases Atlantic's effective interest in the Touquoy gold project to 63.5%.

The Cochrane Hill gold project is wholly owned, and subject to a private royalty of 3%, two-thirds of which can be purchased for C\$1.5million.

Touquoy

Mineral Resources

The current JORC Code 2012 resource estimates for the Touquoy deposit at a cut off grade of 0.5g/t are:

Touquoy	Tonnes millions	Grade g/t Au	Contained Gold ounces
Measured resource	2.8	1.5	130,000
Indicated resource	7.3	1.5	350,000
Inferred resource	1.6	1.5	77,000
Total resource	<u>11.7</u>	<u>1.5</u>	<u>557,000</u>

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The Touquoy gold deposit is a shale hosted disseminated gold deposit. It is located in the Meguma Group, a belt of sedimentary rocks (Cambro-Ordovician turbidites) extending about 400 km long by 80 km wide through central and southwestern Nova Scotia. The Touquoy deposit is located on the crest of an anticlinal axis but is fundamentally different from the many small underground quartz-vein hosted deposits mined historically in Nova Scotia because the gold mineralization is disseminated throughout the host sediments.

Ore Reserves

A Definitive Feasibility Study ("DFS") for the Touquoy gold project was originally completed in July 2010 and updated in late 2013. The original DFS and update was undertaken in association with Merit Engineers Pty Ltd, Ausenco Ltd, Australian Mine Design and Development Pty Ltd and Gemmell Mining Engineers. Based on the estimated measured and indicated resources described above the following ore reserve estimates have been determined:

Touquoy	Tonnes millions	Grade g/t Au	Contained Gold ounces
Proved ore reserves	2.49	1.48	118,000
Probable ore reserves	7.10	1.47	336,000
Total	<u>9.59</u>	<u>1.48</u>	<u>454,000</u>

Cochrane Hill

Mineral Resources

The current resource estimates for the Cochrane Hill deposit at a 0.5 g/t cut-off grade are:

Cochrane Hill	Tonnes millions	Grade g/t Au	Contained Gold ounces
Indicated resource	4.5	1.8	251,000
Inferred resource	5.6	1.6	298,000
Total resource	<u>10.1</u>	<u>1.7</u>	<u>549,000</u>

As with the Touquoy gold deposit, the Cochrane Hill gold deposit is also located close to a regional anticlinal axis and in broadly similar fine grained sedimentary rocks of the Meguma Group. The 30 m wide mineralized sequence of sulphidic and quartz veined slates which hosts the Cochrane Hill resource is located within the steeply dipping southern limb of the overturned Cochrane Hill anticline. The mineralized zone plunges gently to the west and it remains open down-plunge in that direction.

Mr. Neil Schofield of FSSI Consultants prepared the resource estimates. All samples were composited to 2m. The estimation technique is Multiple Indicator Kriging with block variance adjustment applied. Ore selectivity is assumed to be 4 m by 4 m on 2.5 m flitches via an open pit-mining scenario².

6.2 Share Capital

As at the date of this report, Atlantic had on issue 828,671,993 fully paid ordinary shares.

² Atlantic ASX announcement dated 28 February 2014.

As at 22 May 2014 the twenty largest shareholders held 64% of Atlantic's fully paid issued shares and these shareholders were:

Shareholder Name	Number	%
AU Mining Limited	115,602,534	14.1
Avalon Ventures Corporation	75,000,000	9.2
Rosemoor Development Pte Ltd	74,000,000	9.0
Cairnglen Investments Pty Ltd	33,685,270	4.1
Mr Peter Hing Woon Chen	32,600,000	4.0
AU Mining Limited	20,328,652	2.5
Australian Pioneer Pty Ltd	20,172,636	2.5
Mr Kim Wan Loke	20,000,000	2.4
Regency Hallmarks Holdings Pty Ltd	18,942,393	2.3
Wapimala Pty Limited	18,150,527	2.2
Macquarie Bank Limited	15,548,074	1.9
Forsyth Barr Custodians Ltd	15,280,315	1.9
Mr Gee Ho James Hong	11,850,832	1.4
Lonway Pty Limited	19,400,109	2.4
Funding Securities Pty Ltd	9,250,000	1.1
Mr Ronald Joseph Hawkes	8,314,168	1.0
Cairnglen Investments Pty Ltd	8,164,817	1.0
Callisten Pty Limited	7,415,492	0.9
Mr Donald Ross Macleod & Ms Parry Imberlong	5,987,225	0.7
Dr Kok Kian Lim	4,912,000	0.6
Total	534,605,044	

Source: Atlantic's Share register – 22 May 2014

6.3 Financial Performance

Atlantic's audited Consolidated Statements of Comprehensive Income for the financial years ended 31 December 2012 and 2013 were as follows:

Atlantic Gold Consolidated Statements of Comprehensive Income	Year Ended 31-Dec-12 \$	Year Ended 31-Dec-13 \$
Continuing operations		
Impairment of exploration assets	(675,257)	(1,003,117)
General and administrative expenses	(1,072,061)	(1,107,786)
Results from operating activities	<u>(1,747,318)</u>	<u>(2,110,903)</u>
Financial income	31,761	60,624
Financial expenses	(67,597)	(152,102)
Net finance income/(expense)	<u>(35,836)</u>	<u>(91,478)</u>
Loss before income tax	<u>(1,783,154)</u>	<u>(2,202,381)</u>
Income tax expense	-	-
Loss for the year	<u>(1,783,154)</u>	<u>(2,202,381)</u>
Other comprehensive income		
Foreign currency translation differences for foreign operations	50,834	2,211,283
Net change in fair value of available for sale assets	(34,902)	(12,922)
Other comprehensive income/(loss) for the year net on income tax	<u>15,932</u>	<u>2,198,361</u>
Total comprehensive income	<u>(1,767,222)</u>	<u>(4,020)</u>

Source: Atlantic's 2013 Annual Report

6.4 Financial Position

Atlantic's audited Statements of Financial Position as at 31 December 2012 and 2013

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were as follows:

Atlantic Gold		
Statements of Financial Position		
As At:	31-Dec-12	31-Dec-13
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,028,960	2,490,091
Trade and other receivables		
Nova Scotia Dept. of Natural Resources security deposit	676,917	210,682
Other receivables	123,884	120,133
Prepayments	36,762	55,163
Other financial assets available for sale	-	19,003
Total current assets	1,866,523	2,895,072
Non-current assets		
Receivables	173,297	186,686
Other financial assets - 8.7% interest in Moose River Resources Inc.	31,925	261,326
Property, plant and equipment	3,595,153	3,921,979
Exploration & evaluation assets - intangibles	20,361,944	23,342,258
Total non-current assets	24,162,319	27,712,249
Total assets	26,028,842	30,607,321
Liabilities		
Current liabilities		
Trade and other payables	249,274	344,041
Loans and borrowings	1,000,000	1,000,000
Employee benefits	232,596	244,979
Total current liabilities	1,481,870	1,589,020
Non-current liabilities		
Employee benefits	10,200	11,400
Total non-current liabilities	10,200	11,400
Total liabilities	1,492,070	1,600,420
Net assets	24,536,772	29,006,901
Equity		
Share capital	50,792,939	55,232,088
Reserves	(1,175,750)	1,057,611
Accumulated losses	(25,080,417)	(27,282,798)
Total equity	24,536,772	29,006,901

Source: Atlantic's 2013 Annual Report

6.5 Cash Flows

Atlantic's audited Statements of Cash Flows for the financial years ended 31 December 2012 and 2013 were as follows:

Atlantic Gold Statements of Cash Flows	Year Ended 31-Dec-12 \$	Year Ended 31-Dec-13 \$
Cash flows from operating activities		
Payments to suppliers and employees	(996,590)	(1,074,556)
Interest received	37,796	52,545
Interest paid	(67,703)	(139,306)
Net cash used in operating activities	(1,026,497)	(1,161,317)
Cash flows from investing activities		
Purchase of property, plant and equipment	(387,819)	(24,774)
Refund of land deposit	-	501,731
Payments for exploration, evaluation and development assets	(3,339,835)	(2,055,792)
Payments for investments	(725,268)	(248,936)
Sale of available for sale assets	3,900	-
Net cash used in investing activities	(4,449,022)	(1,827,771)
Cash flows from financing activities		
Proceeds from rights issue	2,749,197	-
Proceeds from placements	1,432,050	4,465,000
Payment for share issue costs	(148,586)	(25,851)
Proceeds from borrowings	1,000,000	-
Net cash from financing activities	5,032,661	4,439,149
Net increase/(decrease) in cash and cash equivalents	(442,858)	1,450,061
Cash and cash equivalents at beginning of period	1,473,999	1,028,960
Effect of exchange rate fluctuations on cash held	(2,181)	11,070
Cash and cash equivalents at end of period	1,028,960	2,490,091

Source: Atlantic's 2013 Annual Report

7. Valuation of Atlantic Before the Proposed Scheme

7.1 Value Definition

DMR Corporate's valuation of Atlantic has been made on the basis of fair market value, defined as the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information, in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm's length.

7.2 Valuation Methodologies

In selecting appropriate valuation methodologies, we considered the applicability of a range of generally accepted valuation methodologies. These included:

- share price history;
- asset based methods;
- capitalisation of future maintainable earnings;
- net present value of future cash flows; and
- comparable market transactions.

Each of the above methodologies is described and where possible applied in the balance of this Section.

7.3 Share Price History

The share price history valuation methodology values a company based on the past trading in its shares. We normally analyse the share prices up to a date immediately prior

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to the date when a takeover, merger or other significant transaction is announced (in this instance the proposed merger was announced to the ASX on 7 April 2014) to remove any price speculation or price escalations that may have occurred subsequent to the announcement of the proposed transaction.

We have analysed the share prices for the period from 1 June 2013 to 6 April 2014 and noted the following:

- (a) over the approximate 10-month period there have been 29,503,829 shares traded and this represents approximately 3.4% of the Company's current issued capital at the end of this trading period. On this basis we consider that the trading in the Company's shares is illiquid.
- (b) in this period the shares traded in a range of \$0.014 (23 January 2014) to \$0.039 (10 March 2014).
- (c) the 30 day volume weighted average price ("VWAP") of the shares at 6 April 2014 was \$0.029 based on a volume of 4,358,378 shares, the 60 day VWAP was \$0.025 based on a volume of 7,171,187 shares and the 90 day VWAP was \$0.023 based on a volume of 9,888,447 shares.

Announcements to the ASX made between 1 June 2013 and 7 April 2014 that may have had an impact on the market prices and trading volumes of the Atlantic shares include:

Date	Announcement
31 July 2013	Quarterly Activities and Cashflow Report
30 August 2013	Change of Director's Interest Notice
30 August 2013	Appendix 3B Employee options
10 September 2013	Purchase of interest in MRRI
12 September 2013	Agreement for share placement to raise \$1.875M
13 September 2013	Half Year Accounts
16 September 2013	Touquoy second landholder appeal dismissed
27 September 2013	Atlantic Gold increases interest in Touquoy Gold Project
1 October 2013	Placement funds delayed
2 October 2013	Appendix 3B Placement
3 October 2013	Cleansing notice placement
3 October 2013	Change in substantial holding Au Mining
3 October 2013	Touquoy Gold Project - Stay motion hearing 4 Oct 2013
7 October 2013	Stay Motion Dismissed, Touquoy Gold Project
29 October 2013	Quarterly Activities and Cashflow Report
31 January 2014	Quarterly Activities and Cashflow Report
28 February 2014	Presentation for PDAC 2014 available on website
28 February 2014	JORC Code 2012 reporting
28 February 2014	Dismissal of landholder application to Supreme Court of Canada
5 March 2014	Becoming a substantial holder
6 March 2014	Breakaway Research report
25 March 2014	Full Year Statutory Accounts
25 March 2014	Touquoy update re-affirms project's robust potential
26 March 2014	Touquoy Industrial Approval granted
7 April 2014	Share Purchase Plan
7 April 2014	Atlantic Gold and Spur Ventures merger agreed
7 April 2014	Crown Land Lease, Touquoy Gold Project, Nova Scotia

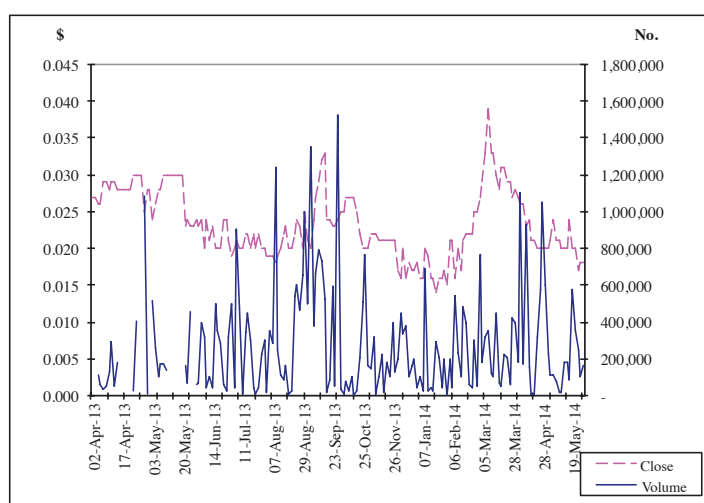
Based on the above analysis we consider that the Atlantic shares are valued in a range of \$0.025 to \$0.029 per share, on a minority interest basis (i.e. excluding a premium for control).

A table of the volume and value of the Atlantic shares traded in the period from 1 June 2013 to 26 May 2014 is as follows:

Month	Share Price			Volume	Value
	High \$	Low \$	Average \$		
2013					
June	0.024	0.018	0.021	2,036,859	41,786
July	0.024	0.019	0.021	3,335,774	68,872
August	0.025	0.017	0.021	6,105,634	129,266
September	0.033	0.020	0.025	7,226,682	182,432
October	0.027	0.020	0.021	2,073,751	44,012
November	0.022	0.016	0.021	1,479,404	31,392
December	0.020	0.016	0.017	1,865,000	32,040
2014					
January	0.020	0.014	0.017	1,668,195	29,147
February	0.025	0.015	0.020	2,397,915	48,702
March	0.039	0.025	0.030	3,772,337	113,008
April	0.031	0.020	0.023	4,502,666	102,409
May (1-26)	0.024	0.017	0.020	3,036,244	60,452
				39,500,461	883,519

Source: Commonwealth Securities and DMR Corporate

A graph of the volume and closing prices of the Atlantic shares traded in the period from 1 June 2013 to 26 May 2014 is as follows:



Source: Commonwealth Securities and DMR Corporate

A recent study has indicated that the median control premiums in the metals and mining industry are generally in a range of 27.7% to 31.7%³ so the minority prices will need to be adjusted to include a control premium. After reviewing the size, current status, synergies and activities of the 2 Scheme participants, we consider that a control premium range of 20% to 30% would be more applicable.

As the Atlantic shares were trading in the range of \$0.023 to \$0.029 per share, then it is unlikely that the partly paid shares will be paid up (call of \$0.11 outstanding) at a future date, so we have performed the remainder of our valuation on the basis of the current issued share capital.

Based on the above, the control value based on the share price valuation methodology is determined as follows:

³ RSM Bird Cameron Control Premium Study – 2013.

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	Number	Low	High
Share price - per share	\$	0.025	\$ 0.029
Number of shares on issue	<u>828,671,993</u>		
Preliminary value	\$	20,716,800	\$ 24,031,488
Control premium	20%	\$ 24,860,160	\$ 28,837,785
	30%	\$ 26,931,840	\$ 31,240,934
DMR Corporate range	\$	25,896,000	\$ 30,000,000
Per share basis	\$	0.031	\$ 0.036

Based on the share price valuation methodology we consider that Atlantic is valued in a range of \$25,896,000 to \$30,000,000 or \$0.031 to \$0.036 per share on a control basis.

7.4 Net Present Value of Future Cash Flows

- 7.4.1 An analysis of the net present value of the projected cash flows of a business (or discounted cash flow technique) is based on the premise that the value of the business is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure, the costs of capital and an assessment of the residual value of the business remaining at the end of the forecast period.
- 7.4.2 We believe that this valuation methodology can be applied to a valuation of the Touquoy project for use in some of the following sections of this report as Atlantic is well advanced in its progress towards the commencement of mine development on the Touquoy Gold Project.

Gemmell Mining Engineers have prepared a Feasibility Study and Cash Flow forecasts for the next six years (production is scheduled to commence in approximately 2 years from the date of the implementation of the Scheme as the Scheme will secure the initial development capital and should make the further capital raisings and loan negotiations considerably easier).

A summary of the production and cash flow data is as follows:

Summary of Atlantic's Interests in the Touquoy Project	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Annual milling - tonnes	-	-	1,900,000	2,000,000	2,000,000	2,000,000	1,681,356		9,581,356
Gold production - oz	-	-	75,598	84,708	92,004	80,210	89,121		421,641
Gold price - C\$/oz	-	-	1,443	1,470	1,499	1,530	1,559		
Revenues - Nominal	-	-	109,089	124,556	137,949	122,712	138,958		633,264
Operating and Other Costs	(327)	(20,792)	(45,891)	(47,931)	(76,237)	(76,550)	(83,778)	(5,235)	(356,742)
Capital Expenditure	(34,047)	(99,739)	(10,113)	(3,169)	(3,891)	(2,276)	(2,939)	13,723	(142,452)
Total Tax Paid	-	-	-	-	(2,149)	(7,441)	(9,072)	(3,740)	(22,402)
Project cash flow	(34,374)	(120,532)	53,085	73,456	55,672	36,444	43,169	4,748	111,668

All currency figures are in Canadian dollars and US\$ gold prices are converted on an exchange rate of C\$1.00: US\$0.95

Source: DMR Corporate

- 7.4.3 We mandated Mining One Pty Ltd ("Mining One") to conduct a high level review of the key project assumptions and technical work on the Touquoy Gold Feasibility Studies on our behalf. As a result of this review we consider that the base assumptions are reasonable and where they have been queried by Mining One, we have incorporated revised alternative assumptions in our sensitivity analysis.

- 7.4.4 The Cochrane Hill project is not as advanced as the Touquoy project and as there are only 'indicated resources' a detailed Feasibility Study cannot be used to value this project. We therefore requested Mining One to determine a value for the Cochrane Hill project based on other valuation methodologies.

7.4.5 Discount Rate

In order to derive the net present value of the projected future cash flows to equity holders, the cash flows need to be discounted by an appropriate discount rate. The generally acceptable methodology for assessing the appropriate discount rate is the capital asset pricing model ("CAPM") and we have determined that the discount rates should be in a range of 8.95% to 10.62% - Appendix A.

7.4.6 Net Present Value of the Touquoy Project

Based on the Touquoy gold project assumptions and cash flows summarised in Section 7.4.2 above and the discount rates determined in Appendix A (say 8.95% and 10.62%), we have determined that the net present value of Atlantic's interest in the Touquoy project based on Atlantic's assumptions is in a range of C\$35,614,000 to C\$44,228,000.

7.4.7 Sensitivities of cash flows

The key assumptions in the model include:

1. Gold produced
2. Mine operating costs
3. Mine milling costs
4. Administration and other costs such as operating costs, management fees and royalties
5. Capital costs – including exploration

Other key parameters included in the Cash Flow Model are as follows:

6. Price of gold US\$1,300/oz
7. Exchange rate All currency figures are in Canadian dollars except the price of gold which is traded in US dollars and converted at the following rate C\$1.00:US\$0.95

Mining One have satisfied themselves that the key assumptions in 1 to 5 above are reasonable except for:

- (a) The initial project capital costs scheduled at \$4.8m were considered to be low after benchmarking with other similar sized operations. Mining One have estimated that the initial capital costs could be in a range of C\$4.8m to C\$10m. We have prepared various sensitivity analysis assuming the initial capital in the base model is increased by C\$2 million, C\$4 million and C\$6 million; and
- (b) Operating costs – Mining One extracted various operating costs and benchmarked these based on Canadian dollar values per tonne of ore processed. We have prepared various sensitivity analysis assuming the base model operating costs increased by 2%, 3% and 5%.

Canadian Dollar to US Dollar Exchange Rates

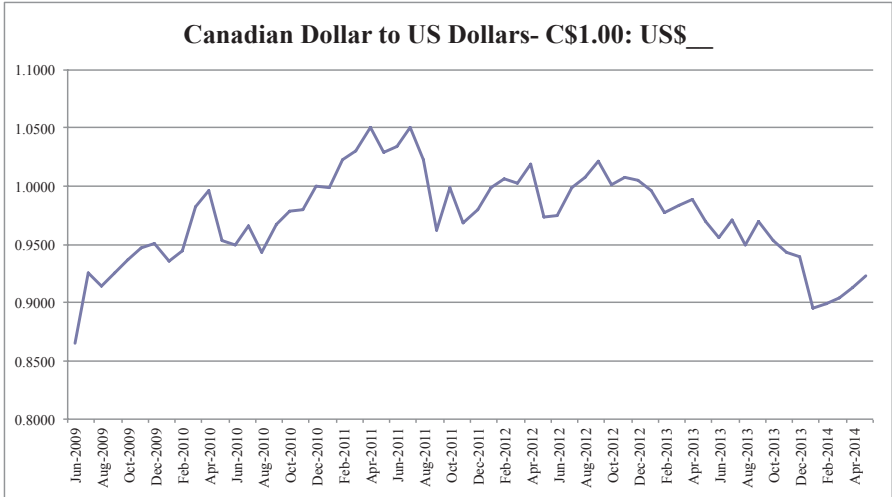
Over the last 5 years the Canadian to US dollar exchange rates have been as detailed in the following graph. The maximum rate since 1 January 2010 occurred on 3 February 2010 when the exchange rate reached US\$1.06 and the minimum was US\$0.889 on 20 March 2014.

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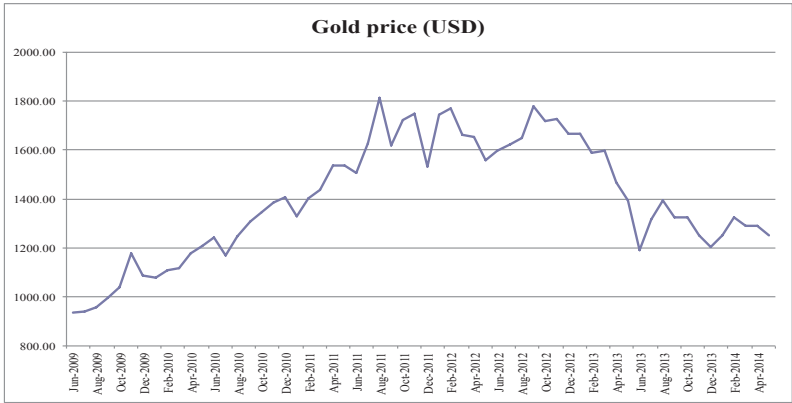
As at 2 June 2014 the Canadian to US exchange rate is C\$1.00:US\$0.92.



Source: Capital IQ and DMR Corporate

Gold Prices

Over the last 5 years the price of gold has fluctuated from a low of US\$810.50 to a high of US\$1,899.50 on 5 September 2011. As at 2 June 2014 the spot gold price was US\$1,251.50 per ounce.



Source: Reserve Bank of Australia and DMR Corporate

We adjusted the cash flow model to determine the impact that variations to the key assumptions would have on the net present value of Atlantic’s interests in the Touquoy gold project and the results are as follows:

Sensitivity Analysis	C\$m	Low Valuation 10.62% \$'000	High Valuation 8.95% \$'000
Initial Capital Requirements			
Base	4.8	35,614	44,228
\$2m increase to	6.8	34,164	42,791
\$4m increase to	8.8	32,854	41,506
\$6m increase to	10.8	31,604	40,286
Operating costs for project	\$'000		
Base - C\$1.00:US\$0.95	258,648	35,614	44,228
Add - 2%	263,798	34,068	42,600
Add - 3%	266,374	33,296	41,786
Add - 5%	271,524	31,752	40,160
Exchange Rate	\$		
Base - C\$1.00:US\$0.95	0.95	35,614	44,228
US\$0.98	0.98	30,544	38,850
US\$1.00	1.00	27,297	35,410
US\$0.92	0.92	41,485	50,466
US\$0.90	0.90	46,473	55,780
Gold Price	\$		
Base - C\$1.00:US\$0.95	1,300	35,614	44,228
5% increase	1,365	45,763	55,019
7.5% increase	1,398	51,459	61,087
2 June 2014 spot price	1,251	29,077	37,298
5% decrease	1,235	26,923	35,018
10% decrease	1,170	16,915	24,346
Exchange Rate C\$1.00:US\$0.92	\$		
Base	1,235	41,485	50,466
5% decrease in gold price	1,235	32,095	40,497
2 June 2014 spot price	1,251	34,285	42,821
7.5% decrease in gold price	1,203	27,584	35,719
5% decrease in gold and 2% rise in operating costs	1,235	30,529	38,850
3.8% decrease in gold and 2% rise in operating costs	1,251	32,681	41,131
5% decrease in gold and 5% increase in operating costs	1,235	28,177	36,376
Exchange Rate C\$1.00:US\$0.92 and \$4million increase in initial capital	\$		
Base	1,235	34,344	41,647
5% decrease in gold price	1,235	29,286	37,728
7.5% decrease in gold price	1,203	24,523	32,667
3.8% decrease in gold price and 2% rise in operating costs	1,251	29,865	38,353
5% decrease in gold and 2% rise in operating costs	1,235	27,698	36,058
5% decrease in gold and 5% increase in operating costs	1,235	25,216	33,439

Source: DMR Corporate

7.4.8 Valuation of the Touquoy Gold Project

We consider that the project should be valued prior to the proposed merger using the higher discount rate of 10.62% (generating lower values) due to the difficulties Atlantic has experienced in raising capital/debt to finance the development of the Touquoy gold project. This valuation will be used in the orderly realisation of assets valuation methodology in Section 7.5 below.

We have reviewed each of the valuations after considering our sensitivity adjustments and we consider that Atlantic's interests in the Touquoy gold project prior to the implementation of the Scheme are valued in a range of C\$27,698,000 (say C\$27,700,000) to C\$29,286,000 (say C\$29,200,000) and based on the conversion to Australian dollars \$27,423,000 to \$28,908,000.

7.5 Asset Based Methods

- 7.5.1 These methodologies are based on the realisable value of a company's identifiable net assets. Asset based valuation methodologies including:

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(a) Net Assets

The net asset valuation methodology involves deriving the value of a company or business by reference to the value of its assets. This methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its earnings, such as property holding companies and investment businesses. The net assets on a going concern basis do not take account of realisation costs.

(b) Orderly Realisation of Assets

The orderly realisation of assets method estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs.

(c) Liquidation of Assets

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a short time frame.

7.5.2 Net Assets

The total net assets of Atlantic as at 31 December 2013, per the audited consolidated accounts, were \$29,006,901 or \$0.035 per share.

The consolidated accounts record Exploration and Evaluation Assets at \$23,342,258 and this is dissected into the following:

Exploration costs – Nova Scotia, Canada	\$10,117,116
Evaluation Touquoy and Cochrane Hill Gold Projects	\$13,225,142

These values have been determined for financial reporting purposes using the Australian Accounting Standards, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Act and the values therefore may not reflect the market values of the individual assets.

At the present date the capitalised 'Exploration costs' of \$10.1 million have not yet reached a stage, which permits a reasonable assessment of the existence of economically recoverable reserves. Until this work progresses and its results become known we are unable to assess whether these costs have any ongoing future values. Expenditures deemed to be unsuccessful are written off immediately.

Since the annual accounts were published the March 2014 quarterly Report has been lodged with the ASX and the 'cash and cash equivalents' balance has been reduced from \$2,490,091 to \$1,679,000 and the Share Purchase Plan has closed with subscriptions of approximately \$255,000. This represents a net reduction of approximately \$556,000 and we consider that this balance should be adjusted in the net asset figure. After this adjustment the net assets are \$28,450,810 or \$0.034 per share.

The \$0.034 per share is not a value that shareholders should necessarily expect to receive for their shares and it has not been included in our summary of values as the orderly realisation of assets valuation methodology supersedes it.

7.5.3 Orderly Realisation of Net Assets

In an orderly realisation shareholders would be left with cash and a listed corporate shell, which could be used to acquire a new business. In our experience listed shells in the current market have a value between \$300,000 to \$500,000 and we have added this value to the net asset values above.

We have assessed the value of Atlantic as at 31 December 2013 on an orderly realisation basis after taking into account the following assumptions:

Note 1	The 31 December 2013 cash balance has been adjusted for the cash expended during the March 2014 quarter as per the quarterly statement – a reduction of \$811,091 and for the capital subscriptions from the Share Purchase Plan which closed on 3 June 2014.
Note 2	Nova Scotia Dept. of Natural Resources security deposits of \$210,682 and other bonds of \$12,981 relate to various Nova Scotia gold projects and these assets will be transferred as an integral part of the merger or sale. Their value will be incorporated in the net present value of the Touquoy gold project and the Cochrane Hill valuations below.
Note 3	Other receivables of \$107,152 comprise of GST/HST reimbursements totalling \$56,000, \$42,000 of sundry loans and \$9,000 of interest receivable. All balances should be recoverable in full.
Note 4	Prepayments \$55,163 – DMR Corporate estimate of normal recoveries of prepaid expenses or use of the asset between balance date and June 2014.
Note 5	Investments in MMRI – as mentioned in Section 6.1 above MMRI holds a 40% interest in the Touquoy gold project after all capital expenditures have been recovered from operating profits. Atlantic holds a 6.3% direct equity interest in MMRI and this effectively increases its interests in the Touquoy gold project to 63.5%. We consider that this asset should be fully recoverable if the Touquoy gold project proceeds to production.
Note 6	Receivables \$186,686 – represents Nova Scotia reclamation bonds which will pass with the projects. Balance of \$23,400 represents bond on Chatswood office and the estimate is our assessment of monies that may be recoverable.
Note 7	Property, plant and equipment is all basically related to the Nova Scotia gold projects and these assets form part of the project valuations.
Note 8	Exploration & evaluation assets – intangibles - \$23,342,258 – these costs basically relate to the Nova Scotia gold projects and these assets form part of the project valuations.
Note 9	Touquoy gold project – the DMR Corporate valuation of this asset has been set out in Section 7.4 above. The C\$27,700,000 to C\$29,200,000 has been converted into Australian dollars based on the exchange rate of C\$1.00:A\$0.99 – Section 10 below.
Note 10	Cochrane Hill gold project – Mining one prepared a valuation of this project using the comparable transactions method to obtain a valuation of C\$1,310,000 or A\$1,296,900.
Note 11	Value of a listed shell – DMR estimate from a survey of lawyers, company secretaries and purchasers and vendors of listed shells over the last 12 months.
Note 12	The costs of realisation are estimates made by DMR Corporate.

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Atlantic Gold				
Orderly Realisation of Net Assets				
As At:	Note	Audited 31-Dec-13 \$	Estimated Realisable Values Low \$	Estimated Realisable Values High \$
Assets				
Current assets				
Cash and cash equivalents	1	2,490,091	1,934,000	1,934,000
Trade and other receivables				
Nova Scotia Dept. of Natural Resources security deposit	2	210,682	-	-
Other receivables	3	107,152	100,000	107,000
Security deposits re environmental bonds on mining claims	2	12,981	-	-
Prepayments	4	55,163	20,000	25,000
Other financial assets - 8.7% interest in Moose River Resources Inc.	5	19,003	15,000	19,000
Total current assets		2,895,072	2,069,000	2,085,000
Non-current assets				
Receivables	6	186,686	10,000	15,000
Other financial assets - 8.7% interest in Moose River Resources Inc.	5	261,326	200,000	250,000
Property, plant and equipment	7	3,921,979	-	-
Exploration & evaluation assets - intangibles	8	23,342,258	-	-
Touquoy gold project	9		27,423,000	28,908,000
Cochrane Hill gold project	10		1,296,900	1,296,900
Total non-current assets		27,712,249	28,929,900	30,469,900
Total assets		30,607,321	30,998,900	32,554,900
Liabilities				
Current liabilities				
Trade and other payables		344,041	344,041	344,041
Loans and borrowings		1,000,000	1,000,000	1,000,000
Employee benefits		244,979	244,979	244,979
Total current liabilities		1,589,020	1,589,020	1,589,020
Non-current liabilities				
Employee benefits		11,400	11,400	11,400
Total non-current liabilities		11,400	11,400	11,400
Total liabilities		1,600,420	1,600,420	1,600,420
Net assets		29,006,901	29,398,480	30,954,480
Add: Value of listed shell	11		300,000	500,000
Less: Costs of realisation	12		(150,000)	(100,000)
			29,548,480	31,354,480
SAY:			29,500,000	31,400,000

Based on the orderly realisation valuation methodology, Atlantic is valued in a range of \$29,500,000 to \$31,400,000 on a control basis.

7.6 Capitalization of Future Maintainable Earnings

This methodology involves capitalising the estimated future maintainable earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. A traditional method is to use net profit after tax – Price Earnings or PE. Other common methods are the use of Earnings Before Interest and Tax (EBIT) or Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA).

We have concluded that the capitalisation of future maintainable earnings methodology cannot be applied in valuing Atlantic and its shares as it has no operating activities generating earnings.

7.7 Comparable Market Transactions

Atlantic is basically an exploration company with gold interests in Canada. We do not consider that this valuation methodology can be applied in valuing the Atlantic shares, as we are unaware of any comparable companies with similar gold projects in Nova Scotia.

7.8 Conclusion

The applicable valuation methodologies that we have considered are summarised as:

VALUATION METHODOLOGY	Section	Low \$	High \$
Share price history	7.3	25,896,000	30,000,000
Orderly realisation of net assets	7.5	29,500,000	31,400,000

Based on the above we consider that the interests of the Atlantic fully paid ordinary shareholders should be valued in a range of \$29,500,000 to \$30,000,000 on a control basis - \$0.0356 to \$0.0362 per share.

7.9 Partly Paid Ordinary Shareholders

The partly paid shares have a par value of \$0.20 per share and they are currently paid to \$0.09 leaving an uncalled capital liability of \$0.11 per partly paid share. The partly paid shares were issued in October 2003 on the basis that:

'the Company shall not make any calls in respect of unpaid capital owing on the partly paid shares until after 1 April 2004 and will not call more than 2 cents in any 6 month period thereafter, and will provide at least 3 weeks notice of any call.'

In Section 7.3 we determined that Atlantic's fully paid shares were valued in a range of \$0.025 to \$0.029 per share. The intrinsic value is say \$0.029 less \$0.11 (outstanding calls) = negative \$0.081 per share.

On the basis that the outstanding calls on the partly paid shares may be called at the rate of \$0.02 every 6 months, we consider that there is negligible option value associated with the partly paid shares over and above their intrinsic value.

As investors in Atlantic could buy a fully paid share with no capital liabilities for \$0.025 to \$0.029, we can see no logical reason to place a value greater than nil on the partly paid shares.

In our opinion the partly paid shares have a nil value at the date of this report.

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8. Spur – Key Information

8.1 Background

The company was incorporated in 1986 and it changed its name to Spur Ventures Inc. in September 1987.

On February 13, 2012, Spur completed the sale of its 100% owned subsidiary, Spur Chemicals (BVI) Inc. ("Spur BVI"). Spur BVI held its fertilizer interests through two Sino-foreign joint ventures in China, Yichang Maple Leaf Chemicals Ltd. and Yichang Spur Chemicals Ltd. Spur's Chinese partner in both joint ventures was Hubei Yichang Phosphorus Chemical Co. Ltd), a state owned enterprise of Yichang City, Hubei Province, China.

Previously it operated in one operating segment, the fertilizer industry, and had two geographic locations, China and Canada. The discontinued operations reflect the Chinese operations and the continuing operations reflect the Canadian operations. Subsequent to the sale of the Chinese operations, the Company is no longer in the Chinese fertilizer industry, and is now focused on potential acquisitions or other corporate transactions in precious and base metals or other mineral-related assets or businesses.

The Company now operates entirely in Canada and is now focusing on the acquisition of gold, base metals, or other mineral related assets or businesses.

8.2 Share Capital

As at the 15 May 2014 Spur had on issue 60,407,187 fully paid ordinary shares and the shareholders at that date were as follows:

Spur Shareholders	Number of Shares	Percentage Interest
CDS & CO	54,644,684	90.5%
CEDE & CO	3,103,850	5.1%
EXPLORATION CAPITAL PARTNERS 2000 LIMITED PARTNERSHIP	1,420,500	2.4%
EXPLORATION CAPITAL PARTNERS 1998 B LIMITED PARTNERSHIP	1,000,000	1.7%
ROBERT G ATKINSON	100,000	0.2%
WU SIHAI	66,667	0.1%
CAROLYN J HANRETTA TR OF THE HANRETTA DESCENDANTS TRUST	30,000	0.0%
WEST CANADA DEPOSITORY TRUST COMPANY	5,119	0.0%
ISIDORE KANOVITZ	5,000	0.0%
RICHARD FOSTER & JOHNNIE MARIE FOSTER JT TEN	4,200	0.0%
GLOBAL NATURAL RESOURCES III	4,166	0.0%
EDWARD P PIKE	4,000	0.0%
BARRIE F EGAN	3,500	0.0%
VANCOUVER STOCK EXCHANGE SERVICE CORP	2,500	0.0%
RUSSELL G BAKER II	2,000	0.0%
CHERYL BREWSTER	2,000	0.0%
DIANNE EDGAR	2,000	0.0%
ROBERT L WESTON	1,500	0.0%
YU MEI HU	1,400	0.0%
WESLEY COOK	1,100	0.0%
REBECCA BAKER	1,000	0.0%
YORKTON SECURITIES INC	1,000	0.0%
WILLIAM GARVEN	500	0.0%
MARK SHERIDAN & STELLA SHERIDAN JT TEN	500	0.0%
JEX WOODS	1	0.0%
Total	60,407,187	100.0%

Note 1 – The CDS & Co holding of 54,644,684 shares represents beneficial holdings through brokerage accounts.

8.3 Financial Statements

In order to reflect the reporting currency based on the functional currency of the Company, effective January 1, 2014, the Company changed its presentation from the U.S. dollar to the Canadian dollar. The change in presentation currency represents a change in accounting policy, which has been applied retrospectively from January 1, 2010, the transition date to IFRS, onwards.

As there are no longer any exchange differences due to the translation of foreign currency balances and transactions, the Company no longer presents a balance in accumulated other comprehensive income (loss).

8.4 Financial Performance

Spur's audited Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss) for the financial year ended 31 December 2013 and the unaudited statement for the three months ended 31 March 2014 were as follows:

Spur Ventures Inc. Consolidated Statements of net income (loss) and comprehensive income (loss)	Year Ended 31-Dec-13 US\$	Three Months Ended 31-Mar-14 C\$	31-Mar-14 A\$
Expenses			
Amortisation	9,390	1,820	1,802
Corporate development	511,788	280,047	277,247
Director fees	77,838	16,667	16,500
Management fees, salaries and benefits	538,895	113,272	112,139
Office and general	65,854	17,683	17,506
Professional fees	95,882	15,627	15,471
Rent	94,659	25,353	25,099
Share-based payments	179,260	10,841	10,733
Transfer agent and filing fees	33,559	8,509	8,424
Travel, meals and entertainment	9,032	115	114
Net loss from operations	(1,616,157)	(489,934)	(485,035)
Other income			
Interest income	419,270	104,585	103,539
Net income (loss) for the year	(1,196,887)	(385,349)	(381,496)
Other comprehensive income (loss), net of tax:			
Items that will not be reclassified to net income or loss			
Unrealized gain (loss) on translating financial statements from functional currency to reporting currency	(1,930,898)	-	-
Comprehensive income (loss) for the year, net of tax	(3,127,785)	(385,349)	(381,496)

Source: Spur's 2013 Annual Financial Statements and 31 March quarterly statements. A\$ figures DMR Corporate

8.5 Financial Position

Spur's audited Consolidated Balance Sheets as at 31 December 2013 and unaudited quarterly statement as at 31 March 2014 were as follows:

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Spur Ventures Inc. Consolidated Balance Sheet As At:	31-Dec-13 C\$	31-Mar-14 C\$	31-Mar-14 A\$
Assets			
Current assets			
Cash and cash equivalents held in Canadian dollars	28,922,649	28,762,079	28,474,458
Prepaid expenses	43,633	41,423	41,009
Receivables	113,545	45,793	45,335
Due from related parties	63,046	67,612	66,936
Total current assets	29,142,873	28,916,907	28,627,738
Office equipment and furniture	14,757	12,936	12,807
Total assets	29,157,630	28,929,843	28,640,545
Current liabilities			
Accounts payable and accrued liabilities	61,545	200,086	198,085
Due to related parties	10,235	18,415	18,231
Total liabilities	71,780	218,501	216,316
Shareholder equity			
Share capital	53,258,507	53,258,507	52,725,922
Contributed surplus	10,227,578	10,238,419	10,136,035
Accumulated other comprehensive income (loss)			
Deficit	(34,400,235)	(34,785,584)	(34,437,728)
Total shareholders' equity	29,085,850	28,711,342	28,424,229
Total liabilities and shareholders equity	29,157,630	28,929,843	28,640,545

Source: Spur's 2013 Annual Financial Statements and 31 March quarterly statements. A\$ figures DMR Corporate.

8.6 Cash Flows

Spur's audited Statement of Cash Flows for the year ended 31 December 2013 and unaudited statement for the three months ended 31 March 2014 were as follows:

Spur Ventures Inc. Consolidated Statements of Cash Flows	Year Ended 31-Dec-13 US\$	Three Months Ended 31-Mar-14 C\$	31-Mar-14 A\$
Cash used in continuing operations			
Net loss for the year	(1,196,887)	(385,349)	(381,496)
Adjustments for:			
Amortization	9,390	1,820	1,802
Share-based payments	179,260	10,841	10,733
Interest income	(419,270)	(104,585)	(103,539)
Net changes in non-cash working capital balances			
Receivables	8,811	72,725	71,998
Due from related parties	(18,928)	(4,566)	(4,520)
Prepaid expenses	(141)	2,210	2,188
Accounts payable and accrued liabilities	(17,274)	138,542	137,157
Due to related parties	(7,022)	8,180	8,098
Net cash used in operating activities	(1,462,061)	(260,182)	(257,580)
Investing activities			
Interest received	335,709	99,612	98,616
Net cash generated from investing activities - continuing activities	335,709	99,612	98,616
Effect of exchange rate changes	(1,929,609)	-	-
Change in cash and cash equivalents during the year	(3,055,961)	(160,570)	(158,964)
Cash and cash equivalents, beginning of year	30,249,036	28,922,649	28,633,423
Cash and cash equivalents, end of year	27,193,075	28,762,079	28,474,458

Source: Spur's 2013 Annual Financial Statements and 31 March quarterly statements. A\$ figures DMR Corporate

9. Spur – Valuation

9.1 The definition of value and the valuation methodologies considered in this Section are the same as stated in Sections 7.1 and 7.2 above.

9.2 Share Price History and Valuation

9.2.1 The Spur shares are listed on the Toronto Stock Exchange – Venture Exchange (“TSXV”) and over the past 12 months to the 6 April 2014 there have been 5,345,925 shares traded at a VWAP of C\$0.36 per share.

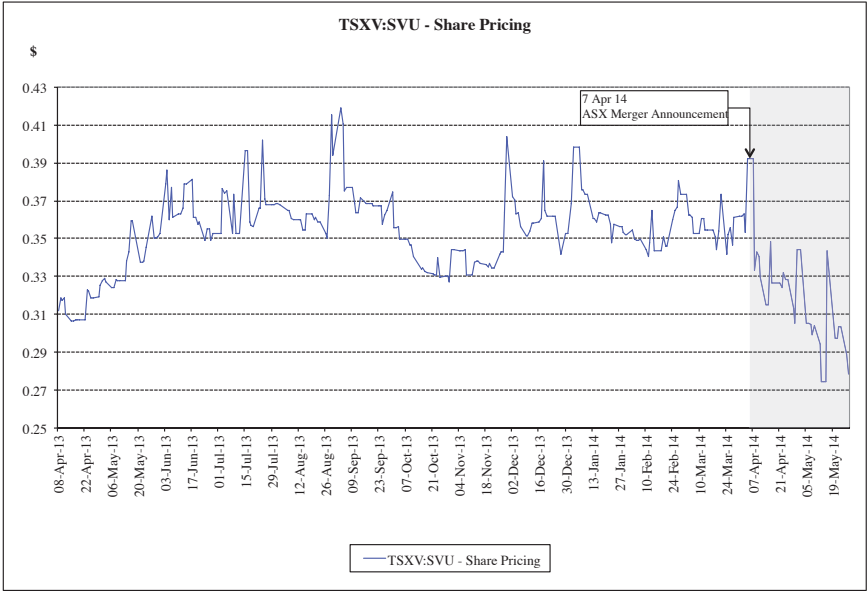
The most recent 30-day VWAP was C\$0.36 on a volume of 548,954 shares, the 60-day VWAP was C\$0.36 on a volume of 805,459 shares and the 90-day VWAP was C\$0.37 on a volume of 1,546,328.

The graph of the daily share prices over the 12-month period is as follows:

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Source: Capital IQ

- 9.2.2 Based on the above analysis we consider that the Spur shares are valued in a range of \$0.36 to \$0.37 per share, on a minority interest basis (i.e. excluding a premium for control) and the company is valued in a range of C\$21,746,000 to C\$22,350,000.
- 9.2.3 Based on the above, the control value based on the share price valuation methodology is determined as follows:

	Number	Low	High
Share price - per share		\$ 0.360	\$ 0.370
Number of shares on issue	60,407,187		
Preliminary value		\$ 21,746,587	\$ 22,350,659
Control premium	20%	\$ 26,095,905	\$ 26,820,791
	30%	\$ 28,270,564	\$ 29,055,857
DMR Corporate range		\$ 27,180,000	\$ 27,940,000
Per share basis		\$ 0.450	\$ 0.463

Based on the share price valuation methodology, we consider that Spur is valued in a range of \$27,180,000 to \$27,940,000 or \$0.450 to \$0.463 per share on a control basis.

9.3 Asset Based Methods

9.3.1 Net Assets

The net assets of Spur as at 31 December 2013, per the reviewed consolidated accounts, were C\$29,157,630 (C\$0.48 per share) and per the 31 March 2014 quarterly statements the net assets were C\$28,929,843 (C\$0.48 per share).

On a net asset basis we have valued Spur at C\$28,929,843 - say C\$28,930,000.

9.3.2 Orderly Realisation of Net Assets

As the net assets are basically cash, we do not consider that this valuation methodology is applicable.

9.4 Capitalization of Future Maintainable Earnings

We have concluded that the capitalisation of future maintainable earnings methodology is not applicable to a valuation of Spur and its shares, as it has no operating activities generating sustainable earnings.

9.5 Net Present Value of Future Cash Flows

An analysis of the net present value of the projected future cash flows of a business (or discounted cash flow technique) is based on the premise that the value of the business is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure, the costs of capital and an assessment of the residual value of the business remaining at the end of the forecast period.

As Spur does not have a business capable of producing long-term cash flows, we do not consider that this methodology is applicable in valuing Spur or its shares.

9.6 Comparable Market Transactions

Spur is basically a cash box at the present date waiting for the appropriate investment opportunity to be identified and then determining if it wishes to invest in that opportunity. Listed entities holding large cash balances like Spur usually experience their shares trading at a discount to the net asset backing and this is also the situation with Spur.

We do not consider that this valuation methodology is applicable to a valuation of Spur.

9.7 Conclusion

In our opinion the valuation methodologies that we consider to be applicable are as follows:

Methodology	Section	Low C\$	High C\$
Share price	9.2	27,180,000	27,940,000
Net assets	9.3	28,930,000	28,930,000

Based on the above valuations we consider that Spur is valued at approximately C\$28,930,000 on a control basis.

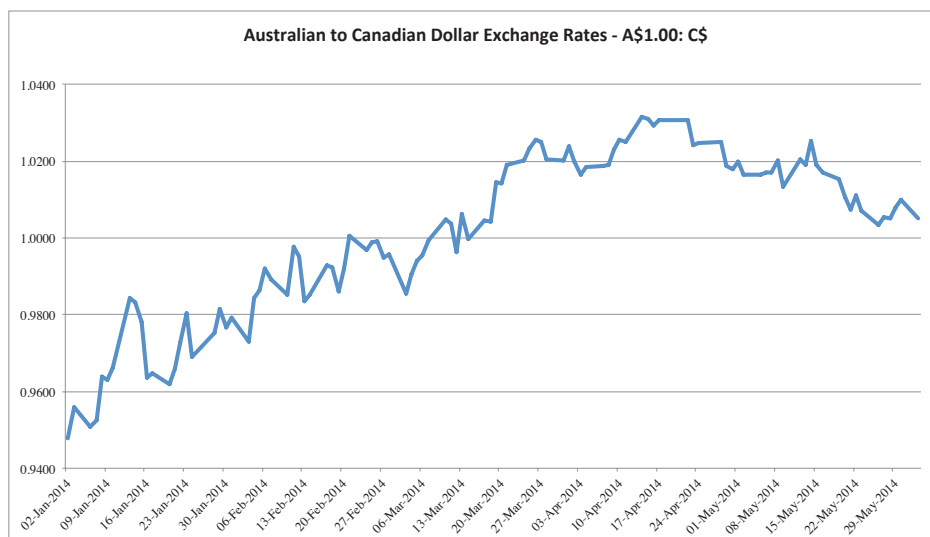
10. Australian Canadian Exchange Rates

- 10.1 A graph of the Australian dollar to Canadian dollar exchange rates over the last 3 months is as follows:

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Source: RBA

- 10.2 As at 2 June 2014 the daily rate was A\$1.00: C\$1.0050, the May monthly average was C\$1.0138, the 60 day average was C\$1.0182 and the 90 day average was C\$1.0148. We have determined that rates of A\$1.00:C\$1.01 and C\$1.00:A\$0.99 should apply to the Australian Canadian currency conversions.

11. Assessment of the Value of Spur Shares and Options After Implementation of the Proposed Scheme

11.1 Valuation of the Spur Shares After Implementation of the Proposed Scheme

We have also considered the net assets of the merged companies assuming that the proposed Scheme is implemented to determine the value of the Spur shares that the Atlantic Shareholders will receive.

The main difference between our assessment of Atlantic on an orderly realisation valuation basis and this valuation is the discount rate that we selected to determine our values for the Touquoy gold project as following the implementation of the Scheme, we consider that the risk profile of the new entity will be significantly improved.

For this reason, we consider that the discount rate of 8.95% would be appropriate and along with the other sensitivity amendments discussed in Section 7.4.7 above.

After considering the Mining One's report together with current data for exchange rates and the price of gold we consider that the most appropriate sensitivities that we should adopt should be:

Low case – 5% decrease in gold prices, \$4million additional initial capital, an exchange rate of C\$1.00:US\$0.92 and a 25 increase in operating costs.

High case – 5% decrease in gold prices, \$4million additional initial capital and an exchange rate of C\$1.00:US\$0.92.

In these 2 scenarios the project values are in a range of C\$36,058,000 (A\$35,697,420) to C\$37,728,000 (A\$37,350,720). We have used these values in the Low and High columns in the following table.

The following table details the adjustments that we have made to determine the net assets of the merged companies assuming that the Scheme is implemented.

Atlantic Gold Amalgamated Net Assets	Atlantic 31-Dec-13 A\$	Note	Adjustments A\$	Spur 31-Mar-14 A\$	Amalgamated Net Assets A\$ Low	Amalgamated Net Assets A\$ High
Assets						
Current assets						
Cash and cash equivalents	2,490,091	1	(556,091)	28,474,458	30,408,458	30,408,458
Trade and other receivables				-		
Nova Scotia Dept. of Natural Resources security deposit	210,682	2	(210,682)			
Other receivables	107,152			45,335	152,487	152,487
Security deposits re environmental bonds on mining claims	12,981	2	(12,981)	-		
Prepayments	55,163			41,009	96,172	96,172
Other financial assets - 8.7% interest in Moose River Resources Inc.	19,003			-	19,003	19,003
Due from related parties	-			66,936	66,936	66,936
Total current assets	<u>2,895,072</u>			<u>28,627,738</u>	<u>30,743,056</u>	<u>30,743,056</u>
Non-current assets						
Receivables	186,686	2	(163,286)		23,400	23,400
Other financial assets - 8.7% interest in Moose River Resources Inc.	261,326				261,326	261,326
Property, plant and equipment	3,921,979	3	(3,921,979)	12,807	12,807	12,807
Exploration & evaluation assets - intangibles	23,342,258	4	(23,342,258)			
Touquoy gold project		5	35,697,420		35,697,420	
		5	37,350,720			37,350,720
Cochrane Hill gold project		6	1,296,900		1,296,900	1,296,900
Total non-current assets	<u>27,712,249</u>			<u>12,807</u>	<u>37,291,853</u>	<u>38,945,153</u>
Total assets	<u>30,607,321</u>			<u>28,640,545</u>	<u>68,034,909</u>	<u>69,688,209</u>
Liabilities						
Current liabilities						
Trade and other payables	344,041			198,085	542,126	542,126
Loans and borrowings	1,000,000				1,000,000	1,000,000
Employee benefits	244,979				244,979	244,979
Due to related parties				18,231	18,231	18,231
Total current liabilities	<u>1,589,020</u>			<u>216,316</u>	<u>1,805,336</u>	<u>1,805,336</u>
Non-current liabilities						
Employee benefits	11,400				11,400	11,400
Total non-current liabilities	<u>11,400</u>			<u>-</u>	<u>11,400</u>	<u>11,400</u>
Total liabilities	<u>1,600,420</u>			<u>216,316</u>	<u>1,805,336</u>	<u>1,805,336</u>
Net assets	<u>29,006,901</u>			<u>28,424,229</u>	<u>66,229,573</u>	<u>67,882,873</u>
				Say	66,230,000	67,880,000

Note 1 The 31 December 2014 Atlantic cash balance has been adjusted for the cash expended during the March 2014 quarter (as per the quarterly statement) – a reduction of \$811,091 and increased by approximately \$255,000 for the subscriptions from the Share Purchase Plan which closed on 3 June 2014. The net Atlantic adjustment is \$556,091.

Note 2 The value of all bonds were excluded in the Atlantic orderly realisation process so they are treated in the same manner in the merged account to be consistent - \$210,682, \$12,981 and \$163,286.

Note 3 Property, plant and equipment is all basically related to the Nova Scotia gold projects and these assets form part of the project valuations.

Note 4 Exploration & evaluation assets – intangibles - \$23,342,258 – these costs basically relate to the Nova Scotia gold projects and these assets form part of the project valuations.

Note 5 Touquoy gold project – the DMR Corporate valuation of this asset has been incorporated into Section 7.4 above. The C\$36,058,000 (A\$35,697,420) to C\$37,728,000 (A\$37,350,720) has been determined using a discount rate of 8.95%.

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Note 6 Cochrane Hill gold project – Mining one prepared a valuation of this project using the comparable transactions method to obtain a valuation of C\$1,310,000 or A\$1,296,900.

The above amalgamated net assets represent control values so we have eliminated the control premium to reduce the valuation range to \$66,229,573 (say \$66,230,000) to \$67,882,873 (say \$67,880,000) as follows:

Valuation of Merged Net Assets After Implementation of the Scheme	Low A\$	High A\$
Valuation - net asset basis	66,230,000	67,880,000
Elimination of control premium (inverse of premium)	23.08%	16.67%
	<u>50,946,154</u>	<u>56,566,667</u>
Shares on issue - Section 2.2	106,683,010	106,683,010
Minority value per share	<u>0.478</u>	<u>0.530</u>

The average share price after the implementation of the proposed Scheme is \$0.50.

11.2 Valuation of the Spur Options After Implementation of the Proposed Scheme

As a Purchase Warrant has virtually the same characteristics as an Australian option, we have valued this part of the merger consideration utilising the Black Scholes Option Valuation Model based on the following:

The exercise price – C\$0.60 per warrant which equates to A\$0.594

Share price – A\$0.50 per share – based on the mid point of the share prices determined in Section 11.1 above.

The volatility of the share price – as the Spur share price relates to a 'cash box' entity listed in Canada and the warrants will only be received and exercised after the merger, we considered utilising the Atlantic volatility factor of 39% in the Black Scholes Model.

As we reviewed the volatility factors in the quarterly research report issued by SIRCA Limited ("SIRCA") for the December 2013 quarter, we realised that the Atlantic volatility is an outlier as it is far too low for a gold exploration company. We then compiled a basket of Australian gold companies with approximately similar levels of market capitalisation as Atlantic and determined the average basket volatility factor of 78% as per the following table. This volatility factor has been used in our calculations.

Company	Market Cap	Volatility
Atlantic Gold	ATV	20.4
Mutiny Gold	MYG	16.1
Kalnorth Gold	CRK	22.9
Dampier Gold	DAU	20.0
International Goldfields	IGS	19.4
	Average	77.60
	Say	78%

Source: SIRCA December 2013 report

Vesting conditions – The warrants will be issued as fully vested.

Time to maturity – 4 years from the date of merger.

Risk free rate of interest – the Canadian 4-year bond yield is currently 1.3% per annum.

Based on the above inputs the Black-Scholes model has valued the Spur warrants at C\$0.27 per warrant.

12. Assessment of the Consideration of the Proposed Scheme

12.1 Pursuant to the Merger Implementation Agreement the Atlantic shareholders holding fully paid ordinary shares will receive 0.05564 of a Spur share for every one Atlantic share held, together with 0.02782 of a Spur Purchase Warrant.

12.2 Holders of Fully Paid Ordinary Shares

In Section 11.1 above we valued the Spur fully paid ordinary shares after the implementation of the proposed Scheme in a range of \$0.478 to \$0.530 and in Section 11.2 above we valued the options at \$0.27.

Based on the above we have assessed the consideration that may be receivable by the Atlantic shareholders as follows:

Valuation of Offer	Low A\$	High A\$	Offer of Spur securities		
			Proportion	Low A\$	High A\$
Spur share	0.478	0.530	0.05564	0.026571	0.029502
Spur warrant	0.270	0.270	0.02782	0.007511	0.007511
Total consideration				0.034	0.037

12.3 Holders of Partly Paid Ordinary Shares

In Section 2.2 above we determined that the holders of Atlantic's partly paid shares will receive 168,513 fully paid Spur ordinary shares and 84,257 warrants. This consideration equates to:

Valuation of Offer for partly paid shares	Low A\$	High A\$	Offer of Spur securities		
			Number	Low A\$	High A\$
Spur share	0.478	0.530	168,513	80,473	89,351
Spur warrant	0.270	0.270	84,257	22,749	22,749
Total consideration				103,222	112,100
Number pf partly paid shares on issue			30,286,342	0.0034	0.0037

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13. Assessment of the Fairness of the Proposed Scheme

13.1 Holders of Ordinary Fully Paid Shares

In Section 5 above we stated that:

“The Scheme will be judged to be fair if the underlying value of shareholders’ interests after the implementation of the Scheme is equal to or greater than the value of their interests before the Scheme is implemented.”

In Section 7.8 we valued the Atlantic fully paid ordinary shareholder’s interests in a range of \$29,500,000 to \$30,000,000 (\$0.0356 to \$0.0362 per share).

In Section 12 above, we valued the consideration receivable by the Atlantic shareholders in a range of \$0.034 to 0.037 per share.

As the underlying value of shareholders’ interests after the implementation of the Scheme is equal or greater than the value of their interests before the Scheme is implemented we consider that the Scheme is fair.

13.2 Holders of Partly Paid Ordinary Shares

In Section 7.9 above we valued the Atlantic partly paid shares at Nil.

In Section 12.3 above we valued the consideration to be received by the holders of partly paid shares to be in a range of \$103,222 to \$112,100 and this equates to \$0.0034 to \$0.0037 per partly paid share.

As the underlying value of partly paid shareholders’ interests after the implementation of the Scheme is equal or greater than the value of their interests before the Scheme is implemented we consider that the Scheme is fair to the partly paid shareholders.

14. Assessment of the Reasonableness of the Proposed Scheme

14.1 Advantages of the Scheme

- The Scheme will combine Atlantic’s gold interests with Spur’s substantial cash resources and improve the prospect of the early development of the Touquoy gold project.
- It would appear that Spur is able to obtain the necessary financial backing of institutions and financiers in Canada and this should enable Spur to raise the additional new capital and to negotiate the necessary financing facilities for production to commence in 2+ years. Once production has commenced and sales revenues commence to flow Spur can then direct its resources into future drilling programs and quantification of the gold resources and reserves at its Canadian Cochrane Hill project.
- Atlantic currently has to raise additional capital to fund its present cash flow problems and the proposed Scheme will resolve these financing issues and enable the project to proceed with Atlantic’s shareholders fully participating.

14.2 Disadvantages of the Scheme

- Atlantic shareholders will no longer directly hold the 60% interest in the Touquoy gold project.
- The exact value of the Scheme consideration is not certain and it depends on many factors including financing the Touquoy project, production commencing, gold produced at projected levels/grades and the gold price attaining a level that enables the mine to operate profitably.
- We assessed the partly paid shareholder interests at nil however they are being offered Spur shares and warrants to the total value of \$103,000 to \$112,000. We therefore consider that there is a value shift in the range of \$103,000 to \$112,000 from the ordinary shareholders to the partly paid shareholders in the Spur offer consideration. In an overall transaction of this size we consider that this value shift is immaterial.
- A superior offer may emerge.

14.3 Conclusion as to Reasonableness

After giving due consideration to the above advantages and disadvantages we consider that **the Scheme is reasonable.**

15. Conclusion as to ‘In the Best Interests’

After giving due consideration to our assessment of fairness and the above advantages and disadvantages of the Scheme, **we consider that the Scheme is fair, reasonable and in the best interests of the Atlantic shareholders.**

16. Financial Services Guide

16.1 Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

16.2 DMR Corporate

DMR Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

16.3 Financial Services Offered by DMR Corporate

DMR Corporate prepares reports commissioned by a company or other entity (“Entity”). The reports prepared by DMR Corporate are provided by the Entity to its members.

All reports prepared by DMR Corporate include a description of the circumstances of the engagement and of DMR Corporate’s independence of the Entity commissioning the report and other parties to the transactions.

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DMR Corporate does not accept instructions from retail investors. DMR Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. DMR Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

16.4 General Financial Product Advice

In the reports, DMR Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

16.5 Independence

At the date of this report, none of DMR Corporate, Derek M Ryan nor Paul Lom has any interest in the outcome of the Scheme of Arrangement, nor any relationship with Atlantic, Spur or their shareholders.

Drafts of this report were provided to and discussed with 2 directors of Atlantic. There were no alterations to the methodology, valuations or conclusions that have been formed by DMR Corporate.

DMR Corporate and its related entities do not have any shareholding in or other relationship with Atlantic or Spur that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the proposed acquisition.

DMR Corporate had no part in the formulation of the merger proposal. Its only role has been the preparation of this report.

DMR Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.

16.6 Remuneration

DMR Corporate is entitled to receive a fee of \$40,000 plus GST for the preparation of this report. A fee of approximately \$9,200 has also been billed for disbursed fees paid to Mining One Pty Ltd. With the exception of the above, DMR Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

Except for the fees referred to above, neither DMR Corporate, nor any of its directors, employees or associated entities receive any fees or other benefits, directly or indirectly, for or in connection with the provision of any report.

16.7 Complaints Process

As the holder of an Australian Financial Services Licence, DMR Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement DMR Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

DMR

DMR Corporate is also required to have a system for handling complaints from persons to whom DMR Corporate provides financial services. All complaints must be in writing and sent to DMR Corporate at the above address.

DMR Corporate will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited, GPO Box 3, Melbourne, Vic. 3000

Yours faithfully,

D M R Corporate Pty Ltd



Paul Lom



Derek Ryan

Annexure A

Independent Expert's Report

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Appendix A-1

Discount Rates

1. The generally acceptable methodology for assessing the appropriate discount rate is the capital asset pricing model ("CAPM"). The CAPM makes separate calculations of the cost of equity and the cost of debt. The cost of capital and the cost of debt are then combined to calculate the weighted average cost of capital ("WACC").

2. The CAPM expresses the cost of equity by the following formula:

$$K_e = R_f + (\beta \times R_p)$$

Where:

K_e = cost of equity

R_f = risk free rate of interest

R_p = market risk premium

β = beta of the investment being valued

The CAPM expresses the cost of debt by the following formula:

$$K_d = i \times (1 - t)$$

Where:

i = interest cost

t = corporate tax rate

3. Set out below are our comments in respect of each of the inputs into the calculations of cost of equity and cost of debt.

4. *Risk free rate of return*

The risk free rate of return should be for a period that corresponds to the cash flows being valued.

The risk free rate should also be in the same currency in which the cash flows are estimated.

Atlantic Gold's Touquoy Gold project is located in Canada and all cash flows have been prepared in Canadian dollars. Existing gold reserves are expected to be exhausted approximately 6 years after the commencement of mining, however it will take at least two years for production to commence. Whilst further exploration may extend the mine life, we believe that a 7-year risk free rate is applicable to a valuation of Atlantic Gold's Touquoy Gold project at this point in time.

Gold is traded in US\$ and the Company could hedge its future cash flows by selling forward its future gold production however the present feasibility study does not incorporate any hedging. Due to the unique nature of the gold market, we have considered the use of both Canadian and US risk free rates.

The current 7-year Canadian government interest rate is 1.85% and the current US Treasury 7-year bond yields are 2.08% (both as at 19 May 2014).

5. *Market risk premium*

This is the difference between the return that investors require from an investment in equity and the return investors accept from a risk free investment. The market risk premium needs to be observed over an extended period of time.

In a 2006 paper presented by Professor Bob Officer, he presented the following statistics of the excess return of a broad market index over the yield of 10-year government bonds:

Appendix A-2

Number of Years	Period	Market Risk Premium
10	1996-2005	5.12%
30	1976-2005	6.89%
50	1956-2005	6.48%
75	1931-2005	6.73%
100	1906-2005	7.26%
124	1882-2005	7.54%

In a 2008 paper prepared by Professor Bob Officer and Dr Steven Bishop for a number of utility associations, they recommended the use of a market risk premium of 7%.

We have also reviewed US research, which suggests that equity risk premium in that market ranges between 4.5% and 6.0%.

In our opinion a market risk premium in the range of 6.5% to 7.0% should be adopted in calculating the market risk premium.

6. *Beta*

Beta measures the sensitivity of the share price to fluctuations of the market as a whole. A beta greater than one indicates greater volatility, and a beta of less than one indicates lower volatility, than the market. The volatility of the overall market is 1.0.

We have reviewed the betas for Atlantic Gold and a number of other Australian listed and Canadian listed gold companies. Each company selected was of a similar capitalisation to Atlantic Gold and explored for gold in Australia or North America. This information is set out below:

Canadian Listed	Ticker	Market Capitalisation \$Million	Capital IQ Beta
Tyhee Gold	TDC	29	0.52
Harte Gold	HRT	29	1.15
Treasury Metals	TML	25	0.46
Rye Patch Gold	RPM	24	0.76
TerraX Minerals	TXR	23	0.41
Eagle Hill Exploration	EAG	23	0.59
Lexam VG Gold	LEX	22	0.52
Niogold Mining	NOX	22	0.51
Nevada Sunrise Gold	NEV	22	0.63
Australian Listed			
Excelsior Gold	EXG	29	0.60
Millennium Minerals	MOY	21	0.47
Gascoyne Resources	GCY	21	0.54
Gateway Mining	GML	21	0.41
Atlantic Gold	ATV	20	0.47
Mutiny Gold	MYG	19	0.37
Latin Gold	LAT	19	0.66
Average			<u>0.57</u>

Note 1 The Capital IQ betas are a linear regression beta, using stock returns of a company regressed against the returns of a chosen market index. (We have used the TSX Gold Index to estimate the betas).

As can be seen from the above table, the average beta is 0.57. This beta reflects the relatively low risk profile of gold exploration companies that are not in production and therefore do not carry production risks. The above beta therefore reflects the exposure of the companies to the price of gold.

After reviewing the above information, we have concluded that a beta in the range of 0.55 to 0.60 is appropriate.

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Independent Expert’s Report

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7. *Cost of debt*
Atlantic Gold’s projected cash flows assume a US\$ denominated facility with an interest cost of 6.75% per annum. We have used this rate in calculating the cost of debt.
8. *Corporate tax rate*
We have adopted a tax rate of 31%, being the current corporate tax rate in Nova Scotia.
9. *Gearing*
The cost of debt and the cost of equity must be combined in proportion in which these are expected to contribute to the funding of the business. This is commonly referred to as gearing. The gearing is determined based on the market value of debt and equity.

The gearing ratio should reflect an appropriate long term funding mix and not necessarily the mix currently used by the entity being valued.

The selection of an appropriate gearing ratio is subjective and the typical ratios differ between industries and within industries over time as market conditions change. For example during the global economic crisis reduced market capitalisations resulted in significantly higher gearing of many companies.

We have reviewed the gearing ratios for the companies that we have used to determine an appropriate beta. This review revealed that most of the companies had no debt. This finding is logical as the companies are in the exploration phase and thus do not generate cash flows that can be used to repay the debt.

We have reviewed Atlantic Gold’s cash flow forecasts and note that, based on the current market value of its equity, its gearing will reach a maximum of 53% debt and 47% equity. This maximum level of gearing is forecast to persist for less than six months, thereafter debt is forecast to be repaid from operating cash flows.

After considering the above information, we have concluded that an appropriate long term gearing structure for Atlantic Gold is 10% debt and 90% equity.
10. *Company Specific Risk*
The selected beta is based on exploration companies and does not reflect execution risk. We have assessed that an additional company specific risk in a range of 4% to 5%.
11. *Conclusion*
Based on the above inputs we have determined discount rates in a range of 8.92% to 10.62% as follows:

WACC calculations	Low	High
risk free rate	1.85%	2.08%
beta	0.55	0.6
Market risk premium	6.5%	7.0%
Company risk	4%	5%
Cost of equity	9.4%	11.3%
cost of debt	6.75%	6.75%
tax rate	31%	31%
After tax cost	4.66%	4.66%
Debt	10%	10%
Equity	90%	90%
WACC	8.95%	10.62%

Appendix B**Sources of Information**

The following sources of information have been utilised and relied upon in the course of preparing this report:

- The Scheme Booklet which this report accompanies
- Audited financial statements of Atlantic for the financial years ended 31 December 2012 and 2013
- Atlantic's share register as at 22 May 2014
- Mining One Report on the High Level Technical Review of the Touquoy Gold Project in relation to key assumptions – 27 May 2014
- Mining One Technical Valuation for the Cochrane Hill Deposit – 3 June 2014
- ASIC historical searches of Atlantic
- ASX announcements from 1 July 2013
- Heads of Agreement dated 7 April between Atlantic and Spur
- Audited financial statements of Spur for the financial years ended 31 December 2012 and 2013 together with the unaudited accounts for the three months ended 31 March 2014
- Spur and Atlantic share prices from Capital IQ
- Spur's share register dated 15 May 2014
- Discussions with one Atlantic director

Annexure A

Independent Expert's Report

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Appendix C

Declarations, Qualifications and Consents

1. Declarations

This report has been prepared at the request of the directors of Atlantic for inclusion in the Scheme Booklet to be provided to Atlantic shareholders in connection with the Scheme. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is in the best interests of Atlantic shareholders.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards.

2. Qualifications

Mr Derek M Ryan and Mr Paul Lom, directors of DMR Corporate prepared this report. They have been responsible for the preparation of many expert reports and are involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Ryan has had over 40 years experience in the accounting profession and he is a Fellow of the Institute of Chartered Accountants in Australia. He has been responsible for the preparation of many expert reports and is involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Lom is a Chartered Accountant and a Registered Company Auditor with more than 35 years experience in the accounting profession. He was a partner of KPMG and Touche Ross between 1989 and 1996, specialising in audit. He has extensive experience in business acquisitions, business valuations and privatisations in Australia and Europe.

3. Consent

DMR Corporate consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

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Investigating

Accountant's Report

Annexure B

Investigating Accountant's Report



The Directors
Spur Ventures Inc.
Suite 3083
Three Bentall Centre
595 Burrard Street
Vancouver
BC, Canada

The Directors
Atlantic Gold NL
Suite 506
815 Pacific Highway
Chatswood
NSW Australia 2067

20 June 2014

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on pro forma historical financial information and Financial Services Guide

We have been engaged by Atlantic Gold NL (**Atlantic**) and Spur Ventures Inc (**Spur**), together the **Companies**, to report on the pro forma historical financial information of the Merged Group and the pro forma historical financial information of the Spur/DDV Gold Group in a Scheme Booklet dated on or about 26 June 2014 (the **Scheme Booklet**) relating to the proposed acquisition of Atlantic by Spur by way of a scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth) or, alternatively, the proposed acquisition of DDV Gold by Spur under the DDV Gold Sale Agreement.

Expressions and terms defined in the Scheme Booklet have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

The Companies have requested PricewaterhouseCoopers Securities Ltd to review

- (i) the following pro forma historical financial information of the Merged Group included in the Scheme Booklet:
 - Merged Group Pro Forma Historical Statement of Financial Position as at 31 December 2013, showing the effect of the Merger as though it had been implemented on 31 December 2013;

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au



- Merged Group Pro Forma Historical Statement of Financial Performance for the year ended 31 December 2013, showing the effect of the Merger as though it had been implemented on 1 January 2013; and
 - Merged Group Pro Forma Historical Statement of Cash Flows for the year ended 31 December 2013, showing the effect of the Merger as though it had been implemented on 1 January 2013.
- (ii) the following pro forma historical financial information of the Spur/DDV Gold Group included in the Scheme Booklet:
- DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Position as at 31 December 2013, showing the effect of the Merger as though it had been implemented on 31 December 2013;
 - DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Performance for the year ended 31 December 2013, showing the effect of the Merger as though it had been implemented on 1 January 2013; and
 - DDV Gold Alternative Transaction Pro Forma Historical Statement of Cash Flows for the year ended 31 December 2013, showing the effect of the Merger as though it had been implemented on 1 January 2013.

The pro forma historical financial information has been derived from the audited historical financial information of Spur and audited and unaudited historical financial information of Atlantic and DDV Gold, after adjusting for the effects of pro forma adjustments described in section 5.4(4) of the Scheme Booklet in respect of the Merged Group Pro Forma Historical Financial Information and section 5.5(4) of the Scheme Booklet in respect of the DDV Gold Alternative Transaction Pro Forma Historical Financial Information.

The Atlantic financial statements for the year ended 31 December 2013 were audited by KPMG. KPMG issued a modified opinion on these financial statements, which, without qualification, referred to significant uncertainty regarding Atlantic's ability to raise sufficient funds through equity raisings, project finance or using other asset exploitation arrangements to continue as a going concern. As a result, if the Merger does not proceed there is significant uncertainty whether Atlantic will be able to continue as a going concern and therefore whether Atlantic will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The stated basis of preparation is the recognition and measurement principles contained in International Financial Reporting Standards as issued by the International Accounting Standards Board and Spur's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in sections 5.4 and 5.5 of the Scheme Booklet, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the actual or prospective financial position, financial performance, and/or cash flows following the Merger.

Annexure B

Investigating Accountant's Report



Directors' responsibility

The directors of Spur and the directors of Atlantic are responsible for the preparation of the pro forma historical financial information, including its basis of preparation and the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors of Spur and directors of Atlantic determine are necessary to enable the preparation of pro forma historical financial information that is free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe:

- (i) that the pro forma historical financial information of the Merged Group as described in section 5.4 of the Scheme Booklet, and comprising:
 - the Merged Group Pro Forma Historical Statement of Financial Position as at 31 December 2013;
 - the Merged Group Pro Forma Historical Statement of Financial Performance for the year ended 31 December 2013; and
 - the Merged Group Pro Forma Historical Statement of Cash Flows for the year ended 31 December 2013; and
- (ii) that the pro forma historical financial information of the Spur/DDV Gold Group as described in section 5.5 of the Scheme Booklet, and comprising:
 - the DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Position as at 31 December 2013;



- the DDV Gold Alternative Transaction Pro Forma Historical Statement of Financial Performance for the year ended 31 December 2013; and
- the DDV Gold Alternative Transaction Pro Forma Historical Statement of Cash Flows for the year ended 31 December 2013,

in each case, are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in sections 5.4 and 5.5 of the Scheme Booklet respectively, being the recognition and measurement principles contained in International Financial Reporting Standards as issued by the International Accounting Standards Board and Spur's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in sections 5.4 and 5.5 of the Scheme Booklet respectively, as if those events or transactions had occurred as at the date of the historical financial information.

Under the terms of our engagement our work has been carried out under Australian Auditing Standards applicable to review engagements. Our work has not considered nor been conducted according to auditing standards and practices generally accepted in jurisdictions other than Australia (including the United States of America). Accordingly, it is not appropriate to consider our work nor can it be relied upon as if it had been carried out in accordance with standards and practices other than those prevailing in Australia.

Restriction on Use

Without modifying our conclusions, we draw attention to sections 5.4(1) and 5.5(1) of the Scheme Booklet, which describes the purpose of the financial information, being for inclusion in the Scheme Booklet. As a result, the financial information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the Scheme Booklet in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Scheme Booklet. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Scheme Booklet.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of the proposed acquisition of Atlantic by Spur or the proposed acquisition of DDV Gold by Spur other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Annexure B

Investigating Accountant's Report



Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Andrew J Parker', written over a light blue circular stamp.

Andrew J Parker
Authorised Representative of
PricewaterhouseCoopers Securities Ltd



PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 20 June 2014

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("**PwC Securities**") has been engaged by Spur Ventures Inc (**Spur**) and Atlantic Gold NL (**Atlantic**) to provide a report in the form of an Investigating Accountant's Report in relation to the pro forma historical financial information (**the "Report"**) for inclusion in the Scheme Booklet.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide ("**FSG**") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Annexure B

Investigating Accountant's Report



5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on a fixed basis and are \$100,000 (exclusive of GST).

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business..

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service ("**FOS**"), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Andrew J Parker
GPO Box 2650
Sydney NSW 1171

Annexure C

Spur Financial

Statements

Spur Ventures Inc.

**Unaudited Condensed Interim Financial Statements
for the three months ended March 31 2014 and 2013
(stated in Canadian dollars)**

Annexure C

Spur Financial Statements

Spur Ventures Inc.

Condensed Interim Statements of Financial Position (unaudited)

	March 31, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 28,762,079	\$ 28,922,649
Prepaid expenses	41,423	43,633
Receivables	45,793	113,545
Due from related parties (Note 6)	67,612	63,046
Total Current Assets	28,916,907	29,142,873
Office equipment and furniture	12,936	14,757
TOTAL ASSETS	\$ 28,929,843	\$ 29,157,630
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 200,086	\$ 61,545
Due to related parties (Note 6)	18,415	10,235
TOTAL LIABILITIES	218,501	71,780
Shareholders' equity		
Share capital (Note 5a)	53,258,507	53,258,507
Contributed surplus	10,238,419	10,227,578
Deficit	(34,785,584)	(34,400,235)
Total Shareholders' Equity	28,711,342	29,085,850
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 28,929,843	\$ 29,157,630

Commitments (Note 8)

Subsequent event (Note10)

Approved by the Board:

"Donald Siemens" Director

"Robert Atkinson" Director

Spur Ventures Inc.

Condensed Interim Statements of Loss and Comprehensive Loss (unaudited)

	Three months ended March 31, 2014	Three months ended March 31, 2013
Expenses		
Amortization	\$ 1,820	\$ 2,379
Corporate Development (Note 7)	280,047	205,739
Director fees	16,667	20,000
Management Fees, salaries and benefits	113,272	147,726
Office and general	17,683	16,727
Professional fees	15,627	10,500
Rent	25,353	23,771
Share-based payments (Note 5b)	10,841	59,249
Transfer agent and filing fees	8,509	16,993
Travel, meals and entertainment	115	1,185
Net loss from operations	(489,934)	(504,269)
Other income		
Interest income	104,585	106,691
Net loss and other comprehensive loss for the period	\$ (385,349)	\$ (397,578)
Basic weighted average number of shares outstanding	60,407,187	60,407,187
Loss per share, basic	\$ (0.01)	\$ (0.01)
Diluted weighted average number of shares outstanding	60,707,187	60,707,187
Loss per share, diluted	\$ (0.01)	\$ (0.01)

Annexure C

Spur Financial Statements

Spur Ventures Inc.

Condensed Interim Statements of Changes in Equity
For the periods ended March 31, 2014 and 2013 (unaudited)

	Share capital				
	Number of shares	Amount	Contributed surplus	Deficit	Total equity
Balance - January 1, 2014	60,407,187	\$ 53,258,507	\$ 10,227,578	\$ (34,400,235)	\$ 29,085,850
Share-based payments	-	-	10,841	-	10,841
Net loss for the period	-	-	-	(385,349)	(385,349)
Balance - March 31, 2014	60,407,187	\$ 53,258,507	\$ 10,238,419	\$ (34,785,584)	\$ 28,711,342

	Share capital				
	Number of shares	Amount	Contributed surplus	Deficit	Total equity
Balance - January 1, 2013	60,407,187	\$ 53,258,507	\$ 10,043,841	\$ (33,168,429)	\$ 30,133,919
Share-based payments	-	-	59,249	-	59,249
Net loss for the period	-	-	-	(397,578)	(397,578)
Balance - March 31, 2013	60,407,187	\$ 53,258,507	\$ 10,103,090	\$ (33,566,007)	\$ 29,795,590

Spur Ventures Inc.

Condensed Interim Statements of Cash Flows (unaudited)

	Three months ended March 31, 2014	Three months ended March 31, 2013
Cash used in operating activities		
Net loss for the period	\$ (385,349)	\$ (397,578)
Adjustments for:		
Amortization	1,820	2,379
Share-based payments	10,841	59,249
Interest income	(104,585)	(106,691)
Net changes in non-cash working capital balances:		
Receivables	72,725	(2,412)
Due from related parties	(4,566)	(23,047)
Prepaid expenses	2,210	7,804
Accounts payable and accrued liabilities	138,542	38,154
Due to related parties	8,180	5,077
Net cash used in operating activities	(260,182)	(417,065)
Investing activities		
Interest received	99,612	106,691
Net cash generated from investing activities	99,612	106,691
Change in cash and cash equivalents during the period	(160,570)	(310,374)
Cash and cash equivalents, beginning of period	28,922,649	30,094,766
Cash and cash equivalents, end of period	\$ 28,762,079	\$ 29,784,392
Supplemental cash flow information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

Annexure C

Spur Financial Statements

Spur Ventures Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2014 (unaudited)

1 Nature of Operations

Spur Ventures Inc. ("Spur" or the "Company") is a company listed on the TSX Venture Exchange with a registered office at Suite 3083, Three Bentall Centre, 595 Burrard Street, Vancouver, B.C. Canada.

Spur has been focused on pursuing acquisitions or other corporate transactions in gold, base metals or other mineral-related assets or businesses. Refer to note 10 with respect to a potential acquisition of Atlantic Gold NL.

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Auditing Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board. These condensed interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited annual financial statements for the year ended December 31, 2013.

The accounting policies followed in these condensed interim financial statements are the same as those applied in note 3 of the Company's audited annual financial statements for the year ended December 31, 2013, except as described in note 3 below.

The Board of Directors approved these condensed interim financial statements on May 27, 2014.

3 Change in Accounting Policy

Change in presentation currency

Effective January 1, 2014, the Company changed its presentation currency from the U.S. dollar to the Canadian dollar. The change in presentation currency was effected to reflect the reporting currency based on the functional currency of the Company. The functional currency of the Company's previously owned subsidiary, Spur BVI, was U.S. dollars. Given principal operations were originating from Spur BVI, it was appropriate to present the Company's financial statements in U.S. dollars.

The change in presentation currency represents a change in accounting policy and thus it has been applied retrospectively from January 1, 2010, the transition date to IFRS, onwards. As Spur no longer has any subsidiaries and its functional currency is the Canadian dollar, there are no longer any exchange differences due to the translation of foreign currency balances and transactions and as such, the company no longer presents a balance in accumulated other comprehensive income (loss).

Spur Ventures Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2014 (unaudited)

3 Change in Accounting Policy (continued)

IFRIC 21, Levies ("IFRIC 21")

The Company adopted IFRIC 21 on January 1, 2014 with retrospective application. IFRIC 21 provides guidance on the accounting for a liability to pay a levy, if that liability is within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Levies are imposed by governments in accordance with legislation and do not include income taxes, which are accounted for under IAS 12, Income Taxes or fines or other penalties imposed for breaches of legislation.

The interpretation was issued to address diversity in practice around when the liability to pay a levy is recognized. An example of a common levy is property taxes. IFRIC 21 defines an obligating event as the activity that triggers the payment of the levy, as identified by legislation. A liability to pay a levy is recognized at the date of the obligating event, which may be at a point in time or over a period of time. The fact that an entity is economically compelled to continue to operate in the future, or prepares its financial statements on a going concern basis, does not create an obligation to pay a levy that will arise in a future period as a result of continuing to operate.

The adoption of IFRIC 21 did not affect The Company's financial statements or disclosures as the Company's analysis determined that no changes were required to existing accounting treatment of levies.

4 New Accounting Standards

Standards not yet effective

IFRS 9 – Financial instruments

In May 2011, the International Accounting Standards Board ("IASB") issued IFRS 9, Financial Instruments. The required adoption date for IFRS 9 has been deferred from the original adoption date of January 1, 2015 to all annual periods beginning on or after January 1, 2018. The Company has yet to commence assessing the impact of this new standard.

Further details of the new accounting Standard can be found in note 4 of the Company's audited annual financial statements for the year ended December 31, 2013.

5. Equity

a) Authorized share capital

Unlimited common shares without par value

Unlimited number of preferred shares without par value, issuable in series and with special rights and restrictions to be determined on issuance

Annexure C

Spur Financial Statements

Spur Ventures Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2014 (unaudited)

5. Equity (continued)

b) Stock options

The Company values the stock options granted using the indirect method because it cannot reliably estimate the value of the services received for the options granted. The Company uses the Black Scholes option pricing model to determine the fair value of options granted and makes assumptions about future volatility based on observed volatility in the past.

Options granted prior to 2011 vest over a three-year period, with one-third of the options vesting one year after the date of grant, one-third two years after the date of grant, and the remaining one-third three years after the date of grant. The vesting period for options granted after 2011 is 12.5% immediately with 12.5% each quarter over the following seven quarters.

A summary of the changes in stock options is as follows:

	Options	Weighted average exercise price \$CAD
Options outstanding - January 1, 2013	5,230,000	\$ 0.46
Granted	50,000	0.40
Expired	(630,000)	0.90
Options outstanding - December 31, 2013 and March 31, 2014	4,650,000	\$ 0.38
Options exercisable - March 31, 2014	4,306,250	\$ 0.38

No options were granted during the three months ended March 31, 2014 (2013: Nil).

During the three months ended March 31, 2014, share-based payments of \$10,841 was recognized (2013: \$59,249).

The following table summarizes information about the options outstanding at March 31, 2014:

Number of Options	Exercise Price CAD	Expiry Date	Number Exercisable
300,000	0.28	July 28, 2014	300,000
1,950,000	0.37	August 12, 2016	1,950,000
1,000,000	0.40	April 10, 2017	1,000,000
100,000	0.37	May 10, 2017	100,000
1,250,000	0.40	November 1, 2017	937,500
50,000	0.40	July 26, 2018	18,750
4,650,000			4,306,250

Spur Ventures Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2014 (unaudited)

6. Related party transactions and key management compensation

a) Key management compensation

Key management includes the Company's directors, President and Chief Executive Officer, and Chief Financial Officer. Compensation awarded to key management is presented in the table below:

	Three months ended March 31, 2014	Three months ended March 31, 2013
Salaries and benefits	\$ 60,000	\$ 61,000
Director fees	16,667	20,000
Share-based payments	8,324	53,311
	<u>\$ 84,991</u>	<u>\$ 134,311</u>

b) Payments for services by related parties

During the three months ended March 31, 2014, the Company incurred corporate consulting fees of \$21,420 (2013: \$21,420) to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director and officer of the Company. As at March 31, 2014, the Company owed \$nil to Sirocco (December 31, 2013: \$4,452).

During the three months ended March 31, 2014, the Company incurred corporate consulting fees of \$15,300 (2013: \$15,300) to Shariff Advisory Services Ltd. ("Shariff"), a company controlled by a director and officer of the Company. As at March 31, 2014, the Company owed \$662 to Shariff (December 31, 2013: \$533).

During the three months ended March 31, 2014, the Company incurred corporate consulting fees of \$nil (2013: \$57,948) to Keppoch Advisory Services Ltd. ("Keppoch"), a company controlled by a former director and officer of the Company. As at March 31, 2014, the Company owed \$nil to Keppoch (December 31, 2013: \$nil).

During the three months ended March 31, 2014, the Company incurred geological consulting fees of \$15,000 (2013: \$15,000) to Metallica Consulting Co. ("Metallica"), a company controlled by a director of the Company. As at March 31, 2014, the Company owed \$nil to Metallica (December 31, 2013: \$5,250).

c) Services provided to related parties

The Company charged office lease and administrative expenditures to Oceanic Iron Ore Corp. ("Oceanic"), a Company with an officer and a director in common. During the three months ended March 31, 2014, office lease and administrative expenditures billed to Oceanic amounted to \$35,916 (2013: \$34,120). As at March 31, 2014, the Company was owed \$37,748 from Oceanic (December 31, 2013: \$35,676).

The Company charged office lease and administrative expenditures to Cassius Ventures Ltd. ("Cassius"), a Company with an officer and a director in common. During the three months ended March 31, 2014, office lease and administrative expenditures billed to Cassius amounted to \$2,375 (2013: \$4,585). As at March 31, 2014, the Company was owed \$29,864 from Cassius (December 31, 2013: \$27,370).

Annexure C

Spur Financial Statements

Spur Ventures Inc.

Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2014 (unaudited)

6. Related party transactions and key management compensation (continued)

c) Services provided to related parties (continued)

As at March 31, 2014 the Company owed \$12,503 (December 31, 2013: \$nil) to key management personnel with respect to reimbursement of expenses. Amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

7. Corporate development

	Three months ended March 31, 2014	Three months ended March 31, 2013
Consulting & engineering fees	\$ 95,642	\$ 133,591
Professional fees	136,322	21,451
Travel and other	48,083	50,697
	\$ 280,047	\$ 205,739

8. Commitments

As disclosed in note 6(c), the Company has a long-term office lease and shares office space and related costs with three other companies. A summary of the Company's commitments is set out below:

2014	\$ 67,431
2015	67,431
	\$ 134,862

9. Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, receivables, due from related parties, accounts payable, and due from related parties approximate their fair values due to their short term nature.

10. Subsequent Event

On May 15, 2014, the Company entered in to a Merger Implementation Deed with Atlantic Gold NL ("Atlantic"), whereby Spur would acquire, subject to the requisite approvals and the satisfaction of conditions, all of the fully paid and partly paid ordinary shares on issue in Atlantic by way of a scheme of arrangement between Atlantic and its shareholders. Atlantic is an Australian Securities Exchange ("ASX") listed company focused on the exploration and development of the Touquoy and Cochrane Hill gold projects in Nova Scotia.

Spur has also agreed to provide a C\$1 million loan facility (the "Loan Facility") to DDV Gold Ltd., a wholly owned subsidiary of Atlantic, and guaranteed by Atlantic. Funding in respect of the Loan Facility would occur in July 2014 and is conditional on the Management Implementation Deed not having been terminated. The Loan Facility will mature December 31, 2014, has first priority security over the assets of DDV Gold Ltd. and will accrue interest at 14 percent per annum.

**SPUR VENTURES INC.
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE MONTHS ENDED – MARCH 31, 2014 AND 2013**

Annexure C

Spur Financial Statements

INTRODUCTION

This MD&A has been prepared as of May 27, 2014, and should be read in conjunction with the Company's unaudited condensed interim financial statements with accompanying notes for the three months ended March 31, 2014 and 2013, as well as the audited annual consolidated financial statements for the years ended December 31, 2013 and 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The objective of this MD&A is to help the reader understand the factors affecting the Company's past and future financial performance. All amounts are reported in Canadian dollars, unless otherwise stated. Additional information on the Company can be found in the filings with Canadian security commissions on SEDAR at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A contains "forward-looking statements". Forward-looking statements include, but are not limited to, statements with respect to the Company's current review of potential mineral project investments and/or acquisitions, the estimation of mineral resources, the timing and content of upcoming programs, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations; actual results of planned expansion activities; changes in project parameters as plans continue to be refined; future prices of resources; exchange rates for Canadian and U.S. currencies; possible variations in grade or recovery rates, accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. In making the forward-looking statements in this MD&A, the Company has made certain key assumptions, including, but not limited to, the assumptions that merited mineral assets or projects can be acquired and financings are available. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements or information made in this MD&A, except as required under applicable securities legislation.

COMPANY PROFILE

Spur Ventures Inc. ("Spur" or the "Company") is a company listed on the TSX Venture Exchange ("TSX-V") with a registered office at 10th Floor, 595 Howe Street, Vancouver, B.C. Canada.

Spur has been focused on pursuing acquisitions or other corporate transactions in gold, base metals or other mineral-related assets or businesses. Refer to the section entitled "Subsequent Event" with respect to the potential acquisition of Atlantic Gold NL.

COMPANY UPDATE

Strategic Initiative

Since the completion of the sale of Spur BVI in February 2012, the Company has reviewed opportunities in precious and base metal projects in North American and Latin American countries where the focus has been on the acquisition of privately held projects, and public companies where the Company could add value through financing and management support, as well as the acquisition of or participation in existing and new royalty opportunities. The Company has also been using its extensive contact base in the resource community to identify non-core gold, base metal and silver projects of mid and large sized listed mining companies which could be targets for acquisition.

On May 15, 2014, the Company announced the signing of a Merger Implementation Deed with Atlantic Gold NL ("Atlantic") pursuant to which Spur would acquire, subject to the requisite approvals and the satisfaction of conditions, including, without limitation, the approval of the shareholders in Atlantic and the Australian court, all of the fully paid and partly paid ordinary shares on issue in Atlantic by way of a scheme of arrangement (the "Scheme") between Atlantic and its shareholders.

Shareholders in Atlantic will also be asked to approve resolutions, if the Scheme is not approved by Atlantic's shareholders or the court, pursuant to which Spur would acquire all of the issued securities of DDV Gold Limited (the "Alternative Transaction"), the wholly owned subsidiary of Atlantic that holds all of Atlantic's Canadian assets.

Atlantic is an Australian Securities Exchange ("ASX") listed company focused on the exploration and development of the Touquoy project (which is at an advanced stage and has all major permits in place) and the Cochrane Hill project (which is at an earlier stage of development) located within the Meguma Terrane in the province of Nova Scotia. The Meguma Terrane is host to a historic gold region which has been largely underexplored using modern exploration techniques over the last 20 years and remains highly prospective for new discoveries, in particular in respect of larger shale hosted disseminated, near surface mineable low cover deposits, characteristics shown in work done to date on the Touquoy project.

Further information in respect of the transaction terms is included under "Subsequent Event" below. News releases in respect of the transaction as well as transaction documentation in relation to the transaction are also available for review on the Company's website (www.spur-ventures.com) and SEDAR (www.sedar.com).

The proposed acquisition of Atlantic is the first step in the Company's strategy to create a mid-tier gold production group which focuses on manageable, executable projects in mining friendly jurisdictions.

Annexure C

Spur Financial Statements

Change in Presentation Currency to Canadian Dollars

In order to reflect the reporting currency based on the functional currency of the Company, effective January 1, 2014, the Company changed its presentation currency from the U.S. dollar to the Canadian dollar. The functional currency of the Company's previously owned subsidiary, Spur BVI, was U.S. dollars.

The change in presentation currency represents a change in accounting policy which has been applied retrospectively from January 1, 2010, the transition date to IFRS, onwards. Spur no longer holds any subsidiaries and its functional currency is now the Canadian dollar. As there are no longer any exchange differences due to the translation of foreign currency balances and transactions, the Company no longer presents a balance in accumulated other comprehensive income (loss).

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Three months ended March 31, 2014

The net loss for the three months ended March 31, 2014 was \$385,349 compared to a net loss of \$397,578 for the same period in 2013. The decrease in net loss of \$12,229 was primarily attributable to a \$48,408 decrease in share-based payments representing the Black-Scholes calculated fair value of stock options vested to directors, officers, consultants and employees during the period; a \$34,454 decrease in management fees, salaries and benefits resulting from staff restructuring; partially offset by an increase in corporate development costs of \$74,308 reflecting consulting, legal and travel expenses in respect of execution of the Company's corporate strategy and the potential transaction with Atlantic outlined above. Other significant items include \$25,353 of rent charges of the Company's head office (2013: \$23,771).

The Company also recorded interest income of \$104,585 during the three months ended March 31, 2014 (2013: \$106,691) relating to interest earned on various GIC investments by the Company.

Financial Position

Total assets decreased from \$29,157,630 at December 31, 2013 to \$28,929,843 at March 31, 2014. The most significant assets at March 31, 2014 comprised cash and cash equivalents of \$28,762,079 (December 31, 2013: \$28,922,649). The Company's net working capital position at March 31, 2014 was \$28,698,406 (December 31, 2013: \$29,071,093).

The decrease in cash during the three months ended March 31, 2014 of \$160,570 resulted from \$260,182 incurred in operating activities, partially offset by a cash inflow of \$99,612 in interest income from GIC investments.

Shareholders' equity comprises share capital of \$53,258,507 (December 31, 2013: \$53,258,507), contributed surplus of \$10,238,419 (December 31, 2013: \$10,227,578), and a deficit of \$34,785,584 (December 31, 2013: \$34,400,235) for a net amount of \$28,711,342 (December 31, 2013: \$29,085,850). The decrease in shareholders' equity of \$374,508 results from the net loss in the three months ended March 31, 2014 (\$385,349), partially offset by share-based compensation recognized under the graded amortization method from the vesting of stock options (\$10,841).

Summary of Quarterly Results

	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Total Revenue (Note 1)	N/A	N/A	N/A	N/A
Net loss for the period	\$ (385,349)	\$ (295,965)	\$ (250,645)	\$ (287,618)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Total Revenue (Note 1)	N/A	N/A	N/A	N/A
Net loss for the period	\$ (397,578)	\$ (311,617)	\$ (266,063)	\$ (373,960)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.01)

Note 1 – As the Company has yet to secure a mineral related asset, the Company has no Revenue to report during the financial reporting periods noted above.

Net loss decreased in Q3 2012 compared to Q2 2012 as costs relating to the sale of Spur BVI were incurred in prior quarters and non-recurring in nature. The net loss in Q4 2012 and Q1 2013 increased due to share based payments recognized as a result of the granting of stock options in November 2012 as well as increased corporate development costs associated with executing the Company's strategic mandate. The net loss during Q2 2013 of \$287,618 represents a decrease in net loss of \$109,960 compared to the three month period ended March 31, 2013 (\$397,578), primarily due to decreased corporate development costs incurred during Q1 2013. The operating expenditures and net loss in Q3 and Q4 2013 are relatively consistent with the operating expenditures and net loss in Q2 2013. The net loss in Q1 2014 increased compared to Q3 and Q4 2013 given increased corporate development expenditures related to the Company's strategic initiative and the potential transaction with Atlantic

LIQUIDITY and CAPITAL RESOURCES

As at March 31, 2014, the Company had a balance of \$28,762,079 in cash deposits and short-term GICs with major Canadian financial institutions.

The Company has a five-year office lease agreement expiring September 30, 2015 and shares office space and related costs with three related companies. A summary of the Company's commitments is set out below:

2014	\$ 67,431
2015	67,431
	\$ 134,862

The Company believes that it has sufficient funding to meet its obligations and to maintain administrative and operational expenditures for the next 12 months.

OFF - BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

Annexure C

Spur Financial Statements

OUTLOOK

As at March 31, 2014, the Company had \$28,762,079 of cash and cash equivalents with which to pursue its previously announced strategy to acquire advanced development or operating mineral assets in low risk jurisdictions.

The Company is currently focused on progressing the potential acquisition of Atlantic through completion, expected to be in August 2014.

OTHER MD&A REQUIREMENTS

Related party transactions and key management compensation

a) Key management compensation

Key management includes the Company's directors, President and Chief Executive Officer, and Chief Financial Officer. Compensation awarded to key management is presented in the table below:

Related Party	Compensation Type	Three months ended March 31, 2014	Three months ended March 31, 2013
John Morgan - President and CEO	Wages, benefits, and share-based payments	\$ 62,592	\$ 79,343
Robert Atkinson	Directors' fees and share-based payments	5,548	8,404
Don Siemens	Directors' fees and share-based payments	5,548	8,404
David Black	Directors' fees and share-based payments	5,548	8,404
William Armstrong	Directors' fees and share-based payments	1,916	-
Robert Rennie	Directors' fees and share-based payments	-	11,494
Steven Dean	Share-based payments	2,741	13,310
Irfan Shariff	Share-based payments	1,098	4,954
		\$ 84,991	\$ 134,311

b) Payments for services by related parties

During the three months ended March 31, 2014, the Company incurred corporate consulting fees of \$21,420 (2013: \$21,420) to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director and officer of the Company. As at March 31, 2014, the Company owed \$nil to Sirocco (December 31, 2013: \$4,452).

During the three months ended March 31, 2014, the Company incurred corporate consulting fees of \$15,300 (2013: \$15,300) to Shariff Advisory Services Ltd. ("Shariff"), a company controlled by a director and officer of the Company. As at March 31, 2014, the Company owed \$662 to Shariff (December 31, 2013: \$533).

During the three months ended March 31, 2014, the Company incurred corporate consulting fees of \$nil (2013: \$57,948) to Keppoch Advisory Services Ltd. ("Keppoch"), a company controlled by a former director and officer of the Company. As at March 31, 2014, the Company owed \$nil to Keppoch (December 31, 2013: \$nil).

During the three months ended March 31, 2014, the Company incurred geological consulting fees of \$15,000 (2013: \$15,000) to Metallica Consulting Co. ("Metallica"), a company controlled by a director of the Company. As at March 31, 2014, the Company owed \$nil to Metallica (December 31, 2013: \$5,250).

c) Services provided to related parties

The Company charged office lease and administrative expenditures to Oceanic Iron Ore Corp. ("Oceanic"), a Company with an officer and a director in common. During the three months ended March 31, 2014, office lease and administrative expenditures billed to Oceanic amounted to \$35,916 (2013: \$34,120). As at March 31, 2014, the Company was owed \$37,748 from Oceanic (December 31, 2013: \$35,676).

The Company charged office lease and administrative expenditures to Cassius Ventures Ltd. ("Cassius"), a Company with an officer and a director in common. During the three months ended March 31, 2014, office lease and administrative expenditures billed to Cassius amounted to \$2,375 (2013: \$4,585). As at March 31, 2014, the Company was owed \$29,864 from Cassius (December 31, 2013: \$27,370).

As at March 31, 2014 the Company owed \$12,503 (December 31, 2013: \$nil) to key management personnel with respect to reimbursement of expenses. Amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

Critical Accounting Estimates and Judgements and Significant Accounting Policies

The preparation of the consolidated financial statements in compliance with IFRS requires management to make estimates and judgements. These estimates affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the periods.

In the opinion of management, all adjustments considered necessary for fair presentation of the results for the years presented have been reflected in the consolidated financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include: no gain has been recorded for the CDN \$4.75 million

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Spur Financial Statements

contingent payment from the sale of Spur BVI as there is a significant amount of uncertainty that the conditions required to receive the contingent payment will be met.

Please refer to Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2013 for a summary of the Company's significant accounting policies.

New and revised International Financial Reporting Standards

Standards adopted in the period

IFRIC 21, Levies ("IFRIC 21")

The Company adopted IFRIC 21 on January 1, 2014 with retrospective application. IFRIC 21 provides guidance on the accounting for a liability to pay a levy, if that liability is within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Levies are imposed by governments in accordance with legislation and do not include income taxes, which are accounted for under IAS 12, Income Taxes or fines or other penalties imposed for breaches of legislation.

The interpretation was issued to address diversity in practice around when the liability to pay a levy is recognized. An example of a common levy is property taxes. IFRIC 21 defines an obligating event as the activity that triggers the payment of the levy, as identified by legislation. A liability to pay a levy is recognized at the date of the obligating event, which may be at a point in time or over a period of time. The fact that an entity is economically compelled to continue to operate in the future, or prepares its financial statements on a going concern basis, does not create an obligation to pay a levy that will arise in a future period as a result of continuing to operate.

The adoption of IFRIC 21 did not affect The Company's financial statements or disclosures as the Company's analysis determined that no changes were required to existing accounting treatment of levies.

Standards not yet effective

IFRS 9 – Financial instruments

In May 2011, the International Accounting Standards Board ("IASB") issued IFRS 9, Financial Instruments. The required adoption date for IFRS 9 has been deferred from the original adoption date of January 1, 2015 to all annual periods beginning on or after January 1, 2018. The Company has yet to commence assessing the impact of this new standard.

Outstanding Share Data

As at the date of this report, there were 60,407,187 common shares issued and outstanding.

As at the date of this report, there were 4,650,000 stock options outstanding.

Subsequent Event

As indicated above, on May 15, 2014, the Company announced the signing of a Merger Implementation Deed with Atlantic pursuant to which Spur would acquire, subject to the requisite approvals and the satisfaction of conditions, all of the fully paid and partly paid ordinary shares on issue in Atlantic by way of a scheme of arrangement between Atlantic and its shareholders.

Atlantic will also be asked to approve resolutions for an alternative to the Scheme if the Scheme is not approved by Atlantic's shareholders or the court, pursuant to which Spur would acquire all of the issued securities of DDV Gold Limited, the wholly owned Canadian subsidiary of Atlantic which holds all of Atlantic's Canadian assets.

The transaction is conditional upon a number of items, including, without limitation, the approval of the shareholders of Atlantic.

Spur has also agreed to provide a C\$1 million loan facility (the "Loan Facility") to DDV Gold Ltd., a wholly owned subsidiary of Atlantic, and guaranteed by Atlantic. Funding in respect of the Loan Facility would occur in July 2014 and is conditional on the Management Implementation Deed not having been terminated. The Loan Facility will mature December 31, 2014, has first priority security over the assets of DDV Gold Ltd. and will accrue interest at 14 percent per annum.

A news release in respect of the transaction and transaction documents are available for review on the Company's website (www.spur-ventures.com) and SEDAR (www.sedar.com).

Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss, loans and receivables, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition. Where the Company expects to realize the asset or discharge the liability within twelve months, it is recorded as a current asset or liability; otherwise, it is recorded as a long-term asset or liability.

Financial assets and liabilities at fair value through profit and loss are considered to be held for trading. A financial asset or liability is classified in this category if it is acquired principally for the purpose of selling or redeeming in the short-term. Derivatives are included in this category unless they are designated as hedges.

Financial assets and liabilities carried at fair value through profit and loss are initially recognized at fair value and are subsequently re-measured to their fair value at each statement of financial position date. Realized and unrealized gains and losses arising from changes in the fair value of these financial assets or liabilities are included in the statement of income in the period in which they arise.

Available-for-sale financial assets are non-derivatives that are either designated as available for sale or not classified in any of the other categories. Available-for-sale assets are initially recorded at fair value plus transaction costs and are subsequently carried at fair value. Unrealized gains and losses arising from changes in the fair value of non-monetary assets classified as available-for-sale are recognized in other comprehensive income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Other financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received (net of

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transaction costs) and the redemption value is recognized in the statement of income over the period to maturity using the effective interest method.

Financial Risk Management

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and cash equivalents, receivables, due from related parties, accounts payable, and due to related parties.

Cash and cash equivalents, receivables, and due from related parties are designated as loans and receivables and are measured at amortized cost.

Accounts payable, and amounts due to related parties are classified as other financial liabilities, which are measured at amortized cost.

Financial instruments of the Company as at March 31, 2014 and December 31, 2013 are summarized as follows:

	March 31, 2014		December 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
<i>Loans and receivables</i>				
Cash and cash equivalents	\$28,762,079	\$ 28,762,079	\$28,922,649	\$ 28,922,649
Receivables	45,793	45,793	113,545	113,545
Due from related parties	67,612	67,612	63,046	63,046
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	\$ 200,086	\$ 200,086	\$ 61,545	\$ 61,545
Due to related parties	18,415	18,415	10,235	10,235

Management has determined that there are no embedded derivatives.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and cash equivalents, receivables, and due from related parties. The Company has concentration of risk with respect to cash being held with two large Canadian financial institutions. The Company's credit risk is mitigated by maintaining its financial liquid assets with highly reputable counterparties. The maximum exposure to credit risk is equal to the carrying value of the financial assets noted above.

Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. The Company's cash and cash equivalents are invested in business accounts and term deposits which are available on

demand. The Company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and our cash needs over the short term. Contractual undiscounted cash flow requirements for financial liabilities as at March 31, 2014 and December 31, 2013 comprise accounts payable, accrued liabilities, and due to related parties as presented on the Statements of Financial Position and are due in less than 1 year.

Market Risk

Market risk is the risk that the fair market value of the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in its cash and cash equivalents. The Company manages market risk by investing funds with reputable financial institutions that provide competitive rates of return.

The Company's financial instruments are not subject to significant fluctuation due to changes in equity prices of investments included in marketable securities, commodity prices or foreign exchange rates.

The Company's interest rate risk mainly arises from the interest rate impact on its interest income derived from Canadian Dollar cash and deposits. The Company invests surplus cash in fixed rate term deposits. It is the Company's policy to reduce interest rate risk over future cash flows through the use of instruments with a history of returns. A 1% change in interest rates would have a \$287,406 impact on net loss and comprehensive loss.

Fair Value

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk. The carrying values of cash and cash equivalents, receivables, due from related parties, accounts payable, and due from related parties approximate their fair values due to their short term nature.

Risks and Uncertainties

The Company is focused on acquisitions or other corporate transactions in gold, base metals, or other mineral-related assets or businesses. Due to the nature of the Company's proposed business, the following risk factors, among others, will apply:

Key Personnel

The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Share Price Volatility and Liquidity

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for our shares will be subject to market trends generally, notwithstanding any potential success of us in creating sales and revenues. In addition, our shareholders may be unable to

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sell significant quantities of shares into the public trading markets without a significant reduction in the price of their shares, if at all.

Additional risks and uncertainties with respect to mining and mining exploration companies are not applicable at this time.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Canadian generally accepted accounting principles.

TSX-V listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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SPUR VENTURES INC. (the "Company")

AMENDMENT TO THE ARTICLES OF THE COMPANY AS EFFECTED ON SEPTEMBER 12, 2013

Pursuant to section 42(2)(a)(iv) of the British Columbia *Business Corporations Act*, the following is an extract of an ordinary resolution of the shareholders of the Company passed at the annual general meeting of the shareholders of the Company held on September 12, 2013 (the "Meeting") approving an amendment to the Company's Articles as set out herein. This extract is attached to the Articles of the Company and was received for deposit at the Company's records office on September 12, 2013, the effective date of the amendment.

The undersigned, Irfan Shariff, Chief Financial Officer, Executive Vice President and Corporate Secretary of the Company, hereby certifies that the following is a true and complete copy of an ordinary resolution of the shareholders of the Company passed at the Meeting:

"BE IT RESOLVED THAT:

1. the amendments to the Company's Articles, as set forth in Schedule "B" to the Company's Information Circular dated August 8, 2013 be and is hereby authorized and approved; and
2. any one director or officer of the Company is hereby authorized and directed to carry out any act for and on behalf of the Company and to execute and deliver such deeds, documents and other instruments in writing as he in his discretion may consider necessary for the purpose of giving effect to these resolutions and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the intent of these resolutions."

Schedule "B" to the Company's Information Circular dated August 8, 2013 states that the Company's Articles will be amended by deleting each of Article 24.1 and Article 24.2 in their entirety and substituting the following:

"24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:

SPUR VENTURES INC.
(the "Company")

AMENDMENT TO THE ARTICLES OF THE COMPANY
AS EFFECTED ON SEPTEMBER 12, 2013

Pursuant to section 42(2)(a)(iv) of the British Columbia *Business Corporations Act*, the following is an extract of an ordinary resolution of the shareholders of the Company passed at the annual general meeting of the shareholders of the Company held on September 12, 2013 (the "Meeting") approving an amendment to the Company's Articles as set out herein. This extract is attached to the Articles of the Company and was received for deposit at the Company's records office on September 12, 2013, the effective date of the amendment.

The undersigned, Irfan Shariff, Chief Financial Officer, Executive Vice President and Corporate Secretary of the Company, hereby certifies that the following is a true and complete copy of an ordinary resolution of the shareholders of the Company passed at the Meeting:

"BE IT RESOLVED THAT:

1. the amendments to the Company's Articles, as set forth in Schedule "B" to the Company's Information Circular dated August 8, 2013 be and is hereby authorized and approved; and
2. any one director or officer of the Company is hereby authorized and directed to carry out any act for and on behalf of the Company and to execute and deliver such deeds, documents and other instruments in writing as he in his discretion may consider necessary for the purpose of giving effect to these resolutions and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the intent of these resolutions."

Schedule "B" to the Company's Information Circular dated August 8, 2013 states that the Company's Articles will be amended by deleting each of Article 24.1 and Article 24.2 in their entirety and substituting the following:

"24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:

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- (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (5) making the record available for public electronic access in accordance with the procedures referred to as "notice-and-access" under National Instrument 54-101 and National Instrument 51-102, as applicable, of the Canadian Securities Administrators, or in accordance with any similar electronic delivery or access method permitted by applicable securities legislation from time to time; or
- (6) physical delivery to the intended recipient.";

and

"24.2 Deemed Receipt

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the date it was e-mailed; and
- (4) made available for public electronic access in accordance with the "notice-and-access" or similar delivery procedures referred to in Article 24.1(5) is deemed to be received by a person on the date it was made available for public electronic access."

Dated this 12th day of September, 2013

"Irfan Shariff"

Irfan Shariff, Chief Financial Officer, Executive
Vice President and Corporate Secretary

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SPUR VENTURES INC.

(the "Company")

AMENDMENT TO ARTICLES OF THE COMPANY
EFFECTED ON JUNE 21, 2012

Pursuant to section 42(2)(a)(iv) of the British Columbia *Business Corporations Act*, the following is a certified copy of a resolution of the shareholders of the Company passed at the Annual General and Special Meeting of shareholders of the Company held on June 21, 2012 (the "Meeting"), which is to be attached to the Articles of the Company as amended effective June 21, 2012.

The undersigned, Steven G. Dean, Chairman of the Company and the Meeting, hereby certifies that the following is a true and complete copy of a special resolution of the shareholders of the Company passed at the Meeting:

"RESOLVED, as a special resolution, that:

1. The Articles of the Company be altered by deleting section 14.12 of the Articles in its entirety, and by deleting section 14.1 of the Articles in its entirety and adding the following as section 14.1 of the Articles:

'14.1 Election of Directors at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) The shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) All the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re- appointment.'

2. The six current directors, including, without limitation, the Class I directors (W. David Black and Robert Rennie) and the Class II director (Donald Siemens), of the Company cease to hold office immediately before the election of directors as the 2012 Annual General and Special Meeting of the shareholders of the Company.

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3. Any one director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to execute or cause to be executed and to deliver or cause to be delivered such other documents and instruments and to do or cause to be done such other acts and things as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing."

Certified a true copy this 21st day of June, 2012

"Steven G. Dean"

Steven G. Dean, Chairman

Received for deposit at the
Company's records office:

June 21, 2012 at 10.48 am

SPUR VENTURES INC.
(the "Company")

EXTRACT OF RESOLUTION

AMENDMENT TO ARTICLES OF THE COMPANY
AS EFFECTED ON MAY 12, 2009

Pursuant to section 42(2)(a)(iv) of the British Columbia *Business Corporations Act*, the following is an extract of the shareholders of Spur Ventures Inc. (the "Company") as passed on May 12, 2009, which extract is to be attached to the Articles as amended on May 12, 2009.

"RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. The Articles of the Company be amended by deleting Article 14.8 in its entirety and replacing it with the following Article 14.8, and by adding the following Article 14.12:

'14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment, and so long as he is an additional director the number of directors will be increased accordingly.

14.12 Class I, II and III Directors

Unless otherwise determined by special resolution, there will be three classes of directors, to be respectively designated as Class I, Class II and Class III, and the terms of office of the directors initially classified will be as follows:

That of Class I shall expire at the general meeting to be held in 2010;
That of Class II shall expire at the general meeting to be held in 2011; and
That of Class III shall expire at the general meeting to be held in 2012.

At each general meeting after such initial classification, directors to replace those whose terms expire at such general meeting will be elected to hold office until the third successive annual general meeting. Notwithstanding the foregoing, every director will hold office until his successor is elected. Any director whose office has expired will be eligible for re-election.'

The Chairman called for a motion to pass the special foregoing resolution to approve the proposed amendment of the articles of the Company. UPON MOTION duly made, seconded and carried, IT WAS RESOLVED that amendment to the articles of the Company be approved in accordance with the special resolution as outlined to the Meeting by the Secretary and as set out in the Information Circular."

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**EFFECTIVE DATE
OF ARTICLES:**
June 17, 2004, Amended May 12, 2009

Incorporation number: 312,495

The Company has as its articles the following articles.

Full name and signature of authorized signatory	Date of signing
<i>“Michael J. Kuta”</i> Michael J. Kuta	May 12, 2009

SPUR VENTURES INC. (the “Company”)

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (2) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) “*Interpretation Act*” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) “legal personal representative” means the personal or other legal representative of the shareholder;
- (5) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (6) “seal” means the seal of the Company, if any.

1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were set out herein. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgment of the shareholder’s right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate

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and delivery of a share certificate to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

- (1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid as a fee to the Company for issuance of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a

DuMoulin Black LLP

court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the directors in their discretion have determined that the value of the consideration received by the Company is equal to or greater than the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

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4. SHARE REGISTERS

4.1 Central Securities Register and any Branch Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register and may maintain a branch securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register or any branch securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

For the purpose of this Article, delivery or surrender to the agent which maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of

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shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid as a fee to the Company, registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations with respect to the shares as were held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by resolution of the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

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7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Redemption of Shares

If the Company proposes to redeem some but not all of the shares of any class, the Directors may, subject to any special rights and restrictions attached to such class of shares, decide the manner in which the shares to be redeemed shall be selected.

7.4 Sale and Voting of Purchased Shares

If the Company retains a share which it has redeemed, purchased or otherwise acquired, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

8.1 The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of Directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
 - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (e) change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value; or
 - (f) alter the identifying name of any of its shares; and
- (2) by ordinary resolution otherwise alter its shares or authorized share structure.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, if none of those shares have been issued; and
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above if any of the shares of the class or series of shares have been issued.

9.3 Change of Name

The Company may by resolution of its directors or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name.

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9.4 Other Alterations

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and
- (2) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Meetings of Shareholders and Meetings by Telephone or Other Electronic Means

A meeting of the Company may be held:

- (1) at a location outside British Columbia if that location is:
 - (a) approved by resolution of the directors before the meeting is held; or
 - (b) approved in writing by the Registrar of Companies before the meeting is held; and
- (2) entirely or in part by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if approved by directors' resolution prior to the meeting and subject to the *Business Corporations Act*. Any person participating in a meeting by such means is deemed to be present at the meeting.

10.5 Notice for Meetings of Shareholders

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.6 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting or a circular prepared in connection with the meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document :

- (a) will be available for inspection by shareholders at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and
- (b) may provide that the document is available by request from the Company or accessible electronically or on a website as determined by the directors.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;
 - (f) the appointment of an auditor;
 - (g) the setting of the remuneration of an auditor;
 - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one person present or represented by proxy.

11.4 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.5 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.6 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.7 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the meeting shall be terminated.

11.8 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.9 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president willing to act as chair of the meeting or present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose a director, officer or corporate counsel to be chair of the meeting or if none of the above persons are present or if they decline to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.10 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.11 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.12 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.13 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.12, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.14 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.15 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders, either on a show of hands or on a poll, has a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.16 Manner of Taking Poll

Subject to Article 11.17, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.17 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.18 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.19 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.20 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.21 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.22 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

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- (1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must:
 - (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
 - (b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

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12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

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[name of company]
(the “Company”)

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the shareholder): _____

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 Number of Directors

The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company’s first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:

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- (a) the number of directors elected by ordinary resolution (whether or not previous notice of the resolution was given); and
- (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
 - (a) the number of directors elected by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (c) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2) or 13.1(3):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.3 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.4 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.5 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the

option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.6 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) those directors whose term of office expires at the annual general meeting cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment, and so long as he is an additional director the number of directors will be increased accordingly.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;

- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

14.12 Class I, II and III Directors

Unless otherwise determined by special resolution, there will be three classes of directors, to be respectively designated as Class I, Class II and Class III, and the terms of office of the directors initially classified will be as follows:

- That of Class I shall expire at the general meeting to be held in 2010;
- That of Class II shall expire at the general meeting to be held in 2011; and
- That of Class III shall expire at the general meeting to be held in 2012.

At each general meeting after such initial classification, directors to replace those whose terms expire at such general meeting will be elected to hold office until the third successive annual general meeting. Notwithstanding the foregoing, every director will hold office until his successor is elected. Any director whose office has expired will be eligible for re-election.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or

transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting has a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board or if designated by the chair, the president, a director or other officer; or
- (3) any other director or officer chosen by the directors if:
 - (a) neither the chair of the board nor the president is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president is willing to chair the meeting; or
 - (c) the chair of the board and the president have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;

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- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times and in such manner and form as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21, “expenses” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Officers

The directors must cause the Company to indemnify its directors and officers, and former directors and officers, and alternate directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by the *Business Corporations Act*. Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this section.

21.3 Mandatory Payment of Expenses of Directors and Officers

The directors must cause the Company to pay the expenses reasonably and actually incurred by its directors and officers, and former directors and officers, and alternate directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by the *Business Corporations Act*. Each director and officer is deemed to have contracted with the Company on the terms of the indemnity referred to in this section.

21.4 Indemnification

Subject to any restrictions in the *Business Corporations Act* and these Articles, the Company may indemnify any other person.

21.5 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.6 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

- (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

- (1) "designated security" means:
 - (a) a voting security of the Company;

- (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) “security” has the meaning assigned in the *Securities Act* (British Columbia);
- (3) “voting security” means a security of the Company that:
- (a) is not a debt security, and
 - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

27. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO PREFERRED SHARES

The Preferred Shares without par value may be issued from time to time in one or more series and shall, as a class, have attached thereto the following preferences, rights, conditions, restrictions, limitations and prohibitions:

- (1) Each series of Preferred Shares shall consist of such number of Preferred Shares as may, before the issue thereof, be determined by the directors of the Company.
- (2) The directors may, by resolution duly passed before the issuance of Preferred Shares of any series, alter the Notice of Articles to fix the number of Preferred Shares in and determine the designation of the Preferred Shares of each series and alter the Notice of Articles and or Articles to create, define and attach special rights or restrictions to the Preferred Shares of each series, subject to the special rights or restrictions attached to all Preferred Shares and subject to the provisions of the *Business Corporations Act*.
- (3) The Preferred Shares of any series may have attached thereto such special rights or restrictions as may be determined by directors' resolution with respect to each series, including (as examples only), without in any way limiting the generality of the foregoing, special rights or restrictions concerning:

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Spur Articles

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- (a) the rate or amount of dividends, whether cumulative or non-cumulative, the currency or currencies of payment, the date or dates and place or places of payment and the date or dates from which such dividends are to accrue;
- (b) the right to receive notice of or to attend or to vote at any meeting of shareholders of the Company;
- (c) the right to convert or exchange Preferred Shares into Common Shares or other shares, bonds, debentures, securities, or otherwise;
- (d) the right of the Company to redeem or to purchase Preferred Shares;
- (e) obligations with respect to sinking funds or funds for purchase or redemption of Preferred Shares, rights of retraction or share purchase plans;
- (f) restrictions upon the payment of dividends on or retirement of any other shares of the Company or of any subsidiary of the Company;
- (g) restrictions upon the redemption or purchase of any other shares of the Company or of any subsidiary of the Company;
- (h) the exercise by the Company of any election open to it to make any payment of corporate, income or other taxes;
- (i) the subdivision, consolidation or reclassification of any shares of the Company;
- (j) restrictions upon borrowing by the Company or by any subsidiary of the Company or the issue by the Company of any Preferred Shares in addition to the Preferred Shares of any series at any time outstanding;
- (k) restrictions upon the reduction of capital by the Company or by any subsidiary of the Company;
- (l) restrictions upon the retirement of notes, bonds or debentures or other indebtedness of the Company or of any subsidiary of the Company;
- (m) limitations or restrictions upon regulations concerning the conduct of the business of the Company or of any subsidiary of the Company;
- (n) the holdings of meetings of the holders of the Preferred Shares of any series;
- (o) restrictions upon the creation or issuance of any other shares or securities of the Company; and
- (p) the rights of holders of the Preferred Shares to convert or exchange the shares of any class of the company into or for any other securities of the Company or into or for shares or securities of any other company.

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- (4) The holders of the Preferred Shares shall not as such be entitled to vote at any meetings of shareholders of the Company but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof or the creation of any class or classes of shares ranking in priority to the Preferred Shares.
- (5) In the event of any distribution of the assets or property of the Company among its shareholders as such other than by way of dividend or by way of redemption or purchase for cancellation of Preferred Shares of the Company, whenever created, but including, without limitation, any distribution of capital to shareholders upon a decrease in issued capital of the Company (except as aforesaid) or upon the winding-up or other liquidation or dissolution of the Company or rateably among its shareholders as a condition precedent to the liquidation or dissolution, no assets or property of the Company shall be distributed to the holders of the Company ranking junior to the Preferred Shares until there has been paid to the holders of the Preferred Shares, an amount equal to the redemption price of such Preferred Shares plus a sum equal to all unpaid dividends accrued thereon to the date of distribution (which, for such purpose, shall be calculated as if the dividends on the Preferred Shares were accruing for the period from the expiration of the last quarterly dividend period for which dividends have been paid in full up to such date of distribution). For all purposes of these provisions, the redemption price of the Preferred shares shall mean the amount paid up thereon plus the premium, if any, payable on redemption of Preferred Shares, and the shares of the Company ranking for to the Preferred Shares shall mean all shares of any class of shares (including Common Shares of the Company) ranking junior to the Preferred Shares as to dividends and distribution of assets and property of the Company.
- (6) If upon any distribution of the assets and property of the Company among its shareholders as such, the assets and property of the Company are insufficient to permit payment in full to the holders of Preferred Shares of the sum distributable to them as aforesaid, then the entire assets and property of the Company shall be distributed rateably among the holders of the Preferred Shares then outstanding according to their respective rights.
- (7) After payment in full to the holders of Preferred Shares of the sums distributable to them as aforesaid, they shall not have the right to receive anything further in the distribution of the assets and property of the Company and the remaining assets and property of the Company shall be distributed to the holders of shares of the Company ranking junior to the Preferred Shares according to their respective rights.
- (8) No dividends shall at any time be declared or paid on or set apart for any shares of the Company ranking junior to the Preferred Shares (including, without limitation, the Common Shares) nor shall the Company redeem or purchase for cancellation of any Preferred Shares less than the total number of Preferred Shares then outstanding or any shares of the Company ranking junior to the Preferred Shares unless all accrued dividends on the Preferred Shares then outstanding have been declared and paid or provided for, to and including the last dividend payable on the Preferred Shares immediately prior to the date of declaration or payments or setting apart for payment or dividends or redemption or purchase for cancellation, as the case may be.

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- (9) Subject to the provisions hereof and, in particular, the provisions of clause (h) hereof, the Company may at any time and from time to time purchase Preferred Shares for cancellation:
- (a) on the open market;
 - (b) with the consent of the holders of Preferred Shares; or
 - (c) pursuant to tenders received by the Company upon request for tenders addressed to all of the holders of the Preferred Shares, the whole or any part of the Preferred Shares at the lowest price which, in the opinion of the directors, such shares are obtainable. If any such purchase for cancellation is made by tender, the Company shall afford to every holder of Preferred Shares, the opportunity of tendering such shares for purchase for cancellation as aforesaid; the Company shall accept only the lowest tenders; if two or more shareholders submit tenders at the same price which the Company is prepared to accept but which in number are in excess of the number of shares which the Company is prepared to purchase for cancellation, then the shares to be purchased shall be selected by the Company on a pro rata basis (disregarding fractions) according to the number of shares offered in such tender.
- (10) Any amendment to the Articles of the Company to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Preferred Shares or to create any special shares ranking in priority to or on a parity with the Preferred Shares, in addition to the authorization by a special resolution, shall be authorized by at least three-quarters (3/4) of the votes cast at a meeting of the holders of Preferred Shares duly called for that purpose.
- (11) The formalities to be observed in respect of the giving of notice of any meeting of the holders of Preferred Shares (including any meeting of holders of any series of Preferred Shares) and the conduct of such meeting shall be those from time to time prescribed in the Articles of the Company in respect of meetings of shareholders, and upon every poll taken at any such meeting (or adjourned meeting) each holder of Preferred Shares (or any series of Preferred Shares, as the case may be) shall be entitled to one (1) vote in respect of each Preferred Share held by him, provided that:
- (a) no such meeting shall be held upon less than twenty-one (21) days written notice thereof, and
 - (b) if at any such meeting, the holders of less than fifty percent (50%) of the outstanding Preferred Shares, as the case may be, are present or represented by proxy within half an hour after the time fixed for such meeting, then the meeting shall be adjourned to such date (being not more than twenty-one (21) days later) and to such time and place as may be fixed and announced by the Chairman of the meeting and at least ten (10) days written notice shall be given of such adjourned meeting (which notice may but need not specify the purpose for which the meeting was originally called). At such adjourned meeting, the holders of the Preferred Shares (or series of Preferred Shares, as the case may be) present or represented by proxy may transact the business for which the meeting was originally called.
- (12) The Preferred Shares shall be subject to the foregoing preferences, rights, conditions, restrictions, limitations and prohibitions attaching thereto and shall be subject to such further and additional preferences, rights, conditions, restrictions, limitations and prohibitions as may be determined by the directors of the Company for each series of Preferred Shares prior to the issue thereof.

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Annexure E

Merger Implementation Deed

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Merger Implementation Deed

Parties

Spur Ventures Inc.

Atlantic Gold NL

ACN 062 091 909

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Annexure A – Scheme

Annexure B – Spur Deed Poll

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Merger Implementation Deed

Merger Implementation Deed dated 15 May 2014

Parties

Spur Ventures Inc.
of Suite 3083, 595 Burrard Street, Vancouver B.C., Canada
(**Spur**)

Atlantic Gold NL ACN 062 091 909
of Suite 506, 815 Pacific Highway, Chatswood, New South Wales 2067, Australia
(**Atlantic**)

Introduction

- A** Spur and Atlantic have agreed to undertake the Transaction under which Spur will acquire all the fully paid and partly paid ordinary issued shares of Atlantic by means of a scheme of arrangement under Part 5.1 of the Corporations Act.
- B** At the request of Spur, Atlantic has agreed to propose the Scheme and issue the Scheme Booklet upon and subject to the terms and conditions of this Deed.
- C** Spur and Atlantic have agreed to act in good faith to implement the Scheme upon the terms and conditions of this Deed.

This Deed witnesses as follows:

1 Definitions and interpretation

1.1 Definitions

In this Deed, unless the context otherwise requires, the following words and expressions have meanings as follows:

- (1) **Adviser** means, in relation to an entity, its financier, legal adviser, financial adviser or technical, other expert advisers (not including the Independent Expert or the Investigating Accountant) or consultants who provide advisory services in a professional capacity;
- (2) **Agreed Budget** means the budget containing the list of expenditures which Atlantic and its Subsidiaries may make in the period from the date of this Deed to 31 December 2014 in the Agreed Form;
- (3) **Agreed Contingency** means, in relation to any cost or expense figure set out in the Agreed Budget, a variance not exceeding 15% of the relevant figure set out in the Agreed Budget, provided that such variance arises from ordinary course business activities;
- (4) **Agreed Form** means, in respect of a document, that document in the form, or substantially in the form, agreed by the parties prior to execution of this Deed and initialled by the parties or their solicitors on their behalf for the purpose of identification;
- (5) **ASIC** means the Australian Securities and Investments Commission;

- (6) **ASIC Regulatory Guide** means a regulatory guide issued by ASIC in respect of the Corporations Act;
- (7) **Associate** has the meaning given to that term in section 12 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this Deed and Atlantic, Spur or the relevant Third Party (as applicable) was the designated body;
- (8) **ASX** means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates;
- (9) **ASX Listing Rules** means the official listing rules of ASX as from time to time amended or waived in their application to a party;
- (10) **Atlantic Board** means the board of directors of Atlantic;
- (11) **Atlantic Confidential Information** means any commercial, financial or technical information of Atlantic or any Related Party of Atlantic disclosed or supplied by or on behalf of any such entity to Spur, any Related Body Corporate of Spur or any of their respective Representatives, whether orally or visually or in documentary or electronic form and including the notes, records or copies made by Spur, its Related Bodies Corporate or any of their respective Representatives of such information but excluding information which is in the public domain (other than as a result of a breach of this Deed by Spur) or which is obtained by Spur from a third party without breach by the third party of an obligation of confidence or otherwise previously known to Spur or its Related Bodies Corporate;
- (12) **Atlantic Director** means a person who is a director of Atlantic;
- (13) **Atlantic Disclosure Letter** means a letter (if any) identified as such provided by Atlantic to Spur and countersigned by Spur prior to entry into this Deed;
- (14) **Atlantic Due Diligence Materials** means the information, including information provided in responses to requests for information by Spur, relating to the Atlantic Group which has been disclosed by or on behalf of the Atlantic Group to Spur, its Advisers and Related Bodies Corporate, or any of their respective Representatives between 18 February 2014 and the date of this Deed, being the information contained in the documents and other materials listed in the index of Atlantic Due Diligence Materials in the Agreed Form;
- (15) **Atlantic Fully Paid Share** means an issued fully paid ordinary share in the capital of Atlantic;
- (16) **Atlantic Gold** means Atlantic Gold Exploration Pty Ltd ABN 94 003 585 279;
- (17) **Atlantic Group** means Atlantic and its Subsidiaries and, in the appropriate context, any member of the Atlantic Group;
- (18) **Atlantic Indemnified Parties** means Atlantic, its Advisers and Related Bodies Corporate and each of their respective Representatives;
- (19) **Atlantic Information** means all information included in the Scheme Booklet, other than:
 - (a) the Spur Information;
 - (b) the Independent Expert's report and the Investigating Accountant's report that is included in or accompanies the Scheme Booklet; and
 - (c) the pro forma financial information regarding the Merged Group;

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(20) **Atlantic Material Adverse Change** means any event, change, condition, thing, occurrence, circumstance or matter that:

- (a) occurs on or after the date of this Deed; or
- (b) is likely to occur on or after the date of this Deed,

(each an **Atlantic Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, things, occurrences, circumstances or matters of a like kind that have occurred or are likely to occur, has resulted in or could be reasonably be expected to result in:

- (c) a material adverse effect on the business, financial condition, assets, liabilities, results of operations, trading position, profitability or prospects, of the Atlantic Group (taken as a whole);
- (d) a diminution or reduction in the value of the consolidated net assets of the Atlantic Group (taken as a whole) by A\$2,500,000 or more compared to what it would reasonably have been expected to have been but for such Atlantic Specified Event; or
- (e) the loss or diminution (other than a loss or diminution of a minor or trivial nature) of any portion of the Atlantic Group's interest in either of the Development Properties,

other than any event, change, condition, thing, occurrence, circumstance or matter:

- (f) that arises from any change occurring, directly or indirectly, as a result of any event, occurrence, circumstance or matter required or permitted by this Deed, the Scheme, the Spur Deed Poll, the DDV Gold Sale Agreement or the transactions contemplated by them, including any cost or expense associated therewith which is:
 - (i) provided for in the Agreed Budget;
 - (ii) provided for in the Agreed Budget but the actual amount of the cost or expense incurred exceeds the amount provided for that cost or expense in the Agreed Budget by an amount not exceeding the Agreed Contingency; or
 - (iii) otherwise incurred with the prior written consent of Spur;
- (g) that is Fairly Disclosed in the Atlantic Due Diligence Materials or the Atlantic Disclosure Letter;

(21) **Atlantic Option** means an option granted by Atlantic under the Atlantic Option Plan to acquire by way of issue one Atlantic Fully Paid Share for \$0.027 per Atlantic Fully Paid Share and having an expiry date of 28 August 2017;

(22) **Atlantic Option Plan** means the *Atlantic Gold NL Director/Employee Share Option Plan* dated 9 April 2006;

(23) **Atlantic Optionholder** means a holder of Atlantic Options;

(24) **Atlantic Partly Paid Share** means an issued partly paid ordinary share in the capital of Atlantic;

(25) **Atlantic Prescribed Event** means the occurrence of any of the following:

- (a) Atlantic converting all or any of its shares into a larger or smaller number of shares;
- (b) Atlantic or any of its Subsidiaries resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) Atlantic or any of its Subsidiaries:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Atlantic or any of its Subsidiaries making, declaring, paying or distributing or announcing an intention to make, declare or distribute any dividend, bonus or other share of its shareholder profits or shareholder assets or returning or agreeing to return any capital to its members (whether in cash or in specie);
- (e) Atlantic or any of its Subsidiaries issuing shares, or granting an option over its shares to any person, or agreeing to make such an issue or grant such an option to any person other than under the share purchase plan announced by Atlantic to the ASX on 7 April 2014 or the exercise of an Atlantic Option;
- (f) Atlantic or any of its Subsidiaries issuing convertible securities or agreeing to issue securities or other instruments convertible into shares or debt securities to any person;
- (g) Atlantic or any of its Subsidiaries disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property including the Development Properties;
- (h) other than liens and statutory encumbrances arising in the ordinary course of business, Atlantic or any of its Subsidiaries creating, or agreeing to create, any Encumbrance over any of its business or property;
- (i) Atlantic or any of its Subsidiaries, making or permitting any change to the terms and conditions of the current employment contracts of its officers, directors, executives, senior management or employees or otherwise increasing compensation or benefits or accelerating compensation or benefits for any of the above;
- (j) Atlantic or any of its Subsidiaries declaring, agreeing to pay or becoming liable to pay a bonus (or similar payment) to any director, officer, employee, consultant or contractor of the Atlantic Group other than as set out in the Agreed Budget;
- (k) any Atlantic Group member resolves to be wound up;
- (l) Atlantic or any of its Subsidiaries becoming subject to an Insolvency Event;
- (m) Atlantic or any of its Subsidiaries making any change or amendment to its constitution or passing any ordinary, special or extraordinary resolutions;
- (n) Atlantic or any of its Subsidiaries making any change to their accounting practices or policies, other than to comply with generally accepted

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Australian accounting standards or IFRS as adopted in Australia (or their equivalent in the relevant jurisdiction);

- (o) Atlantic or any of its Subsidiaries failing to operate its business or the business of the Atlantic Group in accordance with the Agreed Budget or otherwise deviating from the Agreed Budget, other than:
 - (i) where Atlantic or any of its Subsidiaries incurs an expense or cost which is provided for in the Agreed Budget but the actual amount of the expense or cost exceeds the amount provided for that cost or expense in the Agreed Budget by an amount not exceeding the Agreed Contingency; or
 - (ii) with the prior written consent of Spur;
- (p) Atlantic or any of its Subsidiaries incurring or agreeing to incur capital or other expenditure from the date of this Deed other than as specified in the Agreed Budget (including where capital or other expenditure contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency);
- (q) incurring, or agreeing to make or incur, any financial indebtedness other than as set out in the Agreed Budget;
- (r) without limiting the foregoing, Atlantic or any of its Subsidiaries:
 - (i) disposing or offering or agreeing to dispose (including by granting or offering or agreeing to grant any rights to third parties) of:
 - (A) one or more Subsidiaries, companies, trusts, businesses, real property or material asset; or
 - (B) any right, title or interest in the Development Properties;
 - (ii) acquiring, or agreeing to acquire, one or more companies, trusts, businesses, real property or material asset (or any interest in the foregoing) or entering into, or agreeing to enter into, any joint venture, partnership or similar arrangement;
 - (iii) entering into any contract, commitment or arrangement (including leasing, acquiring, or offering or agreeing to acquire or lease, any asset) which:
 - (A) is outside the ordinary course of business or that requires payments or foregoing of revenue by Atlantic and/or any of its Subsidiaries of an amount other than as set out in the Agreed Budget (including where a payment or foregoing of revenue contemplated in the Agreed Budget is incurred or foregone (as applicable) in an amount not exceeding the Agreed Contingency); or
 - (B) requires Atlantic and/or any of its Subsidiaries to incur any expenditure, whether or not in the ordinary course of business, in excess of A\$50,000 (whether individually or in aggregate) after the period covered by the Agreed Budget, including under any contract, commitment or arrangement relating to drilling work, feasibility studies or consulting or advisory services;

- (iv) receiving financial accommodation from a person (other than the Spur Group), or providing financial accommodation to any person (other than the Spur Group);
- (v) amending the terms of issue of any Atlantic Shares, Atlantic Options or any other securities of Atlantic;
- (vi) entering into, amending, compromising or agreeing to enter into, amend or compromise any contract, commitment or other arrangement with a Related Party of Atlantic;
- (vii) amending or terminating, or agreeing to amend or terminate, any contract, commitment or other arrangement where there is a financial impact exceeding A\$50,000 upon Atlantic and its Subsidiaries, other than:
 - (A) as specified in the Agreed Budget (including where a cost or expense contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency); or
 - (B) with the prior written consent of Spur;
- (viii) doing anything that would result in a de-consolidation of the Atlantic Income Tax Consolidated Group. For the purposes of this provision, "Atlantic Income Tax Consolidated Group" means the consolidated group of which Atlantic is the head company and Atlantic Gold is its wholly-owned subsidiary (where "consolidated group", "head company" and "wholly-owned subsidiary" are defined in the *Income Tax Assessment Act 1997* (Cth));
- (ix) entering into any agreement, arrangement, or transaction with respect to derivative instruments which relate to the price of gold or to interest rates (including swaps, futures contracts, forward commitments, commodity derivatives, hedges or options) or similar instruments;
- (x) amending in any material respect any arrangement in place as at the date of this Deed with a Financial Adviser, or entering into any arrangements with one or more new Financial Advisers which may involve the payment of fees in respect of the Transaction or the DDV Gold Alternative Transaction (other than as specified in the Agreed Budget (including where a payment contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency)); or
- (s) any member of the Atlantic Group authorising, committing or agreeing to do any of the matters set out above,

provided that none of the above events will constitute an Atlantic Prescribed Event where:

- (t) Spur has given prior written approval to the proposed event; or
- (u) the event is required or permitted to be done by this Deed, the Scheme, the Spur Deed Poll or the DDV Gold Sale Agreement;

(26) **Atlantic Registry** means Computershare Investor Services Pty Limited ACN 078 279 277;

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- (27) **Atlantic Representations and Warranties** means the representations and warranties of Atlantic set out in Schedule 2;
- (28) **Atlantic Share** means an Atlantic Fully Paid Share or an Atlantic Partly Paid Share (as the context requires);
- (29) **Atlantic Share Register** means the register of members of Atlantic maintained by Atlantic or the Atlantic Registry in accordance with the Corporations Act;
- (30) **Atlantic Shareholder** means a person who is registered in the Atlantic Share Register as the holder of an Atlantic Share;
- (31) **Break Fee** means A\$250,000 (exclusive of any applicable GST);
- (32) **Business Day** means a day other than a Saturday, Sunday or public holiday, on which banks are open for business in Sydney and Vancouver;
- (33) **CDI** means a CHESS Depositary Interest, being a unit of beneficial ownership in a New Spur Common Share or New Spur Share Purchase Warrant (as appropriate) registered in the name of CDN;
- (34) **CDN** means CHESS Depositary Nominees Pty Limited ACN 071 346 506;
- (35) **CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd ACN 008 504 532;
- (36) **Claim** means a demand, claim, action or proceeding, however arising and whether present, unascertained, immediate, future or contingent, including any claim for specific performance;
- (37) **Cochrane Hill Property** means the property:
 - (a) located in Guysborough County, Nova Scotia, approximately 15 kilometres north of the Town of Sherbrooke and about 40 kilometres south of the town of Antigonish (the centre of the Cochrane Hill Property is approximately 62°03' minutes West, 45°15' North); and
 - (b) comprising exploration licence 06310 and consisting of 53 contiguous claims covering approximately 848 hectares of land in Guysborough County, Nova Scotia (where such claims are oriented east - west in a block about 6.4 km long by about 1.6 km wide);
- (38) **Competing Proposal** means any expression of interest, proposal, offer, agreement, transaction or arrangement by or with a Third Party, pursuant to which a Third Party (either alone or together with any Associate) will, if the expression of interest, proposal, offer, agreement, transaction or arrangement is entered into or completed:
 - (a) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have, a legal, beneficial or economic interest in, or control of, all or any material part of the business or assets of Atlantic or any of its Subsidiaries;
 - (b) acquire (whether directly or indirectly) a Relevant Interest in, or Voting Power in, or become the holder of, or otherwise acquire, have a right to acquire or have, a legal, beneficial or economic interest in, or control of, 15% or more of Atlantic Shares or the shares of any of its Subsidiaries;

- (c) acquire Control of Atlantic or any of its Subsidiaries;
- (d) otherwise acquire or merge (whether directly or indirectly) with Atlantic or any of its Subsidiaries; or
- (e) enter into any agreement, arrangement or understanding (whether directly or indirectly) requiring Atlantic to abandon, or otherwise fail to proceed with, the Transaction or the DDV Gold Alternative Transaction or requiring any Atlantic Director to recommend against, or otherwise not endorse, the Transaction or the DDV Gold Alternative Transaction,

whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction or buy back, sale or purchase of shares or other securities or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement;

- (39) **Confidentiality Agreement** means the confidentiality agreement between Spur and Atlantic dated 12 November 2013 and the agreement under the Heads of Agreement under which Atlantic and Spur agreed that the confidentiality agreement between Spur and Atlantic dated 12 November 2013 shall apply, *mutatis mutandis*, to any information obtained by Atlantic in the course of its due diligence, as though Spur was the disclosing party (and the "Company") and Atlantic were the "Recipient" pursuant to the terms of the confidentiality agreement between Spur and Atlantic dated 12 November 2013;
- (40) **Control** has the meaning given to that term in section 50AA of the Corporations Act;
- (41) **Corporations Act** means the *Corporations Act 2001* (Cth);
- (42) **Corporations Regulations** means the *Corporations Regulations 2001* (Cth);
- (43) **Court** means the Federal Court of Australia (New South Wales Registry), or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Spur and Atlantic;
- (44) **DDV Gold** means DDV Gold Limited, a wholly-owned Canadian Subsidiary of Atlantic;
- (45) **DDV Gold Alternative Transaction** means a transaction under which Spur acquires all of the outstanding securities on issue in DDV Gold from Atlantic, on and subject to the terms and conditions of the DDV Gold Sale Agreement;
- (46) **DDV Gold Sale Agreement** means the sale agreement dated on or about the date of this Deed between Spur and Atlantic in relation to the acquisition by Spur of the shares in DDV Gold from Atlantic on the terms and conditions set out in that agreement;
- (47) **Deed** means this document including any schedule or annexure to it;
- (48) **Development Properties** means the Touquoy Property and Cochrane Hill Property;
- (49) **Effective** when used in relation to the Scheme, means the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme;
- (50) **Effective Date** when used in relation to the Scheme, means the date on which the Scheme becomes Effective;

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- (51) **EGM** means the general meeting of Atlantic Shareholders to be convened by Atlantic at which the EGM Resolutions are to be considered;
- (52) **EGM Resolutions** means all resolutions necessary to approve the DDV Gold Alternative Transaction, including a resolution under Listing Rule 11.2;
- (53) **Encumbrance** means a mortgage, charge, lien, pledge or assignment by way of security, other security interest or encumbrance, title retention, preferential right or trust arrangement, Claim, covenant, profit a prendre, easement or any other security interest within the meaning of section 12(1) or 12(2) of the PPSA or section 51A of the Corporations Act or any other arrangement having the same effect;
- (54) **End Date** means:
- (a) the date that is the 1st Business Day that is 6 months after the date on which this Deed is executed; or
 - (b) such other date as agreed in writing between Spur and Atlantic;
- (55) **Excluded Shareholder** means any Atlantic Shareholder which is Spur or a Related Body Corporate of Spur;
- (56) **Exclusivity Period** means the period commencing on and from the date of this Deed and expiring on the earlier of:
- (a) the Implementation Date;
 - (b) the termination of this Deed in accordance with its terms; and
 - (c) the End Date;
- (57) **Fairly Disclosed** means disclosed in sufficient detail so as to enable a reasonable person to assess the nature, scope and import of the fact, matter or circumstance (including, in each case, that the financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed);
- (58) **Financial Adviser** means any financial advisor retained by a party in relation to the Transaction, the DDV Gold Alternative Transaction or a Competing Proposal from time to time;
- (59) **First Court Hearing Date** means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard;
- (60) **Governmental Agency** means any Australian, Canadian or other foreign government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian, including:
- (a) ASIC and ASX;
 - (b) TSXV;
 - (c) a Tax Authority;

- (d) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government;
 - (e) any regulatory organisation established by statute; and
 - (f) without limiting the foregoing, the Nova Scotia Minister of Environment;
- (61) **GST** has the meaning given to that term in the GST Act;
- (62) **GST Act** means the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*;
- (63) **Headcount Test** means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the Scheme Resolution be passed by a majority in number of Atlantic Shareholders present and voting, either in person or by proxy;
- (64) **Heads of Agreement** means the *Heads of Agreement* dated 7 April 2014 between Atlantic and Spur;
- (65) **IFRS** means the International Financial Reporting Standards;
- (66) **Implementation Date** means the 5th Business Day after the Record Date, or such other date as agreed in writing by Spur and Atlantic;
- (67) **Independent Expert** means the independent expert appointed by Atlantic in accordance with clause 6.1(5) to opine on whether the Scheme is in the best interests of Atlantic Shareholders and to prepare a report for the Scheme Booklet in accordance with the Corporations Act, the Corporations Regulations and ASIC's relevant regulatory guides;
- (68) **Insolvency Event** means in relation to a person:
- (a) the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person;
 - (b) the entry by the person into a compromise or arrangement with its creditors generally;
 - (c) the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding-up of the person) or the making of an application or order for the winding-up or dissolution of the person other than where the application or order (as the case may be) is set aside within 14 days;
 - (d) the person suspends or threatens to suspend payment of its debts generally;
 - (e) the person ceases or threatens to cease to carry on business; or
 - (f) the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act or under the legislation in the jurisdiction of incorporation of that person;
- (69) **Investigating Accountant** means such person as Atlantic and Spur jointly appoint in accordance with clauses 6.1(6) and 6.2(3) to prepare a report on the financial information to be contained in the Scheme Booklet;

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- (70) **Loss** includes any damage, loss, cost, liability or expense of any kind and however arising (including as a result of any Claim), including penalties, fines and interest and including any that are prospective, or contingent and any the amount of which for the time being is not ascertained or ascertainable;
- (71) **Merged Group** means the corporate group, following implementation of the Scheme, of which Spur will be the ultimate holding company;
- (72) **New Spur Common Share** mean a fully paid common share in the capital of Spur to be issued under the Scheme;
- (73) **New Spur Share Purchase Warrant** means a warrant in respect of an unissued fully paid common share in the capital of Spur to be issued under the Scheme as contemplated by clause 5.3;
- (74) **Officer** means, in relation to an entity, its directors, officers and employees or any of the entity's Related Bodies Corporate;
- (75) **Option Cancellation Deed** means an option cancellation deed to be entered into between Atlantic, Spur and an Atlantic Optionholder in the Agreed Form;
- (76) **PPSA** means the *Personal Property Securities Act 2009* (Cth);
- (77) **Record Date** means 5.00 pm on the 5th Business Day after the Effective Date, or such other date (after the Effective Date) as Atlantic and Spur agree in writing;
- (78) **Regulatory Approvals** means:
 - (a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver or exemption from by or with a Governmental Agency; or
 - (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Governmental Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action;
- (79) **Regulator's Draft** means the draft of the Scheme Booklet in a form acceptable to both parties which is provided to ASIC for its review pursuant to section 411(2) of the Corporations Act;
- (80) **Regulatory Review Period** means the period from the date on which the Regulator's Draft is submitted to ASIC to the date on which ASIC provides a letter of intent under section 411(17)(b) of the Corporations Act that it does not intend to make any submissions at the Court hearing on the First Court Hearing Date or otherwise object to the Scheme;
- (81) **Reimbursement Fee** means the sum of A\$750,000 (exclusive of any applicable GST);
- (82) **Related Body Corporate** has the meaning given to that term in section 50 of the Corporations Act;
- (83) **Related Party** means, in relation to an entity, its Officers, its Related Bodies Corporate and each of the Officers of those Related Bodies Corporate;
- (84) **Relevant Governmental Agency** has the meaning given to it in clause 3.3(1);

- (85) **Relevant Interest** has the same meaning as given by sections 608 and 609 of the Corporations Act;
- (86) **Representative** means, in relation to an entity:
- (a) each of the entity's Related Parties; and
 - (b) each of the Officers, Advisers, agents or representatives of the entity or of any of its Related Parties;
- (87) **Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Atlantic and the Scheme Shareholders in the form of Annexure A (or as otherwise agreed by Spur and Atlantic in writing) subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Atlantic and Spur;
- (88) **Scheme Booklet** means the scheme booklet to be published by Atlantic in connection with the Scheme;
- (89) **Scheme Consideration** means the Scheme Consideration Category 1 and the Scheme Consideration Category 2;
- (90) **Scheme Consideration Category 1** means for each Scheme Share Category 1 held by a Scheme Shareholder Category 1:
- 0.05564 New Spur Common Shares either in the form of CDIs or New Spur Common Shares; and
 - 0.02782 New Spur Share Purchase Warrants either in the form of CDIs or New Spur Share Purchase Warrants,
- subject to the terms of the Scheme;
- (91) **Scheme Consideration Category 2** means for each Scheme Share Category 2 held by a Scheme Shareholder Category 2:
- 0.005564 New Spur Common Shares either in the form of CDIs or New Spur Common Shares; and
 - 0.002782 New Spur Share Purchase Warrants either in the form of CDIs or New Spur Share Purchase Warrants,
- subject to the terms of the Scheme;
- (92) **Scheme Meeting** means the meeting of the Atlantic Shareholders (other than the Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting;
- (93) **Scheme Regulatory Approval** has the meaning given in clause 3.1(1);
- (94) **Scheme Share** means a Scheme Share Category 1 or a Scheme Share Category 2 (as appropriate);
- (95) **Scheme Share Category 1** means an Atlantic Fully Paid Share on issue as at the Record Date (other than an Atlantic Fully Paid Share held by an Excluded Shareholder);

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- (96) **Scheme Share Category 2** means an Atlantic Partly Paid Share on issue as at the Record Date (other than an Atlantic Partly Paid Share held by an Excluded Shareholder);
- (97) **Scheme Shareholder** means a Scheme Shareholder Category 1 or a Scheme Shareholder Category 2 (as appropriate);
- (98) **Scheme Shareholder Category 1** means a holder of a Scheme Share Category 1 as at the Record Date (other than an Excluded Shareholder);
- (99) **Scheme Shareholder Category 2** means a holder of a Scheme Share Category 2 as at the Record Date (other than an Excluded Shareholder);
- (100) **Scheme Resolution** means the resolution put to Atlantic Shareholders (other than Excluded Shareholders) to approve the Scheme;
- (101) **Second Court Hearing Date** means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard;
- (102) **Share Splitting** means a Atlantic Shareholder splitting its holding of Atlantic Shares into 2 or more parcels, or a number of affiliated persons acquiring a number of parcels in different names or other manipulative conduct resulting in an increased number of Atlantic Shareholders;
- (103) **Spur Board** means the board of directors of Spur;
- (104) **Spur Confidential Information** means any commercial, financial or technical information of Spur or any Related Party of Spur disclosed or supplied by or on behalf of any such entity to Atlantic or any of its Representatives, whether orally or visually or in documentary or electronic form and including the notes, records or copies made by Atlantic or any of its Representatives of such information but excluding information which is in the public domain (other than as a result of a breach of this Deed by Atlantic) or which is obtained by Atlantic from a third party without breach by the third party of an obligation of confidence or otherwise previously known to Atlantic;
- (105) **Spur Deed Poll** means a deed poll to be executed by Spur substantially in the form of Annexure B (or in such other form agreed by Spur and Atlantic in writing) under which Spur covenants in favour of the Scheme Shareholders to perform the obligations attributed to it under the Scheme;
- (106) **Spur Director** means a director of Spur;
- (107) **Spur Disclosure Letter** means a letter (if any) identified as such provided by Spur to Atlantic and countersigned by Atlantic prior to entry into this Deed;
- (108) **Spur Due Diligence Materials** means the information, including information provided in response to requests for information by Atlantic, relating to the Spur Group which has been disclosed by or on behalf of the Spur Group to Atlantic, its Advisers and Related Bodies Corporate, or any of their respective Representatives between 7 April 2014 and the date of this Deed, being the information contained in the documents and other materials listed in the index of Spur Due Diligence Materials in the Agreed Form;
- (109) **Spur Group** means Spur and its Subsidiaries and, where the context applies, any member of the Spur Group;

- (110) **Spur Indemnified Parties** means Spur, its Advisers and Related Bodies Corporate and each of their respective Representatives;
- (111) **Spur Information** means the information regarding Spur, or the Merged Group (other than any information provided by Atlantic to Spur or obtained from Atlantic's public filings on ASX and ASIC regarding the Atlantic Group contained in, or used in the preparation of, the information regarding the Merged Group and other than the pro forma financial information regarding the Merged Group) including the New Spur Common Shares, the New Spur Share Purchase Warrants, the New Spur Common Shares in the form of CDIs and the New Spur Share Purchase Warrants in the form of CDIs comprising the Scheme Consideration provided by Spur to Atlantic in writing for inclusion in the Scheme Booklet. For the avoidance of doubt, the Spur Information does not include information about the Atlantic Group (except to the extent it relates to any statement of intention made by Spur relating to the Atlantic Group following the Effective Date);
- (112) **Spur Material Adverse Change** means any event, change, condition, thing, occurrence, circumstance or matter that:
- (a) occurs on or after the date of this Deed; or
 - (b) is likely to occur on or after the date of this Deed,
- (each a **Spur Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, things, occurrences, circumstances or matters of a like kind that have occurred or are likely to occur, has resulted in or could be reasonably be expected to result in:
- (c) a material adverse effect on the business, financial condition, assets, liabilities, results of operations, trading position, profitability or prospects, of the Spur Group (taken as a whole);
 - (d) a diminution or reduction in the value of the consolidated net assets of the Spur Group (taken as a whole) by A\$2,500,000 or more compared to what it would reasonably have been expected to have been but for such Spur Specified Event; or
- other than any event, change, condition, thing, occurrence, circumstance or matter:
- (e) that arises from any change occurring, directly or indirectly, as a result of any event, occurrence, circumstance or matter required or permitted by this Deed, the Scheme, the Spur Deed Poll, the DDV Gold Sale Agreement or the transactions contemplated by them (including any cost or expense associated therewith);
 - (f) that is Fairly Disclosed in the Spur Due Diligence Materials or the Spur Disclosure Letter; or
 - (g) that arises directly or indirectly or in connection with a Spur Permitted Transaction;
- (113) **Spur Permitted Transaction** means an actual or potential transaction agreed to in writing between Spur and Atlantic;
- (114) **Spur Prescribed Event** means the occurrence of any of the following:
- (a) Spur converting all or any of its shares into a larger or smaller number of shares;

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- (b) Spur or any of its non-wholly-owned Subsidiaries resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) Spur or any of its non-wholly-owned Subsidiaries:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Spur or any of its non-wholly-owned Subsidiaries making, declaring, paying or distributing or announcing an intention to make, declare or distribute any dividend, bonus or other share of its shareholder profits or shareholder assets or returning or agreeing to return any capital to its members (whether in cash or in specie);
- (e) Spur or any of its Subsidiaries issuing shares, or issuing or granting an option over its shares to a person outside the Spur Group, or agreeing to make such an issue or grant such an option to a person outside the Spur Group, except in relation to:
 - (i) the issue of any shares on the exercise of an option on issue in Spur or any of its Subsidiaries as at 7 April 2014; or
 - (ii) the issue or grant of any options in accordance with, or under, the Spur Stock Option Plan;
- (f) Spur or any of its Subsidiaries issuing convertible securities or agreeing to issue securities or other instruments convertible into shares or debt securities to a person outside the Spur Group, except in relation to:
 - (i) the issue of any shares on the exercise of an option on issue in Spur or any of its Subsidiaries as at 7 April 2014; or
 - (ii) the issue or grant of any options in accordance with, or under, the Spur Stock Option Plan;
- (g) Spur or any of its Subsidiaries disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (h) other than liens and statutory encumbrances arising in the ordinary course of business, Spur or any of its Subsidiaries creating, or agreeing to create, any Encumbrance over the whole, or a substantial part, of its business or property;
- (i) Spur or any of its Subsidiaries, making or permitting any changes to the terms and conditions of the current employment contracts of its officers, directors, senior management or employees or otherwise increasing compensation or benefits or accelerating compensation or benefits for any of the above, except where such changes, increases or accelerations are in the ordinary course of business;
- (j) Spur or any of its Subsidiaries declaring, agreeing to pay or becoming liable to pay a bonus (or similar payment) to any director, officer, employee, consultant or contractor of the Spur Group, except where such bonuses are in the ordinary course of business;
- (k) any Spur Group member resolves to be wound up;

- (l) Spur or any of its operating Subsidiaries becoming subject to subject to an Insolvency Event;
- (m) Spur or any of its Subsidiaries making any material change or amendment to its constitution;
- (n) Spur or any of its Subsidiaries making any material change to their accounting practices or policies, other than:
 - (i) to comply with generally accepted Canadian accounting standards or IFRS as adopted in Canada (or their equivalent in the relevant jurisdiction); or
 - (ii) any change in the presentation currency in its financial statements to C\$; or
- (o) any member of the Spur Group authorising, committing or agreeing to do any of the matters set out above,

provided that none of the above events will constitute a Spur Prescribed Event where:

- (p) Atlantic has given prior written approval to the proposed event;
- (q) the event is in connection with a Spur Permitted Transaction; or
- (r) the event is required or permitted to be done by this Deed, the Scheme, the Spur Deed Poll or the DDV Gold Sale Agreement;

- (115) **Spur Representations and Warranties** means the representations and warranties of Spur set out in Schedule 1;
- (116) **Spur Stock Option Plan** means the *Spur Ventures Inc. 2007 Stock Option Plan* approved by the shareholders of Spur on 27 June 2007;
- (117) **Subsidiary** has the meaning given to that term in the Corporations Act;
- (118) **Superior Proposal** means a bona fide Competing Proposal which the Atlantic Board, acting in good faith and after having consulted its external legal advisers and Financial Advisers, determines:
 - (a) is reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal including any timing considerations, any conditions precedent and the identity of the proponent; and
 - (b) would, if completed substantially in accordance with its terms, be more favourable to Atlantic Shareholders (as a whole) than the Transaction (as the Transaction may be amended or varied following application of the matching right set out in section 12.4), taking into account all terms and conditions of the Competing Proposal;
- (119) **Tax** means all forms of taxes, duties, imposts, charges, withholdings, rates, levies, clawbacks or other governmental impositions of whatever nature and by whatever authority imposed, assessed or charged together with all costs, charges, interest, penalties, fines and other additional statutory charges incidental or related to the imposition, assessment or charge of those amounts;
- (120) **Tax Authority** means any Governmental authority responsible for the imposition, collection or recovery of any Tax;

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- (121) **Third Party** means a person other than Spur or its Associates;
- (122) **Timetable** means the indicative timetable agreed between the parties in writing, subject to any amendments as the parties agree to in writing;
- (123) **Touquoy Property** means the property:
- (a) located 60km ENE of Halifax in Halifax County, Nova Scotia and centered on the former mining village of Moose River Gold Mines at 44°59' north latitude and 62°57' west longitude; and
 - (b) held under Mining Lease 11-1 and adjoining Mining Licence 10377 and situated on NTS sheets 11D/15C and 11E/2B and which covers an area of 1822 ha and which can be accessed via 110 km of sealed roads from Halifax and takes approximately an hour and a quarter by vehicle;
- (124) **Transaction** means the acquisition by Spur of all Atlantic Fully Paid Shares and all Atlantic Partly Paid Shares by means of the Scheme in accordance with the terms of this Deed;
- (125) **TSXV** means the TSX Venture Exchange, or any of the financial markets operated by it (as the context requires);
- (126) **TSXV Exchange Rules** means the official rules and policies of the TSXV as from time to time amended or waived in their application to a party; and
- (127) **Voting Power** has the meaning given in section 610 of the Corporations Act.

1.2 Interpretation

In this Deed, headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Deed, and unless the context otherwise requires:

- (1) words importing the singular include the plural and vice versa;
- (2) words importing a gender include any gender;
- (3) other parts of speech and grammatical forms of a word or phrase defined in this Deed have a corresponding meaning;
- (4) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Governmental Agency;
- (5) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Deed and a reference to this Deed includes any annexure, exhibit and schedule;
- (6) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Governmental Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (7) a reference to a document includes all amendments or supplements to, or replacements, restatements or novations of, that document;
- (8) a reference to a party to a document includes that party's successors and permitted assigns;

- (9) no provision of this Deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Deed or that provision;
- (10) a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day (unless otherwise specified);
- (11) the words "include", "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (12) a reference to "A\$" or '\$' is to Australian currency;
- (13) a reference to "C\$" is to Canadian currency;
- (14) a reference to any time is a reference to that time in Sydney, New South Wales, Australia; and
- (15) if an act, matter or thing must be done on a specified day which is not a Business Day, such act, matter or thing must be done on the next Business Day.

1.3 Inconsistent agreements

If a provision of this Deed is inconsistent with a provision of the Confidentiality Agreement or the Heads of Agreement the provision of this Deed prevails to the extent of such inconsistency.

2 Deed to propose and implement Scheme

2.1 Atlantic to propose Scheme

Atlantic agrees to propose the Scheme on and subject to the terms and conditions of this Deed.

2.2 Spur to assist Atlantic to implement Scheme

Spur agrees to comply with its obligations under the Scheme, and provide reasonable assistance to Atlantic in proposing and implementing the Scheme, on and subject to the terms and conditions of this Deed.

3 Conditions Precedent

3.1 Conditions precedent to the implementation of the Scheme

The Scheme will not become Effective and the obligations of the parties under the Scheme (including the obligations of Spur to issue the Scheme Consideration) will not be binding unless each of the following conditions precedent are satisfied or waived in accordance with clause 3.2:

- (1) **Scheme Regulatory Approvals:** before 8:00 am on the Second Court Hearing Date, all Regulatory Approvals which are necessary, or which the parties agree are desirable, to implement the Scheme have been issued or received (as applicable) (**Scheme Regulatory Approvals**) and such Scheme Regulatory Approvals remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;

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- (2) **Atlantic Options:** on or before the date of the Scheme Meeting, each Atlantic Optionholder enters into an Option Cancellation Deed;
- (3) **Restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any Court or Government Agency or other material legal restraint or prohibition preventing or delaying the Scheme is in effect at 8:00 am on the Second Court Hearing Date;
- (4) **Independent Expert's report:** the Independent Expert issues its Independent Expert's report which concludes that the Scheme is in the best interest of Atlantic Shareholders before the date on which the Scheme Booklet is registered with ASIC pursuant to section 412(6) of the Corporations Act and the Independent Expert does not change or withdraw its recommendation prior to 8.00 am on the Second Court Hearing Date;
- (5) **No Atlantic Prescribed Event:** no Atlantic Prescribed Event occurs during the period commencing on and from the date of this Deed and expiring at 8:00 am on the Second Court Hearing Date;
- (6) **No Spur Prescribed Event:** no Spur Prescribed Event occurs during the period commencing on and from the date of this Deed and expiring at 8:00 am on the Second Court Hearing Date;
- (7) **No Atlantic Material Adverse Change:** no Atlantic Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Spur during the period commencing on and from the date of this Deed and expiring at 8:00 am on the Second Court Hearing Date;
- (8) **No Spur Material Adverse Change:** no Spur Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Atlantic during the period commencing on and from the date of this Deed and expiring at 8:00 am on the Second Court Hearing Date;
- (9) **TSXV Quotation:** the New Spur Common Shares and New Spur Share Purchase Warrants to be issued pursuant to the Scheme have, before 8:00 am on the Second Court Hearing Date, been conditionally approved for listing on the TSXV subject only to the satisfaction of customary listing conditions and to the Scheme becoming Effective and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;
- (10) **ASX Quotation:** the New Spur Common Shares in the form of CDIs and the New Spur Share Purchase Warrants in the form of CDIs to be issued pursuant to the Scheme have, before 8:00 am on the Second Court Hearing Date, been approved for official quotation on the ASX subject only to any conditions which ASX may reasonably require and to the Scheme becoming Effective and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;
- (11) **No breach:** no material breach of this Deed by either party has occurred (which has not been remedied to the satisfaction of the other party) before 8:00 am on the Second Court Hearing Date;
- (12) **Atlantic Shareholder approval:** before 8:00 am on the Second Court Hearing Date, the Scheme Resolution is duly approved by Atlantic Shareholders at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act;

- (13) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act on the Second Court Hearing Date; and
- (14) **Orders convening Scheme Meeting:** the Court orders the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

3.2 Best Endeavours and Waiver of conditions precedent

- (1) Other than in respect of the conditions precedent in clause 3.1(12) (Atlantic Shareholder approval), clause 3.1(13) (Court approval) and clause 3.1(14) (Orders convening Scheme Meeting), which are for the benefit of both parties but cannot be waived:
 - (a) the conditions precedent in clauses 3.1(6) (No Spur Prescribed Event) and 3.1(8) (No Spur Material Adverse Change) are for the sole benefit of Atlantic and any breach or non-fulfilment of those conditions may only be waived by Atlantic giving its written consent and Spur must use its best endeavours to procure that each of those conditions is satisfied;
 - (b) the condition precedents in clauses 3.1(2) (Atlantic Options), 3.1(5) (No Atlantic Prescribed Event) and 3.1(7) (No Atlantic Material Adverse Change) are for the sole benefit of Spur and any breach or non-fulfilment of those conditions may only be waived by Spur giving its written consent and Atlantic must use its best endeavours to procure that each of those conditions is satisfied;
 - (c) the condition in clause 3.1(11) (No breach) is:
 - (i) in respect of a material breach by Atlantic of this Deed, for the sole benefit of Spur and any breach or non-fulfilment of the condition in that respect may only be relied on or waived by Spur giving its written consent; and
 - (ii) in respect of a material breach by Spur of this Deed, for the sole benefit of Atlantic and any breach or non-fulfilment of the condition in that respect may only be relied on or waived by Atlantic giving its written consent; and
 - (d) the condition precedents in clause 3.1(1) (Scheme Regulatory Approvals), clause 3.1(3) (Restraint), clause 3.1(4) (Independent Expert's Report), 3.1(9) (TSXV Quotation) and 3.1(10) (ASX Quotation) are for the benefit of each party and any breach or non-fulfilment of any of those conditions may only be waived with the written consent of each party and each party must use its best endeavours to procure that each of those conditions are satisfied.
- (2) Without limiting the generality of clause 16.1, Atlantic and Spur must cooperate, to the extent reasonably practicable, to assist one another with satisfying their obligations under this clause 3.2.
- (3) Where a party is required to use its best endeavours to procure that a condition precedent in clause 3.1 is satisfied (alone or together with the other party), that party must use its best endeavours, and must ensure that each of its Related Bodies Corporate uses its best endeavours, to procure that:
 - (a) each such condition precedent is satisfied as soon as practicable after the date of this Deed and continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and

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- (b) there is no occurrence within the control of the party or its Related Bodies Corporate that would prevent any such condition precedent being satisfied, except to the extent required by law.
- (4) A party entitled to waive a condition precedent under this clause 3.2 may do so in its absolute discretion.
- (5) If a party waives the breach or non-fulfilment of a condition precedent in clause 3.1, that waiver will not preclude it from suing the other party for any breach of this Deed that resulted from the breach or non-fulfilment of the condition precedent that was waived, or arising from the same event which gave rise to the breach or non-fulfilment of the condition.

3.3 Scheme Regulatory Approvals

To the extent permitted by law and each party's respective legal obligations and without limiting the generality of clause 3.1(1):

- (1) as soon as practicable after the date of this Deed, the parties must cooperate in good faith to develop a plan for communications with Governmental Agencies that are required to be approached for the purpose of procuring the satisfaction of any condition precedent in clause 3.1(1) (each a **Relevant Governmental Agency**);
- (2) each party (as applicable) must then promptly apply for all relevant Scheme Regulatory Approvals for which it is responsible, providing a copy to the other party of all such applications, and take all steps it is responsible for as part of the approval process for the Scheme, including responding to requests for information at the earliest practicable time;
- (3) each party:
 - (a) subject to the requirements of the Relevant Governmental Agency, will have the right to be present and make submissions at or in relation to any proposed meeting by the other party or its advisers with a Relevant Governmental Agency in relation to the Scheme (except to the extent that such meeting involves the discussion of commercially sensitive information);
 - (b) must consult with the other party in advance in relation to all material communications with any Relevant Governmental Agency relating to any Scheme Regulatory Approval;
 - (c) must promptly provide copies to the other party of any written communication sent to or received from a Relevant Governmental Agency in connection with the Scheme (except to the extent that such written communication contains commercially sensitive information of that party in correspondence with the Relevant Governmental Agency); and
 - (d) must provide the other party with all information reasonably requested in connection with the application for any Scheme Regulatory Approval; and
- (4) notwithstanding any other provision of this Deed, for the purpose of obtaining approval of a Relevant Governmental Agency, neither Spur nor Atlantic is required to agree to any conditions or to provide or agree to provide any written undertakings to a Relevant Governmental Agency which are not reasonably acceptable to Spur or Atlantic (as the case may be).

3.4 Status of conditions precedent

- (1) Each party must promptly give the other written notice of:

- (a) satisfaction of a condition precedent in clause 3.1 and must keep the other informed of any material development of which it becomes aware that may lead to the breach or a failure to satisfy a condition precedent in clause 3.1;
 - (b) a breach or failure to satisfy a condition precedent in clause 3.1; or
 - (c) any event that will prevent a condition precedent in clause 3.1 being satisfied.
- (2) If Atlantic provides Spur with a notice (**Atlantic MAC Event Notice**) under clause 3.4(1) stating that an event, occurrence, circumstance or matter has arisen or occurred which results in or constitutes a breach or non-fulfilment of the condition precedent under clause 3.1(7) (No Atlantic Material Adverse Change) (**Atlantic MAC Event**), Spur must, by no later than 7:00 pm on the 10th Business Day after the date of receipt of the Atlantic MAC Event Notice, provide a written notice (**Spur Response Notice**) to Atlantic stating whether it:
- (a) waives, in accordance with clause 3.2, the breach or non-fulfilment of the condition precedent under clause 3.1(7) which arises as a result of the relevant Atlantic MAC Event, the subject of the Atlantic MAC Event Notice (such waiver being subject to Spur reserving its rights in respect of any future Atlantic MAC Event which arises or occurs before 8:00 am on the Second Court Hearing Date); or
 - (b) seeks to rely on the relevant Atlantic MAC Event the subject of the Atlantic MAC Event Notice as a breach or non-fulfilment of the condition precedent under clause 3.1(7).

The parties agree that if Atlantic provides Spur with a Atlantic MAC Event Notice and Spur does not provide Atlantic with a Spur Response Notice within the period contemplated in this clause 3.4(2) then Spur will be deemed to have waived, in accordance with clause 3.2, any breach or non-fulfilment of the condition precedent under clause 3.1(7) which arises as a result of the Atlantic MAC Event the subject of the relevant Atlantic MAC Event Notice.

- (3) If Spur provides Atlantic with a notice (**Spur MAC Event Notice**) under clause 3.4(1) stating that an event, occurrence, circumstance or matter has arisen or occurred which results in or constitutes a breach or non-fulfilment of the condition precedent under clause 3.1(8) (No Spur Material Adverse Change) (**Spur MAC Event**), Atlantic must, by no later than 7:00 pm on the 10th Business Day after the date of receipt of the Spur MAC Event Notice, provide a written notice (**Atlantic Response Notice**) to Spur stating whether it:
- (a) waives, in accordance with clause 3.2, the breach or non-fulfilment of the condition precedent under clause 3.1(8) which arises as a result of the relevant Spur MAC Event, the subject of the Spur MAC Event Notice (such waiver being subject to Atlantic reserving its rights in respect of any future Spur MAC Event which arises or occurs before 8:00 am on the Second Court Hearing Date); or
 - (b) seeks to rely on the relevant Spur MAC Event the subject of the Spur MAC Event Notice as a breach or non-fulfilment of the condition precedent under clause 3.1(8).

The parties agree that if Spur provides Atlantic with a Spur MAC Event Notice and Atlantic does not provide Spur with an Atlantic Response Notice within the period contemplated in this clause 3.4(3) then Atlantic will be deemed to have waived, in accordance with clause 3.2, any breach or non-fulfilment of the condition precedent under clause 3.1(8) which arises as a result of the Spur MAC Event the subject of the relevant Spur MAC Event Notice.

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- (4) Each party must:
- (a) give the Court on the Second Court Hearing Date a certificate confirming (in respect of matters within its knowledge) whether or not the conditions precedent in clause 3.1 (other than the condition precedent in clause 3.1(13) (Court approval)) have been satisfied or waived; and
 - (b) give the other party a draft of its certificate by 7:00 pm on the Business Day before the Second Court Hearing Date.
- (5) The giving of a certificate by Spur and Atlantic under clause 3.4(4) will, in the absence of manifest error, be conclusive evidence of the satisfaction or waiver of the conditions precedent referred to in the certificate.
- (6) A Scheme Regulatory Approval will be regarded as having been obtained notwithstanding that a condition or conditions may have been attached to that Scheme Regulatory Approval if the condition is reasonably satisfactory to Atlantic and Spur.

3.5 Conditions precedent not met

- (1) If:
- (a) there is an event or occurrence that would, or does, prevent any of the conditions precedent contained in clause 3.1 being satisfied;
 - (b) there is an event or occurrence that would, or does, prevent any of the conditions precedent contained in clause 3.1 being satisfied by the time and date specified in this Deed for the satisfaction of that condition precedent;
 - (c) it becomes more likely than not that the Scheme will not become Effective by the End Date; or
 - (d) conditions precedent contained in clause 3.1 are not satisfied or waived by the date specified in this Deed for its satisfaction or if the Scheme has not become Effective by the End Date,
- then the parties will consult in good faith with a view to determining whether:
- (e) without prejudice to the terms of the DDV Gold Sale Agreement, the Scheme or a transaction which results in the acquisition of Atlantic or, alternatively, DDV Gold by Spur may proceed by way of an alternative approach, and, if so, to agree on the terms of such an alternative approach;
 - (f) to agree to extend the date for satisfaction of the relevant condition precedent to another date agreed in writing by Atlantic and Spur;
 - (g) to extend the End Date; or
 - (h) to adjourn or change the date of an application to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme (as applicable).
- (2) If the condition precedent in clause 3.1(12) (Atlantic Shareholder approval) is not satisfied by reason only of the non-satisfaction of the Headcount Test and either Spur or Atlantic considers, acting reasonably, that Share Splitting or some abusive or improper conduct may have caused or materially contributed to the Headcount Test not having been satisfied then Atlantic must:

- (a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (b) make such submissions to the Court and file such evidence as counsel engaged by Atlantic to represent it in Court proceedings related to the Scheme, in consultation with Spur, considers is reasonably required to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.

If the Court agrees to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test, the parties acknowledge that it will not be necessary to meet the Headcount Test in order to satisfy the condition precedent in clause 3.1(12) .

- (3) If the parties are unable to reach agreement under clause 3.5(1) within 10 Business Days of:
 - (a) becoming aware of the relevant event or occurrence that would, or does, prevent a condition precedent contained in clause 3.1 being satisfied;
 - (b) becoming aware that a condition precedent contained in clause 3.1 has not been satisfied by the date specified in this Deed for its satisfaction; or
 - (c) the End Date,
 (as applicable), then unless:
 - (d) the relevant condition is waived in accordance with clause 3.2; or
 - (e) the party entitled to waive the relevant condition in accordance with clause 3.2 confirms in writing to the other party that it will not rely on the event or occurrence that would or does prevent the relevant condition from being satisfied,

either party may (subject to clauses 3.5(2), 3.5(4), 8.1 and 14.6) terminate this Deed without liability to the other party because of that termination. For the avoidance of doubt, nothing in this clause 3.5(3) or clause 3.5(4) affects the obligation of Atlantic to pay the Break Fee or the Reimbursement Fee if it is required to do so under clause 13.

- (4) A party may not terminate this Deed under clause 3.5(3) if:
 - (a) the relevant condition in clause 3.1 has not been satisfied, or is incapable of being satisfied, or there is an occurrence that will prevent the relevant condition being satisfied by the date specified in this Deed for its satisfaction, as a result of an act or omission by that party or any of its Related Bodies Corporate which:
 - (i) results in a material breach of this Deed; and
 - (ii) either alone or together with other circumstances prevents that condition being satisfied or capable of being satisfied; or
 - (b) the relevant condition in clause 3.1 is stated in clause 3.2(1) to be for the sole benefit of the other party.

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4 Outline of Scheme

Subject to the terms and conditions of this Deed, Atlantic must propose, and Spur and Atlantic must implement, the Scheme subject to and in accordance with the provisions of the Scheme, the Spur Deed Poll and this Deed.

5 Co-ordination and timing

5.1 Co-operation

Atlantic and Spur must each use all reasonable endeavours and utilise all necessary resources (including management, shareholder, marketing and corporate relations resources, as well as the resources of external advisers) to produce the Scheme Booklet and implement the Scheme as soon as reasonably practicable and in accordance with the Timetable (unless otherwise agreed by the parties acting reasonably and in good faith) subject to compliance with their respective obligations, powers and duties under this Deed and all applicable laws and the proper performance by the directors of each of Atlantic and Spur of their fiduciary duties.

5.2 Access by Spur to people and Atlantic Information

- (1) Between the date of this Deed and the earlier of the Implementation Date and the date this Deed is terminated in accordance with its terms, Atlantic will provide Spur and its Representatives with reasonable access to Atlantic, its Representatives and documents, records, and other information (subject to any existing confidentiality obligations owed to third parties or applicable privacy laws) which Spur reasonably requires for the purposes of applying for all relevant Scheme Regulatory Approvals and the approvals referred to in clauses 3.1(9) and (10).
- (2) Spur acknowledges and agrees that any information received under by in accordance with clause 5.2(2) is subject to the obligations of confidence under clause 15.2.

5.3 New Spur Purchase Warrants

- (1) The parties agree that each New Spur Share Purchase Warrant shall be exercisable for a period of 4 years following the Implementation Date at a price of C\$0.60 per New Spur Share Purchase Warrant and, if exercised, will result in the issue by Spur of one Spur common share ranking equally in all respects with each existing Spur common share on issue.
- (2) The parties agree to negotiate in good faith and use their respective best endeavours to agree the definitive terms of issue of the New Spur Purchase Warrants, which for the avoidance of doubt must include those terms set out in clause 5.3(1) and the terms and conditions set out in Annexure C to the DDV Gold Sale Agreement, as soon as reasonably practical after the date of this Deed and, in any event, before the date on which the Regulator's Draft is given to ASIC.
- (3) The parties acknowledge and agree that changes may need to be made to the Scheme to accommodate the definitive terms of issue of the New Spur Purchase Warrants agreed by the parties in accordance with clause 5.3(2), and the mechanical arrangements in relation to the issue of the New Spur Purchase Warrants, and that they will negotiate in good faith and use their respective best endeavours to agree any such changes as soon as reasonably practical after the date of this Deed and, in any event, before the date on which the Regulator's Draft is given to ASIC.

6 Implementation obligations

6.1 Atlantic's obligations

Atlantic must take all reasonably necessary steps to implement the Scheme and the DDV Gold Alternative Transaction (subject to the terms of the DDV Gold Sale Agreement and this Deed) in accordance with the Timetable (unless otherwise agreed by the parties acting reasonably and in good faith), including taking each of the following steps:

- (1) **Public Announcement:** release the public announcement contemplated under clause 11.1;
- (2) **Scheme Booklet:** prepare and despatch a Scheme Booklet which:
 - (a) complies with all applicable Australian laws, the Listing Rules and applicable ASIC Regulatory Guides and which, in respect of the Atlantic Information is not false, misleading or deceptive in any material respect (whether by omission or otherwise);
 - (b) includes the Scheme, notice of meeting and proxy form for the Scheme and includes also a notice of meeting and proxy form for the EGM;
 - (c) contains a statement that all of the Atlantic Directors intend to vote any Atlantic Shares in which they have a Relevant Interest in favour of the Scheme, the EGM Resolutions and any other resolution submitted to Atlantic Shareholders for their approval in connection with the Scheme or the DDV Gold Alternative Transaction, in the absence of a Superior Proposal; and
 - (d) is updated, through the publication of a supplementary scheme booklet or through an announcement on the ASX, if Atlantic becomes aware of any of the following between the registration of the Scheme Booklet with ASIC and the date the New Spur Common Shares in the form of CDIs and the New Spur Share Purchase Warrants in the form of CDIs are quoted:
 - (i) a material statement in the Scheme Booklet is misleading or deceptive;
 - (ii) there is a material omission from the Scheme Booklet;
 - (iii) there has been a significant change affecting a matter included in the Scheme Booklet; or
 - (iv) a significant new circumstance has arisen and it would have been required to be included in the Scheme Booklet;
- (3) **Atlantic Directors' recommendation:** state in the Scheme Booklet and the public announcement contemplated under clause 11.1 (on the basis of statements made to Atlantic by each Atlantic Director) that all of the Atlantic Directors unanimously recommend to Atlantic Shareholders that the Scheme and the EGM Resolutions be approved in the absence of a Superior Proposal unless there has been a change of recommendation permitted by clause 6.7;
- (4) **Atlantic Directors' voting:** use its best endeavours to procure that:
 - (a) each Atlantic Director votes any Atlantic Shares in which they have a Relevant Interest in favour of the Scheme, the EGM Resolutions and any other resolution submitted to Atlantic Shareholders for their approval in connection with the Scheme or the DDV Gold Alternative Transaction, in the absence of a Superior Proposal; and

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(b) each Atlantic Director does not change that voting intention,

unless:

(c) the Independent Expert opines, to the effect, that the Scheme is not in the best interest of Atlantic Shareholders; or

(d) it would be unlawful for the Atlantic Director to vote the Atlantic Shares in which they have a Relevant Interest on any other basis, including any likely breach of a director's fiduciary duty or statutory obligation;

(5) **Independent Expert:** promptly appoint and brief the Independent Expert (and any other specialist expert required, such as a technical expert) and provide all assistance and information reasonably requested by the Independent Expert (and any such specialist expert) to enable the preparation of the necessary report(s) for inclusion in the Scheme Booklet stating whether in its opinion the Scheme is in the best interests of Atlantic Shareholders;

(6) **Investigating Accountant:** appoint, jointly with Spur, and brief, jointly with Spur, the Investigating Accountant and provide all assistance and information reasonably requested by the Investigating Accountant to enable the preparation of a report on the financial information to be contained in the Scheme Booklet;

(7) **Promote merits of the Scheme:** during the period from the date of this Deed to the Implementation Date, Atlantic must (to the extent it can, without breaching any applicable law):

(a) cooperate in good faith with Spur in efforts to promote the merits of the Scheme; and

(b) use best endeavours to procure Atlantic Directors do not act in a manner adverse to the Scheme,

unless the Independent Expert opines, to the effect, that the Scheme is not in the best interest of Atlantic Shareholders;

(8) **Promote merits of the DDV Gold Alternative Transaction:** during the Exclusivity Period, Atlantic must (to the extent it can, without breaching any applicable law):

(a) cooperate in good faith with Spur in efforts to promote the merits of the DDV Gold Alternative Transaction; and

(b) use best endeavours to procure Atlantic Directors do not act in a manner adverse to the DDV Gold Alternative Transaction;

(9) **Consult Spur:**

(a) provide to Spur advanced drafts of the Scheme Booklet, the report of the Independent Expert and the report of the Investigating Accountant (so that Spur has a reasonable opportunity to review and comment on those drafts);

(b) consult with Spur in relation to the content of the drafts of the Scheme Booklet, the report of the Independent Expert and the report of the Investigating Accountant provided to Spur and consider in good faith, for the purpose of amending those drafts (as to content and presentation), comments received from Spur and its Representatives on those drafts;

- (c) implement such changes to those parts in the Scheme Booklet relating to Spur which are provided to Atlantic in accordance with clause 6.2(1) as reasonably requested by Spur prior to finalising the Regulator's Draft; and
 - (d) consult with Spur in relation to the content of the documents required for the purpose of each of the Court hearing held for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from Spur and its Representatives on those documents;
- (10) **Approval of Regulator's Draft:** as soon as practicable after finalisation of an advanced draft of the Regulator's Draft suitable for review by ASIC, procure that a meeting of the Atlantic Board (or a committee of the Atlantic Board appointed for that purpose) is convened to consider approving the Atlantic Information sections of the Regulator's Draft as being in a form appropriate for provision to ASIC for review;
- (11) **Application for section 411(17)(b) statement:** apply to ASIC for the production of an indication of intent letter stating that it does not intend to appear before the Court on the First Court Hearing Date and a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (12) **Liaise with ASIC:** provide copies of the Regulator's Draft to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act and liaise with ASIC throughout the Regulatory Review Period;
- (13) **Regulatory Review:**
- (a) during the Regulatory Review Period promptly provide to Spur and include in the revised drafts of the Scheme Booklet any new information in relation to the Atlantic Group not included in the Regulator's Draft which is required by applicable Australian laws, the Listing Rules and applicable ASIC Regulatory Guides to be included in the Scheme Booklet; and
 - (b) keep Spur promptly informed and consult with Spur regarding any matters raised by ASIC or ASX in relation to the Scheme Booklet, the Transaction or the DDV Gold Alternative Transaction, including in relation to any presentation and/or the making of any submission in writing or at any proposed meeting with ASIC and use all reasonable endeavours, in co-operation with Spur, to resolve any such matters;
- (14) **Provide a copy of the reports:** on receipt, provide Spur with a copy of the final report received from the Independent Expert and the Investigating Accountant (or any other specialist expert);
- (15) **Approval of Scheme Booklet:** as soon as practicable after the conclusion of the review by ASIC of the Regulator's Draft, procure that a meeting of the Atlantic Board (or a committee of the Atlantic Board appointed for that purpose) is convened to consider and if thought fit, approve all of the contents of the Scheme Booklet as being in a form appropriate for despatch to the Atlantic Shareholders, subject to approval of the Court;
- (16) **Court direction:** apply to the Court for an order under section 411(1) of the Corporations Act directing Atlantic to convene the Scheme Meeting;

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- (17) **Registration of explanatory statement:** request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (18) **Scheme meeting:** take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Scheme Booklet to Atlantic Shareholders and promptly convening the holding of the Scheme Meeting in accordance with any orders which are made by the Court pursuant to section 411(1) of the Corporations Act and must not adjourn or postpone the Scheme Meeting without the prior written consent of Spur (which consent will not be unreasonably withheld);
- (19) **EGM:** take all reasonable steps necessary to convene the EGM at which Atlantic Shareholders will be asked to approve the EGM Resolutions, with the EGM to be convened and held on the same date as the Scheme Meeting and must not adjourn or postpone the EGM without the prior written consent of Spur (which consent will not be unreasonably withheld);
- (20) **Registry details:** subject to the terms of the Scheme or any applicable law:
 - (a) provide all necessary information about Atlantic Shareholders to Spur which Spur requires in order to assist Spur to identify the Scheme Shareholders; and
 - (b) direct the Atlantic Registry to promptly provide any information that Spur reasonably requests in relation to the Atlantic Share Register including any sub-register and, where requested by Spur, Atlantic must procure such information to be provided to Spur in such electronic form as is reasonably requested by Spur;
- (21) **Court order:** provided that the Scheme is approved by the requisite majorities of Atlantic Shareholders or clause 3.5(2) applies, apply to the Court (and to the extent necessary, re-apply) for an order approving the Scheme in accordance with sections 411(4)(b) of the Corporations;
- (22) **Lodge copy of Court orders:** if the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme, lodge with ASIC an office copy of the order of the Court approving the Scheme under section 411(10) of the Corporations Act by no later than the next Business Day after such office copy is received or such later date as agreed in writing by Spur;
- (23) **Registration:** if the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme and provided that the Scheme Consideration is issued or allotted to each Scheme Shareholder, register all transfers of Atlantic Shares to Spur on the Implementation Date;
- (24) **Listing:** provided that the Scheme Consideration is issued or allotted to each Scheme Shareholder, take all reasonable and appropriate steps to maintain Atlantic's listing on ASX, notwithstanding any suspension of the quotation of Atlantic Shares, up to the Business Day following the Implementation Date, including making appropriate applications to ASX and ASIC;
- (25) **Consents, approvals and confirmations:** co-operate with Spur and provide reasonable assistance in connection with obtaining consents, approvals and confirmations as may be required by Spur in relation to, or under or in connection with this Deed and the transactions contemplated by it including applications for regulatory, ASX or TSXV approval and other assistance reasonably requested by Spur; and

- (26) **Other steps:** do everything reasonably within its powers to ensure that the Scheme is effected in accordance with all laws and regulations applicable in relation to the Scheme.

6.2 Spur's obligations

Spur must take all necessary steps within its power to implement the Scheme and the DDV Gold Alternative Transaction (subject to the terms of the DDV Gold Sale Agreement and this Deed) in accordance with the Timetable (unless otherwise agreed by the parties acting reasonably and in good faith), including taking each of the following steps:

- (1) **Spur Information:** prepare and promptly provide to Atlantic the Spur Information for inclusion in the Scheme Booklet and ensure that the Spur Information is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (2) **Independent Expert:** provide all assistance and information reasonably requested by the Independent Expert (and any other specialist expert required) to enable the preparation of the necessary report(s) (including any updates to such reports) for the Scheme Booklet;
- (3) **Investigating Accountant:** appoint, jointly with Atlantic, and brief, jointly with Atlantic, the Investigating Accountant and provide all assistance and information reasonably requested by the Investigating Accountant to enable the preparation of a report on the financial information to be contained in the Scheme Booklet;
- (4) **Review of Scheme Booklet:** as soon as practicable after delivery, review the drafts of the Scheme Booklet prepared by Atlantic and provide comments on those drafts to Atlantic promptly and in good faith;
- (5) **New Spur Information:** update the Spur Information with any further or new information about Spur relevant to the Scheme of which it becomes aware that arises after the Scheme Booklet has been despatched and prior to the Scheme Meeting where that is necessary to ensure that the Scheme Booklet continues to comply with applicable laws (including the Corporations Act, Corporations Regulations and ASIC Regulatory Guides);
- (6) **Approval of Regulator's Draft:** as soon as practicable after finalisation of an advanced draft of the Regulator's Draft suitable for review by ASIC, approve the Spur Information in the Regulator's Draft as being in a form appropriate for provision to ASIC for review;
- (7) **Approval of Scheme Booklet:** as soon as practicable after the conclusion of the review by ASIC of the Regulator's Draft, approve the Spur Information in the Scheme Booklet as being in a form appropriate for despatch to Atlantic Shareholders, subject to approval of the Court;
- (8) **Spur Deed Poll:** prior to or immediately after the Court provides its approval under section 411(1) of the Corporations Act, execute the Spur Deed Poll and provide it to Atlantic;
- (9) **Scheme Consideration:** if the Scheme becomes Effective, issue, or caused to be issued, the Scheme Consideration in accordance with the terms and conditions of the Scheme and the Spur Deed Poll;
- (10) **Share Transfer:** if the Scheme becomes Effective, accept a transfer of the Scheme Shares held by Scheme Shareholders as contemplated by the terms and conditions of the Scheme; and

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- (11) **Other steps:** use its reasonable endeavours to provide any assistance or information reasonably requested by Atlantic to ensure that the Scheme is effected in accordance with all laws and regulations applicable in relation to the Scheme.

6.3 Appointment of Mr. Wally Bucknell as a Spur Director

If the Scheme becomes Effective, Spur must procure that, subject to receiving a consent to act as a Spur Director from Mr. Wally Bucknell, Mr. Wally Bucknell is appointed as a Spur Director on and from the Implementation Date.

6.4 Scheme Booklet

- (1) The parties agree that the efficient preparation of the Scheme Booklet is in the interests of the parties and Atlantic Shareholders. Atlantic will be generally responsible for preparation of the Scheme Booklet (other than the Spur Information) but will provide drafts to, and consult with, Spur in accordance with clause 6.1.
- (2) Spur's obligations under clauses 6.2(4), 6.2(6) and 6.2(7) relate only to the factual accuracy of Spur Information and Spur takes no responsibility for information in the Scheme Booklet other than Spur Information.
- (3) Each party must undertake appropriate due diligence and implement appropriate verification processes for the information in the Scheme Booklet for which they are responsible.
- (4) Each party must promptly inform the other party if it has any reason to believe that any information in the Scheme Booklet for which it is responsible is false, misleading or deceptive in any material respect (whether by omission or otherwise).

6.5 Dispute as to content of Scheme Booklet

If Spur and Atlantic disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet and use their reasonable endeavours to resolve the dispute within 2 Business Days. If complete agreement is not reached after reasonable consultation, then:

- (1) if the disagreement relates to the form or content of the Spur Information contained in the Scheme Booklet, Atlantic will, acting in good faith, make such amendments to final form or content as Spur reasonably requires; and
- (2) if the disagreement relates to the form or content of the Atlantic Information contained in the Scheme Booklet, Spur will, acting in good faith, agree to such amendments to final form or content as Atlantic reasonably requires,

provided that neither Atlantic nor Spur will in any case be required to include any information in the Scheme Booklet which is unverifiable or is misleading or deceptive.

6.6 Scheme Booklet responsibility statements

The responsibility statement to appear in the Scheme Booklet, in a form to be agreed by the parties, will contain words to the effect that:

- (1) Atlantic has provided, and is responsible for, the Atlantic Information in the Scheme Booklet and is also responsible for information provided by Atlantic to Spur or obtained from Atlantic's public filings on ASX and ASIC regarding the Atlantic Group contained in, or used in the preparation of, the information regarding the Merged Group following implementation of the Scheme, and that Spur and its

Representatives do not assume responsibility for the accuracy or completeness of the Atlantic Information;

- (2) Spur has provided, and is responsible for, the Spur Information in the Scheme Booklet (other than any information provided by Atlantic to Spur or obtained from Atlantic's public filings on ASX and ASIC regarding the Atlantic Group contained in, or used in the preparation of, the information regarding the Merged Group following implementation of the Scheme), and that Atlantic and its Representatives do not assume responsibility for the accuracy or completeness of the Spur Information;
- (3) Spur and Atlantic have provided, and are responsible for, the pro forma financial information regarding the Merged Group in the Scheme Booklet;
- (4) the Independent Expert has provided and is responsible for the Independent Expert's report, and that:
 - (a) Atlantic and its Representatives do not assume any responsibility for the accuracy or completeness of the Independent Expert's report; and
 - (b) Spur and its Representatives do not assume any responsibility for the accuracy or completeness of the Independent Expert's report; and
- (5) the Investigating Accountant has provided and is responsible for the Investigating Accountant's report, and that:
 - (a) Atlantic and its Representatives do not assume any responsibility for the accuracy or completeness of the Investigating Accountant's report; and
 - (b) Spur and its Representatives do not assume any responsibility for the accuracy or completeness of the Investigating Accountant's report.

6.7 Atlantic Board recommendation

- (1) Subject to clause 6.7(2), Atlantic must procure that the Atlantic Board unanimously recommend that Atlantic Shareholders vote in favour of the Scheme (in the absence of a Superior Proposal) and all of the resolutions at the Scheme Meeting and the Scheme Booklet must include a statement by the Atlantic Board to that effect.
- (2) Atlantic must procure that the Atlantic Board collectively, and members of the Atlantic Board individually, do not change, withdraw or modify its, his or her recommendation in favour of the Scheme unless:
 - (a) the Independent Expert provides, other than as a result of a breach of clause 12, a report to Atlantic that concludes that the Scheme is not in the best interest of Scheme Shareholders; or
 - (b) Atlantic has received, other than as a result of a breach of clause 12, a proposal which is a Superior Proposal.
- (3) Subject to clause 6.7(4), Atlantic must procure that the Atlantic Board unanimously recommends that Atlantic Shareholders vote in favour of the DDV Gold Alternative Transaction (in the absence of a Superior Proposal) and all of the EGM Resolutions at the EGM and the Scheme Booklet must include a statement by the Atlantic Board to that effect.
- (4) Atlantic must procure that the Atlantic Board collectively, and members of the Atlantic Board individually, do not change, withdraw or modify its, his or her recommendation in favour of the DDV Gold Alternative Transaction unless:

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- (a) the Independent Expert provides, other than as a result of a breach of clause 12, a report to Atlantic that concludes that the Scheme is not in the best interest of Scheme Shareholders; or
- (b) Atlantic has received, other than as a result of a breach of clause 12, a proposal which is a Superior Proposal.

7 Conduct of business

7.1 Conduct of business

From the date of this Deed up to and including the Implementation Date, Atlantic must conduct the business and operations of the Atlantic Group in the ordinary and normal course and in a manner consistent with the Agreed Budget (including where a cost or expense contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency), unless otherwise agreed in writing by Spur (acting reasonably).

7.2 Specific obligations

Without limiting clause 7.1 and other than with the prior written approval of Spur (which approval will not be unreasonably withheld) or as required by this Deed, the Scheme, the Spur Deed Poll or the DDV Gold Sale Agreement or as contemplated by the Agreed Budget (including where a cost or expense contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency), Atlantic must use, and must procure that each of its Subsidiaries uses, its best endeavours, on and from the date of this Deed up to and including the Implementation Date, to:

- (1) maintain its business and assets and conduct its business in the ordinary, usual and proper course consistent with the manner in which the business and assets were maintained and the business was conducted immediately prior to the date of this Deed;
- (2) keep available the services of its Officers and must not terminate the services of any of its senior managers;
- (3) preserve its relationships with Governmental Agencies, customers, suppliers, licensors, licensees, joint venturers, regulatory authorities and others with whom it has business dealings; and
- (4) promptly notify Spur of any material Claim which may be threatened, brought, asserted or commenced against any member of the Atlantic Group or their Officers, and consult with Spur in relation to such matter to the extent Spur reasonably requires.

7.3 Atlantic prohibited actions

Other than with the prior written approval of Spur or as required by this Deed, the Scheme or the DDV Gold Sale Agreement Atlantic must not, and must procure that each of its Subsidiaries does not, on and from the date of this Deed up to and including the Implementation Date:

- (1) take any action which gives rise to or would be reasonably expected to give rise to an Atlantic Prescribed Event or an Atlantic Material Adverse Change; or
- (2) do or fail to do anything as a result of which any of the warranties provided by the Atlantic in clause 9.2 are breached or are false, inaccurate or misleading.

7.4 Spur prohibited actions

Other than with the prior written approval of Atlantic or as required by this Deed, the Scheme, the Spur Deed Poll or the DDV Gold Sale Agreement, Spur must not, and must procure that each of its Subsidiaries does not, on and from the date of this Deed up to and including the Implementation Date:

- (1) take any action which gives rise to or would be reasonably expected to give rise to a Spur Prescribed Event or a Spur Material Adverse Change; or
- (2) do or fail to do anything as a result of which any of the warranties provided by the Spur in clause 9.1 are breached or are false, inaccurate or misleading.

8 Court proceedings

8.1 Appeal process

If the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, Atlantic must appeal the Court's decision to the fullest extent possible, except to the extent that:

- (1) the parties agree otherwise; or
- (2) the Queen's Counsel or Senior Counsel representing Atlantic in relation to the Scheme indicates that, in his or her opinion, an appeal would have negligible prospects of success; or
- (3) there is, in the view of the Atlantic Directors, a Superior Proposal which should be recommended in preference to the Scheme,

in which case either party may terminate this Deed in accordance with clause 12.

8.2 Defence of proceedings

Each of Spur and Atlantic must defend, or must cause to be defended, any lawsuits or other legal proceeding brought against it (or any of its Subsidiaries) challenging this Deed, the implementation of the Scheme or the DDV Gold Alternative Transaction unless to do so would be likely to result in a breach of the relevant directors' fiduciary duties or statutory obligations. Neither Atlantic nor Spur will settle or compromise (or permit any of its Subsidiaries to settle or compromise) any claim brought by a third party in connection with this Deed without the prior written consent of the other, such consent not to be unreasonably withheld.

8.3 Costs

Each party will bear its own costs incurred as a result of the operation of this clause 8.

9 Representations and warranties

9.1 Spur Representations and Warranties

Spur represents and warrants to Atlantic each of the Spur Representations and Warranties as at the date of this Deed and on each subsequent day until 8.00 am on the Second Court Hearing Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).

9.2 Atlantic Representations and Warranties

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Atlantic represents and warrants to Spur each of the Atlantic Representations and Warranties as at the date of this Deed and on each subsequent day until 8.00 am on the Second Court Hearing Date (except that where any statement is expressed to made only at a particular date it is given only at that date).

9.3 Atlantic indemnity

Atlantic indemnifies the Spur Indemnified Parties from and against all Losses that Spur or any of the other Spur Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Atlantic Representations and Warranties.

9.4 Spur indemnity

Spur indemnifies Atlantic Indemnified Parties from and against all Losses that Atlantic or any of the other Atlantic Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Spur Representations and Warranties.

9.5 Limitation of liability

A party is not liable for any breach of a representation or warranty to the extent that the facts, matters and circumstances giving rise to the breach are expressly required or permitted to be done pursuant to and in accordance with this Deed, the Scheme or the DDV Gold Sale Agreement or otherwise permitted in writing by the other party.

9.6 Survival of representations

- (1) The representations and warranties provided by each party under this clause 9:
 - (a) are severable;
 - (b) will survive the termination of this Deed; and
 - (c) are given with the intent that liability under them will not be confined to breaches of them discovered prior to the date of termination of this Deed.
- (2) The indemnities provided by each party under this clause 9 will:
 - (a) be severable;
 - (b) be a continuing obligation;
 - (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of such party under this Deed; and
 - (d) survive termination of this Deed.

10 Releases

10.1 Spur directors and officers

- (1) Atlantic releases its rights against, and agrees with Spur that it will not make a Claim against, any Spur Indemnified Party (other than Spur or its Related Bodies Corporate) in connection with:
 - (a) any breach of any representations, covenants and warranties of Spur or any member of the Spur Group in this Deed; or
 - (b) any disclosures containing any statement which is false or misleading whether in content or by omissions,

to the extent that the Spur Indemnified Party has acted in good faith and has not engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 10.1 limits Atlantic's right to terminate this Deed under clause 14.1.

- (2) This clause 10.1 is subject to any restriction contained in the Corporations Act.
- (3) Spur receives and holds the benefit of this clause 10.1 in its own right and as trustee for the Spur Indemnified Parties (to the extent it relates to them).

10.2 Atlantic Directors and officers

- (1) Spur releases its rights against, and agree with Atlantic that it will not make a Claim against, any Atlantic Indemnified Party (other than Atlantic or its Related Bodies Corporate) in connection with:

- (a) any breach of any representations, covenants and warranties of Atlantic or any member of the Atlantic Group in this Deed; or
- (b) any disclosures containing any statement which is false or misleading whether in content or by omissions,

to the extent that the Atlantic Indemnified Party has acted in good faith and has not engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 10.2 limits Spur's right to terminate this Deed under clause 14.1.

- (2) This clause 10.2 is subject to any restriction contained in the Corporations Act.
- (3) Atlantic receives and holds the benefit of this clause 10.2 in its own right and as trustee for the Atlantic Indemnified Parties (to the extent it relates to them).

11 Public announcements

11.1 Announcements of Scheme

Immediately after the execution of this Deed, each of the parties must issue a public announcement, in each case, in the Agreed Form. For the avoidance of doubt, the public announcement made by Atlantic will attach a copy of this Deed.

11.2 Public announcement and submissions

Subject to clause 11.3, each party must consult with the other prior to making any other public announcements in connection with the Scheme or the DDV Gold Alternative Transaction and must not make any public announcements in connection with the Scheme or the DDV Gold Alternative Transaction other than in a form approved by each party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

11.3 Required disclosure

Where a party is required by law, the ASX Listing Rules, the TSXV Exchange Rules or any other applicable stock exchange regulation to make any announcement or make any disclosure relating to the Scheme or the DDV Gold Alternative Transaction, it must use all reasonable endeavours, to the extent practicable, lawful and otherwise in accordance with applicable securities laws and the ASX Listing Rules or the TSXV Exchange Rules (as applicable), to consult with the other party prior to making the relevant disclosure and take account of any reasonable comments received from the other party (in a timely fashion) in relation to the form and content of the announcement or disclosure.

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11.4 Media and analyst briefings

Each party must use its reasonable endeavours (subject to its disclosure obligations (if any) under the ASX Listing Rules, the TSXV Exchange Rules, the Corporations Act and any other applicable laws) to ensure that any briefing to analysts or the media in relation to the Scheme or the DDV Gold Alternative Transaction or the subject matter of this Deed is a joint briefing by representatives of each party.

12 Exclusivity

12.1 No shop and no talk

During the Exclusivity Period, Atlantic must not, and must procure that each of its Representatives does not, directly or indirectly:

- (1) **(no shop)** solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do anything referred to in this clause 12.1(1); or
- (2) **(no talk)** subject to section 12.2:
 - (a) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the receipt of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;
 - (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
 - (c) disclose or otherwise provide any non-public information about the business or affairs of the Atlantic Group to a Third Party (other than a Governmental Agency) with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of the Atlantic Group); or
 - (d) communicate to any person an intention to do anything referred to in clauses 12.1(2)(a) to 12.1(2)(c) (inclusive).

12.2 Fiduciary exception

Clause 12.1(2) does not prohibit any action, including the provision of non-public information, or inaction by Atlantic or any of its Representatives in relation to an actual, proposed or potential Competing Proposal if compliance with clause 12.1(2), in the opinion of the Atlantic Board, formed in good faith after having consulted with its external legal advisers and Financial Advisor, would constitute, or would reasonably be likely to constitute, a breach of any of the fiduciary or statutory duties of the Atlantic Directors, provided that the actual, proposed or potential Competing Proposal was not, directly or indirectly, brought about, or facilitated, by a breach of clause 12.1(1).

12.3 Notification of approaches

If, during the Exclusivity Period, Atlantic or any of its Representatives, directly or indirectly, is aware of or becomes aware of or receives an actual, proposed or potential Competing Proposal (for the avoidance of doubt, whether or not subject to any pre-conditions, whether or not in writing and whether or not legally binding), Atlantic must as soon as possible (and, in any event, within 24 hours thereafter) notify Spur of that Competing Proposal. If that actual, proposed or potential Competing Proposal is in writing, Atlantic must provide Spur with a copy of that Competing Proposal (including all the material terms and conditions of that Competing Proposal) and inform Spur in writing of the identity of the person making or intending to make that Competing Proposal. If that actual, proposed or potential Competing Proposal is not in writing, Atlantic shall orally notify the Chairman, Chief Executive Officer or Chief Financial Officer of Spur of that Competing Proposal (including all the material terms and conditions of that Competing Proposal and of the identity of the person making or intending to make that Competing Proposal).

12.4 Matching right

- (1) During the Exclusivity Period, Atlantic:
 - (a) must not, and must procure that each of its Subsidiaries do not, enter into, or agree to enter into, any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, Atlantic (or any of its Subsidiaries) or both proposes or propose to undertake or give effect to a Superior Proposal; and
 - (b) must procure that no Atlantic Director publicly recommends or otherwise endorses a Superior Proposal or recommends against the Transaction or the DDV Gold Alternative Transaction,unless:
 - (c) Atlantic has first given Spur the information contemplated by clause 12.3;
 - (d) Atlantic has first given Spur 5 Business Days after the date of the provision of the information contemplated by clause 12.3 to provide Atlantic with a matching or superior proposal to the Superior Proposal; and
 - (e) Spur has not provided, in the reasonable opinion of the Atlantic Board, a matching or superior proposal to the Superior Proposal by the end of the period contemplated in clause 12.4(1)(d).
- (2) If Spur does provide Atlantic, in the reasonable opinion of the Atlantic Board, with a matching or superior proposal to the Superior Proposal by the end of the 5 Business Day period contemplated in clause 12.4(1)(d), Spur and Atlantic must use their best endeavours to agree any amendments to this Deed as reasonably necessary to reflect Spur's matching or superior proposal as soon as reasonably practicable.
- (3) For clarity, each successive amendment to any proposal from Spur that is a matching or superior proposal to a Superior Proposal shall constitute a new proposal for the purposes of this clause 12.4, and clause 12.3 and this clause 12.4 shall apply in relation to such matching or superior proposal from Spur.

12.5 Cease discussions

Atlantic must, and must procure that each of its Subsidiaries, cease any discussions or negotiations existing as at the date of this Deed relating to:

- (1) any actual, proposed or potential Competing Proposal; or

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- (2) any transaction that would, or would reasonably be likely to, reduce the likelihood of the success of the Transaction or the DDV Gold Alternative Transaction.

12.6 Provision of information

During the Exclusivity Period, Atlantic must as soon as reasonably possible provide Spur with:

- (1) in the case of written materials, a copy of; and
- (2) in any other case, a written statement of,

any material non-public information about the business or affairs of Atlantic or the Atlantic Group disclosed or otherwise provided to any Third Party in connection with an actual, proposed or potential Competing Proposal that has not previously been provided to Spur. For the avoidance of doubt, any such provision of information to a Third Party may only be undertaken if permitted by clause 12.2.

13 Reimbursement Fee and Break Fee

13.1 Background

This clause 13 has been agreed in circumstances where:

- (1) Spur and Atlantic believe that the Scheme will provide significant benefits to Spur, Atlantic and their respective shareholders, and Spur and Atlantic acknowledge that, if they enter into this Deed and the Transaction is subsequently not implemented, Spur will incur significant costs, including those set out in clause 13.5;
- (2) Spur requested that provision be made for the payments outlined in clauses 13.2 and 13.3, without which Spur would not have entered into this Deed or otherwise agreed to implement the Transaction; and
- (3) the Atlantic Board believes that the implementation of the Transaction will provide benefits to Atlantic and Atlantic Shareholders and both the Spur Board and Atlantic Board believe that it is appropriate for Atlantic to agree to the payments referred to in this clause 13 to secure Spur's participation in the Transaction.

13.2 Payment by Atlantic to Spur of Reimbursement Fee

- (1) Atlantic agrees to pay to Spur the Reimbursement Fee if:
 - (a) during the Exclusivity Period, Atlantic or any of its Representatives, directly or indirectly, was aware of, becomes aware of or receives from a Third Party, an actual, proposed or potential Competing Proposal (for the avoidance of doubt, whether or not such proposal is subject to any pre-conditions, whether or not such proposal is in writing and whether or not legally binding) and, within the 12 months of the announcement of such Competing Proposal, the Third Party or any Associate of that Third Party:
 - (i) completes a Competing Proposal of a kind referred to in any of paragraph 1.1(38)(a), 1.1(38)(c) or 1.1(38)(d) of the definition of "Competing Proposal";
 - (ii) enters into an agreement, arrangement or understanding with Atlantic or the Atlantic Board of the kind referred to in clause 1.1(38)(e) of the definition of "Competing Proposal";

- (b) the Atlantic Directors change their recommendation in favour of the Transaction or the DDV Gold Alternative Transaction or recommend that Atlantic Shareholders accept or vote in favour of or otherwise support or endorse (including support by way of accepting or voting, or by way of stating any intention to accept or vote, in respect of any Atlantic Shares in which an Atlantic Director has a Relevant Interest) any actual, proposed or potential Competing Proposal (whether or not such proposal is subject to any pre-conditions), except as a result of:
 - (i) any matter or thing giving Atlantic the right to terminate this Deed under clause 14.1 and Atlantic has given Spur the appropriate termination notice contemplated under clause 14.1; or
 - (ii) the Independent Expert concluding in the Independent Expert's report (contained in the Scheme Booklet approved by the Court on the First Court Hearing Date for despatch to Atlantic Shareholders), that the Scheme is not in the best interest of Atlantic Shareholders (except where that conclusion is due wholly or partly to the existence, announcement or publication of a Competing Proposal); or
 - (c) either the Scheme Meeting or the EGM is not held before the End Date following a deliberate act or omission by Atlantic in breach of its obligations under this Deed, unless Atlantic has had the right to terminate this Deed under clause 14.1 and Atlantic has given Spur the appropriate termination notice contemplated under clause 14.1.
- (2) Atlantic must pay the Reimbursement Fee into an account nominated by Spur, without set-off or withholding, within 5 Business Days of receipt by Atlantic of a written demand for payment from Spur. The demand may only be made after the occurrence of the event referred to in clause 13.2(1).
 - (3) Where the Reimbursement Fee becomes payable to Spur under clause 13.2(1) and is actually paid to Spur, Spur cannot make any claim against Atlantic for payment of any subsequent Reimbursement Fee.
 - (4) Notwithstanding the occurrence of any event referred to clause 13.2(1), the Reimbursement Fee is not payable by Atlantic if the Transaction is implemented or completion occurs under the DDV Gold Alternative Transaction.

13.3 Payment by Atlantic to Spur of Break Fee

- (1) Without limiting clause 13.2, Atlantic agrees to pay to Spur the Break Fee if:
 - (a) the:
 - (i) Court orders the convening of the Scheme Meeting under section 411(1) of the Corporations Act; and
 - (ii) the Scheme Resolution is not approved by Atlantic Shareholders (other than the Excluded Shareholders) at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act; and
 - (b) the EGM Resolutions are not approved by Atlantic Shareholders at the EGM by the requisite majorities.
- (2) Atlantic must pay the Break Fee into an account nominated by Spur, without set-off or withholding, within 5 Business Days of receipt by Atlantic of a written demand for

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payment from Spur. The demand may only be made after the occurrence of the event referred to in clause 13.3(1).

- (3) Notwithstanding the occurrence of any event referred to in clause 13.3(1), the Break Fee is not payable by Atlantic if the Transaction is implemented or Atlantic Shareholders approve the DDV Gold Alternative Transaction.

13.4 Refund of Reimbursement Fee and Break Fee

- (1) If Atlantic has actually paid to Spur the Reimbursement Fee in accordance with clause 13.2 and the Transaction is subsequently implemented or completion occurs under the DDV Gold Alternative Transaction, then, notwithstanding the occurrence of the relevant event referred to clause 13.2(1) which resulted in the payment of the Reimbursement Fee by Atlantic to Spur, Spur must refund the full amount of the Reimbursement Fee into an account nominated by Atlantic, without set-off or withholding, within 5 Business Days of receipt by Spur of a written demand for payment from Atlantic.
- (2) If Atlantic has actually paid to Spur the Break Fee in accordance with clause 13.3 and the Transaction is subsequently implemented or completion occurs under the DDV Gold Alternative Transaction, then, notwithstanding the occurrence of the event referred to clause 13.3(1) which resulted in the payment of the Break Fee by Atlantic to Spur, Spur must refund the full amount of the Break Fee into an account nominated by Atlantic, without set-off or withholding, within 5 Business Days of receipt by Spur of a written demand for payment from Atlantic.

13.5 Nature of payments

The amount payable by Atlantic to Spur under clauses 13.2 and 13.3 have been calculated to reimburse Spur for costs including the following:

- (1) fees for legal, financial and other professional advice in planning and implementing the Transaction and the DDV Gold Alternative Transaction (excluding success fees);
- (2) reasonable opportunity costs incurred in engaging in the Transaction and the DDV Gold Alternative Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
- (3) costs of management and Spur Directors' time in planning and implementing the Transaction and the DDV Gold Alternative Transaction; and
- (4) out of pocket expenses incurred by Spur and Spur's employees, advisers and agents in planning and implementing the Transaction and the DDV Gold Alternative Transaction,

and the parties agree that:

- (5) the costs actually incurred by Spur will be of such a nature that they cannot all be accurately ascertained; and
- (6) each of the Reimbursement Fee and Break Fee is a genuine and reasonable pre-estimate of those costs.

13.6 Compliance with law

- (1) This clause 13 does not impose an obligation on Atlantic to pay the Reimbursement Fee or the Break Fee to the extent (and only to the extent) that the obligation to pay the Reimbursement Fee or the Break Fee:

(a) is declared by the Takeovers Panel to constitute unacceptable circumstances; or

(b) is determined to be unenforceable or unlawful by a court,

provided that all proper avenues of appeal and review, judicial and otherwise, have been exhausted.

- (2) The parties must not make or cause, or encourage, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 13.6(1).

13.7 Survival

Any accrued obligations under this clause 13 survive termination of this Deed.

14 Termination

14.1 Termination for breach

- (1) This Deed may be terminated by Spur or Atlantic by written notice to the other, at any time prior to 8:00 am on the Second Court Hearing Date, if:
- (a) the other party is in material breach of this Deed or there has been a material breach of a representation or warranty given by that other party under clause 9.1 or 9.2 (as applicable);
 - (b) the non-defaulting party has given notice to the other party specifying the material breach and stating an intention to terminate this Deed; and
 - (c) if the material breach is capable of remedy, it has not been remedied within 5 Business Days (or any shorter period ending at 7:00 pm on the last Business Day before the Second Court Hearing Date) from the date a notice under clause 14.1(1)(b) is given.
- (2) The parties agree that for the purposes of clause 14.1(1)(a):
- (a) any breach by Atlantic of the Atlantic Representations and Warranties contained in paragraphs 6, 16, 18, 19, 20, 22, 24, 25 and 28 of Schedule 2 (the **Relevant Atlantic Representations and Warranties**) will be deemed to be a material breach of that representation or warranty;
 - (b) any breach by Spur of the Spur Representations and Warranties contained in paragraphs 6, 16, 17 and 18 of Schedule 1 (the **Relevant Spur Representations and Warranties**) will be deemed to be a material breach of that representation or warranty; and
 - (c) any breach by Spur of the Spur Representations and Warranties contained in paragraph 13 of Schedule 1 will be deemed to be a material breach of that representation or warranty, other than where, at 20 August 2014 (being the approximate Implementation Date anticipated by the parties), the Spur Group will, or is likely to, have cash deposits with banks or other financial institutions which, in aggregate, will be an amount of at least 95% of C\$28,000,000:
 - (i) net of the aggregate amount of any trade creditors and interest bearing debt of the Spur Group; and

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- (ii) less any costs and expenses relating to, or incurred in connection with, a Spur Permitted Transaction, the Transaction or the DDV Gold Alternative Transaction.

14.2 No-fault termination

Subject to clause 14.3, this Deed may be terminated by either party by written notice to the other:

- (1) if the Scheme has not become Effective on or before the End Date; or
- (2) in accordance with and pursuant to clause 3.5(3).

14.3 Condition for no-fault termination

This Deed may not be terminated by a party under clause 14.2 if the relevant event described in clause 14.2 is a result of (either alone or together with other events or circumstances) an act or omission by that party or any of its Related Bodies Corporate.

14.4 Termination by Spur

Spur may terminate this Deed by written notice to Atlantic if:

- (1) an Atlantic Material Adverse Change occurs prior to 8.00 am on the Second Court Hearing Date;
- (2) an Atlantic Prescribed Occurrence occurs prior to 8.00 am on the Second Court Hearing Date; or
- (3) an Insolvency Event has occurred in relation to Atlantic or any of its Related Bodies Corporate prior to 8.00 am on the Second Court Hearing Date.

14.5 Termination by Atlantic

Atlantic may terminate this Deed by written notice to Spur if:

- (1) a Spur Material Adverse Change occurs prior to 8.00 am on the Second Court Hearing Date;
- (2) a Spur Prescribed Occurrence occurs prior to 8.00 am on the Second Court Hearing Date; or
- (3) an Insolvency Event has occurred in relation to Spur or any of its Related Bodies Corporate prior to 8.00 am on the Second Court Hearing Date.

14.6 Effect of termination

- (1) Termination of this Deed under clauses 14.1, 14.2 (including under clause 3.5(3)), 14.4 or 14.5 does not affect any accrued rights arising from a breach of this Deed prior to termination.
- (2) This clause 14.6 and clauses 1, 9, 10, 11, 12, 13, 15 and 16 (other than clause 16.1) survive termination of this Deed.

14.7 Notification of breach and compliance certificate

- (1) Atlantic and Spur will respectively promptly advise each other in writing upon becoming aware of:

- (a) a representation or warranty provided in this Deed by either party becoming false in any material way; or
 - (b) a material breach of this Deed by it.
- (2) By 7:00 pm on the Business Day immediately before the Second Court Hearing Date, each of Spur and Atlantic must execute and deliver to the other party a certificate signed on behalf of the party by a director and made in accordance with a resolution of the relevant Board (or a committee of the Board appointed for that purpose) confirming that (except as previously disclosed in writing):
- (a) it has complied in all material respects with its obligations under this Deed;
 - (b) the representations and warranties given by it in clause 9 remain true and correct in all material respects, or if any such representation or warranty is not true and accurate as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or inaccurate;
 - (c) in the case of Atlantic only, the Relevant Atlantic Representations and Warranties remain true and correct in all respects; and
 - (d) in the case of Spur only, the Relevant Spur Representations and Warranties remain true and correct in all respects.

15 Confidentiality

15.1 Atlantic's obligations

Atlantic acknowledges and agrees that:

- (1) it will use the Spur Confidential Information exclusively for the purpose of preparing the Scheme Booklet and implementing the Scheme only and, without limitation, will not make any use of the Spur Confidential Information or any part of it to the competitive disadvantage of Spur or any of its Related Parties;
- (2) it will keep the Spur Confidential Information in confidence and will not disclose the Spur Confidential Information except:
 - (a) to such Representatives of Atlantic as require the Spur Confidential Information for the purpose of preparing the Scheme Booklet and implementing the Scheme only, but only if any such person is aware of, and agrees to comply with, the obligations of Atlantic under this clause 15.1;
 - (b) to the extent required by:
 - (i) law, any regulation or rule or any legal process;
 - (ii) the rules of a recognised stock exchange on which the securities of Atlantic or a Related Body Corporate of Atlantic are quoted; or
 - (iii) a court order or order or decree of any Governmental Agency binding upon Atlantic or a Related Body Corporate of Atlantic; or
 - (c) with the prior consent of Spur;
- (3) it will promptly notify Spur of any suspected or actual unauthorised use, copying or disclosure of the Spur Confidential Information;

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- (4) it will, upon request by Spur, return to Spur all Spur Confidential Information provided to Atlantic or its Representatives, together with any notes, records or copies of, or other documents incorporating the Spur Confidential Information generated by any such person, provided however that Atlantic may retain such Spur Confidential Information (and any notes, records, copies of or other documents incorporating the Spur Confidential Information) as it is required to retain by law or where it necessarily forms part of the minutes or papers of the Atlantic Board or committee of directors (provided that Atlantic will not be released or discharged from its obligations and undertaking in relation to that Confidential Information under this clause 15.1); and
- (5) subject to clause 1.3, it will continue to be bound by the Confidentiality Agreement in respect of all Spur Confidential Information received by it on, before or after the date of this Deed in accordance with the terms of the Confidentiality Agreement.

15.2 Spur's obligations

Spur acknowledges and agrees that:

- (1) it will not make any use of the Atlantic Confidential Information or any part of it except in connection with the Scheme, a Competing Proposal in relation to Atlantic or any other transaction contemplated by this Deed or the DDV Gold Sale Agreement and, without limitation, will not make any use of the Atlantic Confidential Information or any part of it to the competitive disadvantage of Atlantic or any of its Related Parties;
- (2) it will keep the Atlantic Confidential Information in confidence and will not disclose the Atlantic Confidential Information except:
 - (a) to such Representatives of Spur as require the Atlantic Confidential Information in connection with the Scheme, a Competing Proposal in relation to Atlantic or any other transaction contemplated by this Deed or the DDV Gold Sale Agreement, but only if any such person is aware of, and agrees to comply with, the obligations under this clause 15.2;
 - (b) to the extent required by:
 - (i) law, any regulation or rule or any legal process;
 - (ii) the rules of a recognised stock exchange on which the securities of Spur or a Related Body Corporate of Spur are quoted; or
 - (iii) a court order or order or decree of any Governmental Agency binding upon Spur or a Related Body Corporate of Spur; or
 - (c) with the prior consent of Atlantic;
- (3) it will promptly notify Atlantic of any suspected or actual unauthorised use, copying or disclosure of the Atlantic Confidential Information;
- (4) it will, upon request by Atlantic, return to Atlantic or destroy all Atlantic Confidential Information provided to Spur and its Representatives, together with any notes, records, copies of or other documents incorporating the Atlantic Confidential Information generated by any such person, provided however that Spur may retain such Atlantic Confidential Information (and any notes, records, copies of or other documents incorporating the Atlantic Confidential Information) as it is required to retain by law or where it necessarily forms part of the minutes or papers of the Spur Board or committee of directors (provided that Spur will not be released or discharged from its obligations and undertaking in relation to that Confidential Information under this clause 15.2); and

- (5) subject to clause 1.3, it will continue to be bound by the Confidentiality Agreement in respect of all Atlantic Confidential Information received by it on, before or after the date of this Deed in accordance with the terms of the Confidentiality Agreement.

16 General

16.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to give effect to this Deed, including to bind the party and any other person intended to be bound under this Deed.

16.2 Notices

Any notice, demand, consent or other communication given or made under this Deed is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail or email. If it is sent by mail within Australia to an address in Australia, it is taken to have been received 3 Business Days after it is posted. If it is sent by mail to an address outside Australia or sent by post from outside Australia, it is taken to have been received 6 Business Days after it is posted. If it is sent by email, it is taken to have been received when the addressee actually receives it.

Spur

Address: Suite 3083, 595 Burrard Street, Vancouver B.C., Canada
Attention: Irfan Shariff and Chris Batalha
Email: ishariff@spur-ventures.com and chrisbatalha@spur-ventures.com

Atlantic

Address: Suite 506, 815 Pacific Highway, Chatswood, New South Wales 2067, Australia
Attention: Wally Bucknell
Email: wallybucknell@atlanticgold.com.au

16.3 GST

- (1) In this Deed:
- (a) words or expressions used in this clause which have a particular meaning in the **GST law** (as defined in the GST Act, and also including any applicable legislative determinations and Australian Taxation Office public rulings) have the same meaning, unless the context otherwise requires;
 - (b) any reference to GST payable by a party includes any corresponding GST payable by the representative member of any GST group of which that party is a member;
 - (c) any reference to an input tax credit entitlement by a party includes any corresponding input tax credit entitlement by the representative member of any GST group of which that party is a member; and
 - (d) if the GST law treats part of a supply as a separate supply for the purpose of determining whether GST is payable on that part of the supply or for the

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purpose of determining the tax period to which that part of the supply is attributable, such part of the supply is to be treated as a separate supply.

- (2) Unless expressly included, the consideration for any supply under or in connection with this Deed does not include GST.
- (3) To the extent that any supply made by a party to another party (**Recipient**) under or in connection with this Deed is a taxable supply and a tax invoice has been provided to the Recipient, the Recipient must pay, in addition to the consideration to be provided under this Deed for that supply (unless it expressly includes GST) an amount equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.
- (4) The amount of GST payable in accordance with this clause 16.3 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.
- (5) If there is an adjustment event in relation to a supply which results in the amount of GST on a supply being different from the amount in respect of GST already recovered by the supplier, as appropriate, the supplier:
 - (a) may recover from the Recipient the amount by which the amount of GST on the supply exceeds the amount already recovered; or
 - (b) must refund to the Recipient the amount by which the amount already recovered exceeds the amount of GST on the supply; and
 - (c) must issue an adjustment note in relation to the supply to the recipient within 28 days of the adjustment event.

16.4 Discretion in exercising rights

A party may exercise a right or remedy in any way it considers appropriate (including by imposing conditions), unless this Deed expressly states otherwise.

16.5 Conflict of interest

The parties' rights and remedies under this Deed may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

16.6 Stamp duties

Spur:

- (1) agrees to pay all stamp duties (if any) and any fines, penalties and interest payable and assessed by legislation or by any revenue office in respect of this Deed or the Scheme or the steps to be taken under or contemplated by or related to this Deed or the Scheme; and
- (2) indemnifies Atlantic against any liability arising from failure to comply with clause 16.6(1).

16.7 Disclosure

With the prior consent of the other party (such consent not to be unreasonably withheld or delayed) each party may disclose information relating to the Transaction contemplated by this Deed, the Scheme or the DDV Gold Alternative Transaction to a Tax Authority for the purpose of obtaining any Tax relief, pre-determinations, exemptions, approvals or rulings from a Tax Authority.

16.8 Expenses

- (1) Except as otherwise provided in this Deed, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this Deed, the Scheme Booklet, other related documentation and the proposed, attempted or actual implementation of this Deed, the Scheme and the DDV Gold Alternative Transaction.
- (2) The parties agree that the cost of the Investigating Accountant shall be equally shared between the parties.

16.9 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this Deed or any part of it.

16.10 Amendments

This Deed, or a right created under it, may only be varied by a document signed by or on behalf of each of the parties.

16.11 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this Deed without the prior written consent of the other party.

16.12 Waiver

- (1) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (2) Any waiver or consent given by any party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (3) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

16.13 No representation or reliance

- (1) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Deed, except for representations or inducements expressly set out or acknowledged in this Deed.
- (2) Each party acknowledges and confirms that it does not enter into this Deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out or acknowledged in this Deed.

16.14 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this Deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

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16.15 Remedies cumulative

The rights and remedies provided in this Deed are in addition to other rights and remedies given by law independently of this Deed.

16.16 No liability for loss

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this Deed.

16.17 Counterparts

- (1) This Deed may be executed in any number of counterparts. Each counterpart is an original but the counterparts together are one and the same Deed.
- (2) This Deed is binding on the parties on the exchange of counterparts. A copy of a counterpart sent by facsimile machine, email or other electronic means:
 - (a) must be treated as an original counterpart;
 - (b) is sufficient evidence of the execution of the original; and
 - (c) may be produced in evidence for all purposes in place of the original.

16.18 Entire agreement

To the extent permitted by law, in relation to the subject matter of this Deed, the DDV Gold Sale Agreement and the Confidentiality Agreement:

- (1) embodies the entire understanding of the parties and constitutes the entire terms agreed upon between the parties; and
- (2) supersedes any prior agreement (whether or not in writing) between the parties.

16.19 Governing law

- (1) This Deed is governed by and will be construed according to the laws of New South Wales, Australia.
- (2) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia and of the Commonwealth of Australia.

Schedule 1 – Spur representations and warranties

1. Each member of Spur Group is a validly existing corporation registered under the laws of its place of incorporation.
2. The execution and delivery of this Deed by Spur has been properly authorised by all necessary corporate action and Spur has full corporate power and lawful authority to execute and deliver this Deed and to perform or cause to be performed its obligations under this Deed.
3. Subject to laws generally affecting creditors' rights and the principles of equity, this Deed has been duly executed and constitutes legal, valid and binding obligations on Spur, enforceable against it in accordance with its terms.
4. This Deed does not conflict with or result in the breach of or a default under:
 - (i) any provision of Spur's constitution; or
 - (ii) any material term or provision of any material agreement (including any financing arrangements) or any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it or any other Spur Group Member is bound,and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this Deed.
5. No Insolvency Event has been declared, commenced or threatened with respect to any member of the Spur Group and there is no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have an adverse and material effect on Spur's ability to fulfil its obligations under this Deed.
6. As at the date of this Deed and as at the Implementation Date, and other than:
 - (i) as agreed to in writing by Atlantic;
 - (ii) as contemplated by this Deed, the Scheme, the DDV Gold Alternative Transaction or a Spur Permitted Transaction;
 - (iii) any shares issued or to be issued on the exercise of an option on issue in Spur as at 7 April 2014; and
 - (iv) any options to be issued or granted in accordance with, or under, the Spur Stock Option Plan,the only shares, options, performance rights, convertible notes and other securities that Spur has, or will have, on issue or has agreed, or will have agreed, to issue are in aggregate:
 - (v) 60,407,187 common shares;
 - (vi) 4,650,000 employee options,and other than as set out in paragraphs 6(i) to 6(vi) above, no:
 - (vii) member of the Spur Group has any other shares, options, performance rights, convertible notes or other securities on issue, other than any of the foregoing which is held by another member of the Spur Group;
 - (viii) person has any agreement, option, warrant, right (whether contingent or otherwise) or privilege (whether contractual or otherwise) capable of becoming an agreement

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for the purchase, acquisition, subscription for, issuance of, conversion into or exchange for, any of the Spur common shares or other securities of Spur or its Subsidiaries; and

- (ix) member of the Spur Group is under any obligation to issue or grant, or has made any offers, or entered into any agreement, that may result in the issue or grant of, or give a party the right to be issued or be granted, shares, options, performance rights, convertible notes or other securities, whether or not any such offer or agreement is in writing and whether or not such offer or agreement is legally binding.
7. The audited consolidated financial statements of Spur for the year ended 31 December 2013 comply as to form in all material respects with all Canadian laws and accounting requirements applicable to the preparation of financial statements, have been prepared on a basis consistent with past practices in accordance with in all material respects all relevant Canadian laws and accounting standards applicable in Canada, including generally accepted accounting principles in Canada (Canadian GAAP) or International Financial Reporting Standards as issued by the International Accounting Standards Board as applicable at 31 December 2013 and fairly present in all material respects the consolidated financial position of Spur as at 31 December 2013 and the consolidated results of its operations and cash flows for the period ended 31 December 2013.
8. The Spur Information provided for inclusion in the Scheme Booklet (other than any information regarding the Atlantic Group contained in, or used in the preparation of, the information regarding the Merged Group):
- (i) as at the date the Scheme Booklet is despatched to Atlantic Shareholders, will not contain any statement which is materially misleading or deceptive, including by way of omission from that statement; and
 - (ii) will be included in good faith and on the understanding that Atlantic and its directors will rely on that information for the purposes of considering and approving the Scheme Booklet before it is despatched, and implementing the Scheme and the Spur Information will in all material respects comply with the requirements of all applicable Australian laws, the Listing Rules and the applicable ASIC Regulatory Guides.
9. All information provided by Spur to Atlantic, the Independent Expert or the Investigating Accountant will be provided in good faith and on the understanding that the Atlantic Board will rely on such information for the purposes of considering and approving the Scheme Booklet, and the Independent Expert and the Investigating Accountant will rely on such information for the purposes of producing their respective reports for the Scheme Booklet.
10. It will, as a continuing obligation, provide to Atlantic all further or new information which arises after the Scheme Booklet has been despatched to Atlantic Shareholders until the date of the Scheme Meeting which is necessary to ensure that there would be no breach of paragraph 9 above if it applied as at the date on which that information arose.
11. Except as Fairly Disclosed in the Spur Disclosure Letter, Spur and its Subsidiaries have complied in all material respects with all Governmental Agencies having jurisdiction over them and have all material licences and permits necessary for them to conduct their respective business as presently being conducted.
12. Any statement of opinion or belief contained in the Spur Information is honestly held and there are reasonable grounds for that opinion or belief.
13. As at 20 August 2014 (being the approximate Implementation Date anticipated by the parties), the Spur Group will have cash deposits with banks or other financial institutions which, in aggregate, will be an amount of at least C\$28,000,000:

- (i) net of the aggregate amount of any trade creditors and interest bearing debt of the Spur Group; and
 - (ii) less any costs and expenses relating to, or incurred in connection with, a Spur Permitted Transaction, the Transaction or the DDV Gold Alternative Transaction.
- 14. Spur is not in breach of its continuous or periodic disclosure obligations under any applicable law, rule or regulation, including the TSXV Exchange Rules, subject to the announcement of the execution of this Deed.
- 15. Except as Fairly Disclosed in the Spur Disclosure Letter, there are no material actions, suits, arbitrations, legal or administrative proceedings pending or threatened against Spur or any of its Subsidiaries. Neither Spur nor any of its Subsidiaries is the subject of any material pending or material threatened investigation. Neither Spur nor any of its Subsidiaries nor the respective assets, properties or business of Spur or any of its Subsidiaries is subject to any judgment, order, writ, injunction or decree of any court, Governmental Agency or arbitration tribunal.
- 16. Each document comprising the Spur Due Diligence Materials is complete in all material respects and accurate in all material respects. Spur has not intentionally withheld from the Spur Due Diligence Materials given before the date of this Deed any written information that is known to Spur to be material to Atlantic Shareholders as proposed holders of common shares and warrants in Spur.
- 17. Spur's Notice of Articles and Articles are in the forms contained in the Spur Due Diligence Materials.
- 18. Spur's public record is in all material respects complete, accurate and up to date and no material change has occurred in the business, operations, affairs or capital of Spur that has not been publicly disclosed.

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Merger Implementation Deed

Schedule 2 – Atlantic representations and warranties

1. Each member of the Atlantic Group is a validly existing corporation registered under the laws of its place of incorporation.
2. The execution and delivery of this Deed by Atlantic has been properly authorised by all necessary corporate action and Atlantic has full corporate power and lawful authority to execute and deliver this Deed and to perform or cause to be performed its obligations under this Deed.
3. Subject to laws generally affecting creditors' rights and the principles of equity, this Deed has been duly executed and constitutes legal, valid and binding obligations on Atlantic, enforceable against it in accordance with its terms.
4. This Deed does not conflict with or result in the breach of or a default under:
 - (i) any provision of Atlantic's constitution; or
 - (ii) any material term or provision of any material agreement (including any financing arrangements) or any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it or any other Atlantic Group Member is bound,and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this Deed.
5. No Insolvency Event has been declared, commenced or threatened with respect to any member of the Atlantic Group and there no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have an adverse and material effect on Atlantic's ability to fulfil its obligations under this Deed.
6. As at the date of this Deed, the only shares, options, performance rights, convertible notes and other securities that Atlantic has on issue or has agreed to issue are in aggregate:
 - (i) 858,445,494 Atlantic Fully Paid Shares;
 - (ii) 30,286,342 Atlantic Partly Paid Shares, each paid to A\$0.09 and each being capable of being subject to a further call of up to A\$0.11, the terms of which were released to the ASX on 20 October 2003; and
 - (iii) 17,500,000 Atlantic Options, all having an exercise price of A\$0.027 and an expiry date of 28 August 2017 and held by 3 Atlantic Optionholders,and, other than set out in paragraphs 6(i) to (iii) above, no:
 - (iv) member of the Atlantic Group has any other shares, options, performance rights, convertible notes or other securities on issue, other than any of the foregoing which is held by another member of the Atlantic Group;
 - (v) person has any agreement, option, warrant, right (whether contingent or otherwise) or privilege (whether contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for, issuance of, conversion into or exchange for, any of the Atlantic Shares or other securities of Atlantic or its Subsidiaries; and
 - (vi) member of the Atlantic Group is under any obligation to issue or grant, or has made any offers, or entered into any agreement, that may result in the issue or grant of, or give a party the right to be issued or be granted, shares, options, performance rights, convertible notes or other securities, whether or not any such

offer or agreement is in writing and whether or not such offer or agreement is legally binding.

7. The consolidated financial statements of Atlantic for the year ended 31 December 2013 as disclosed to the ASX comply as to form in all material respects with the Corporations Act and all applicable accounting requirements applicable to the preparation of financial statements, have been prepared on a basis consistent with past practices (except to the extent that adoption of International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS**) requires a change to past practices) in accordance with in all material respects all relevant Australian laws and accounting standards applicable in Australia, including generally accepted accounting principles in Australia (Australian GAAP) or IFRS as applicable at 31 December 2013 and fairly present in all material respects the consolidated financial position of Atlantic as at 31 December 2013 and the consolidated results of its operations and cash flows for the period ended 31 December 2013.
8. The Atlantic Information contained in the Scheme Booklet:
 - (i) as at the date the Scheme Booklet is despatched to Atlantic Shareholders, will not contain any statement which is materially misleading or deceptive, including by way of omission from that statement; and
 - (ii) will be included in good faith and on the understanding that Spur and its directors will rely on that information for the purposes of considering and approving the Spur Information in the Scheme Booklet before it is despatched, approving the entry into the Spur Deed Poll under clause 6.2(8) and implementing the Scheme and the Atlantic Information will in all material respects comply with the requirements of all applicable Australian laws, the Listing Rules and the applicable ASIC Regulatory Guides.
9. All information provided by Atlantic to Spur, the Independent Expert or the Investigating Accountant will be provided in good faith and on the understanding that the Spur Board will rely on such information for the purposes of considering and approving the Scheme Booklet, and the Independent Expert and the Investigating Accountant will rely on such information for the purposes of producing their respective reports for the Scheme Booklet.
10. Any statement of opinion or belief contained in the Atlantic Information is honestly held and there are reasonable grounds for holding that opinion or belief.
11. It will, as a continuing obligation (but in respect of the Spur Information, only to the extent that Spur provides Atlantic with updates to the Spur Information), ensure that the Scheme Booklet is updated to include all further or new information which arises after the Scheme Booklet has been despatched to Atlantic Shareholders until the date of the Scheme Meeting which is necessary to ensure that the Scheme Booklet is not misleading or deceptive (including by way of omission).
12. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, Atlantic and its Subsidiaries have all material licences, environmental approvals, permits and other consents necessary for operations and activities of its business as presently conducted.
13. Atlantic is not in breach of its continuous or periodic disclosure obligations under the Listing Rules or the Corporations Act, subject to the announcement of the execution of this Deed and registration of the Scheme Booklet pursuant to clause 6.1(17) and, as at the date of this Deed, Atlantic is not relying on Listing Rule 3.1A to withhold any information from disclosure under the Listing Rules.
14. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, Atlantic and its Subsidiaries have complied in all material respects with all Governmental Agencies having jurisdiction over them and have all material licences and

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permits necessary for them to conduct their respective business as presently being conducted.

15. Atlantic has provided complete and accurate information in the Atlantic Due Diligence Materials regarding fee levels in all retainers and mandates with Financial Advisors and fee estimates for other advisors in relation to the Scheme and any Competing Proposals or any other transaction where such retainer or mandate is current, or under which the Atlantic Group still has obligations.
16. Each document comprising the Atlantic Due Diligence Materials is complete in all material respects and accurate in all material respects. Atlantic has not intentionally withheld from the Atlantic Due Diligence Materials given before the date of this Deed any written information that is known to Atlantic to be material to Spur as purchaser of the Atlantic Group as a whole.
17. Atlantic's constitution is in the form of the memorandum and articles of association released to the ASX on 24 April 1996 (ASIC document ID: 050077231).
18. The only members of the Atlantic Group are Atlantic, Atlantic Gold and DDV Gold. Each of Atlantic Gold and DDV Gold a directly wholly owned Subsidiary of Atlantic. Neither Atlantic nor any Atlantic Group member owns or has an interest in any other company, partnership, trust, joint venture or other enterprise. Atlantic Gold is a non-operating company and has no assets.
19. As at the date of this Deed, the Atlantic Group has not less than A\$275,000 in cash, net of trade creditors, interest bearing debt and subscriptions received under the share purchase plan announced to the ASX on 7 April 2014.
20. All material assets of the Atlantic Group are owned by DDV Gold.
21. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, there are no material actions, suits, arbitrations, legal or administrative proceedings pending or threatened against Atlantic or any of its Subsidiaries. Neither Atlantic nor any of its Subsidiaries is the subject of any material pending or material threatened investigation. Neither Atlantic nor any of its Subsidiaries nor the respective assets, properties or business of Atlantic or any of its Subsidiaries is subject to any judgment, order, writ, injunction or decree of any court, Governmental Agency or arbitration tribunal.
22. Atlantic's public record is in all material respects complete, accurate and up to date and no material change has occurred in the business, operations, affairs or capital of Atlantic or the Development Properties that has not been Fairly Disclosed to the ASX.
23. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, none of the Development Properties:
 - (i) has any material liabilities (other than any annual expenditure commitments); or
 - (ii) is subject to any significant Encumbrances or any litigation,in each case, that has not been Fairly Disclosed to the ASX.
24. Except as Fairly Disclosed in the Atlantic Disclosure Letter, all titles and permits held by Atlantic or its Subsidiaries in respect of the Development Properties are in good standing.
25. Except as Fairly Disclosed in the Atlantic Disclosure Letter, Atlantic or the Atlantic Group is the beneficial and legal owner of 100% right, title and interest, free and clear of any material title defect or Encumbrance, of each of the Development Properties.

26. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, none of the Development Properties or any minerals or product derived from the Development Properties are subject to or bound by any royalty, royalty interest or similar payment or interest, whether registered or unregistered, and neither Atlantic or any member of the Atlantic Group has granted any royalty, royalty interest or similar payment or interest in or affecting the Development Properties.
27. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, each of Atlantic and every member of the Atlantic Group owns, possesses or have obtained, and is in compliance with, all necessary licenses, easements, permits, certificates, mining conventions, consents, orders, grants and other qualifications and authorizations necessary to conduct its business on the Development Properties, as applicable, as currently conducted.
28. Each of the mining claims comprising the Development Properties is in good standing and is held in full compliance with applicable laws. Each of the mining claims comprising the Development Properties has been duly and validly located according to industry standards in the jurisdiction where it is located, and, except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, none of such mining claims is in conflict with any claims owned by other persons. All payments due to any Governmental Agency in respect of any of the mining claims comprising the Development Properties have been made, and there have been no defaults or other acts contrary to or breach of the requirements of applicable laws which have or would permit the termination or cancellation of any such mining claims.

Annexure E

Merger Implementation Deed

Executed as a deed.

Signed, sealed and delivered for and on behalf of **Spur Ventures Inc.** by its authorised representative in the presence of:

Signature of witness

Signature of authorised representative

Name of witness
(BLOCK LETTERS)

Name of authorised representative
(BLOCK LETTERS)

Address of witness

Signed, sealed and delivered by **Atlantic Gold NL** ACN 062 091 909 in accordance with section 127 of the *Corporations Act 2001*:

Director/company secretary

Director

Name of director/company secretary
(BLOCK LETTERS)

Name of director
(BLOCK LETTERS)

Annexure A – Scheme

[Attached]

Annexure E

Merger Implementation Deed

Annexure B – Spur Deed Poll

[Attached]

Annexure F

Spur Deed Poll

Annexure F
Spur Deed Poll



Deed

Share scheme deed poll

Spur Ventures Inc.

Annexure F

Spur Deed Poll



Share scheme deed poll

Date ► 18 June 2014

This deed poll is made

By	Spur Ventures Inc. of Suite 3083 – 595 Burrard Street, Vancouver, British Columbia, Canada (Spur)
in favour of	each person registered as a holder of fully paid or partly paid ordinary shares in Atlantic in the Atlantic Share Register as at the Record Date (other than the Excluded Shareholders).
Recitals	1 Atlantic and Spur entered into the Implementation Deed. 2 In the Implementation Deed, Spur agreed to make this deed poll. 3 Spur is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations under the Implementation Deed and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
First Court Hearing Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Implementation Deed	the merger implementation deed dated 15 May 2014 between Atlantic and Spur relating to the implementation of the Scheme.

Term	Meaning
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Atlantic and the Scheme Shareholders, the form of which is set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Atlantic and Spur.
Spur Share	a fully paid common share in the capital of Spur.
Spur Warrant	a warrant in respect of an unissued fully paid common share in the capital of Spur.
(b)	Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Spur acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Atlantic and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Spur.

2 Conditions to obligations

2.1 Conditions

This deed poll and the obligations of Spur under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Spur under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms;
- (b) the Scheme is not Effective on or before the End Date; or

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Spur Deed Poll



- (c) the Condition Subsequent is not satisfied on or before the End Date, unless Spur and Atlantic otherwise agree in writing.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to Spur or the Scheme Shareholders (as applicable):

- (a) Spur is released from its obligations to further perform this deed poll except those obligations contained in clause 7.1; and
- (b) each Scheme Shareholder retains the rights they have against Spur in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Undertaking to provide Scheme Consideration Category 1

Subject to clause 2, Spur undertakes in favour of each Scheme Shareholder Category 1 to:

- (a) provide, or procure the provision of, the Scheme Consideration Category 1 to each Scheme Shareholder Category 1 in accordance with the terms of the Scheme; and
- (b) undertake all other actions attributed to it under the Scheme, subject to and in accordance with the provisions of the Scheme.

3.2 Undertaking to provide Scheme Consideration Category 2

Subject to clause 2, Spur undertakes in favour of each Scheme Shareholder Category 2 to:

- (a) provide, or procure the provision of, the Scheme Consideration Category 2 to each Scheme Shareholder Category 2 in accordance with the terms of the Scheme; and
- (b) undertake all other actions attributed to it under the Scheme, subject to and in accordance with the provisions of the Scheme.

3.3 Shares to rank equally

Spur covenants in favour of each Scheme Shareholder that the New Spur Common Shares and the New Spur Share Purchase Warrants which are issued in accordance with the Scheme will:

- (a) rank equally with all existing Spur Shares and all existing Spur Warrants (if any); and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4 Warranties

Spur represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Spur has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 Notices

6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to Spur in accordance with the details set out below (or any alternative details nominated by Spur by Notice).

Attention	Irfan Shariff
Address	Suite 3083 – 595 Burrard Street, Vancouver, British Columbia, Canada
Fax no	+1 604 689 5564
Email address	ishariff@spur-ventures.com

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Spur Deed Poll



6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By fax to the nominated fax number	At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety. However, if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included.
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 6.2).

7 General

7.1 Stamp duty

Spur:

- (a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and

- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales, Australia.
- (b) Spur irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Spur irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

7.3 Waiver

- (a) Spur may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of Spur as a waiver of any right unless the waiver is in writing and signed by Spur.
- (c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

7.4 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Hearing Date, the variation is agreed to by Atlantic; or
- (b) if on or after the First Court Hearing Date, the variation is agreed to by Atlantic and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Spur will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.5 Cumulative rights

The rights, powers and remedies of Spur and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

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Spur Deed Poll



7.6 Assignment

- (a) The rights created by this deed poll are personal to Spur and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Spur.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

7.7 Further action

Spur must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

7.8 Consent

Spur consents to Atlantic producing this deed poll to the Court.

Attachment 1

Scheme

[Attached]

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Spur Deed Poll



Signing page

Executed as a deed poll

THE CORPORATE SEAL OF
Spur Ventures Inc.
was hereunto affixed in the presence of:

sign here ▶ _____
Director

print name _____ C/S

sign here ▶ _____
Director

print name _____

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Scheme of Arrangement

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Scheme of Arrangement



Scheme of arrangement – share scheme

Atlantic Gold NL

Scheme Shareholders

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia
GPO Box 4227 Sydney NSW 2001 Australia

T +61 2 9225 5000 F +61 2 9322 4000
herbertsmithfreehills.com DX 361 Sydney

Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Atlantic Gold NL (ACN 062 091 909) of Suite 506, 815 Pacific Highway, Chatswood, NSW 2067, Australia
(Atlantic)

The Scheme Shareholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) Atlantic is a public company limited by shares, registered in Victoria, Australia, and has been admitted to the official list of the ASX. Atlantic Shares are quoted for trading on the ASX.
- (b) As at 26 June 2014:
 - (1) 828,671,993 Atlantic Fully Paid Shares;
 - (2) 30,286,342 Atlantic Partly Paid Shares; and
 - (3) 17,500,000 Atlantic Options,were on issue.
- (c) Spur is a public company incorporated in British Columbia, Canada, and is a listed company on the TSXV.

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- (d) If this Scheme becomes Effective:
 - (1) Spur must provide or procure the provision of:
 - (A) the Scheme Consideration Category 1 to each Scheme Shareholder Category 1; and
 - (B) the Scheme Consideration Category 2 to each Scheme Shareholder Category 2,in accordance with the terms of this Scheme and the Spur Deed Poll; and
 - (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Spur, and Atlantic must enter the name of Spur in the Atlantic Share Register in respect of the Scheme Shares.
- (e) Atlantic and Spur have agreed, by executing the Implementation Deed, to implement this Scheme.
- (f) This Scheme attributes actions to Spur but does not itself impose an obligation on it to perform those actions. Spur has agreed, by executing the Spur Deed Poll, to perform the actions attributed to it under this Scheme, including the provision, or procuring the provision of, the Scheme Consideration Category 1 to each Scheme Shareholder Category 1 and the Scheme Consideration Category 2 to each Scheme Shareholder Category 2.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived (with the exception of the conditions which cannot be waived by either party to the Implementation Deed) in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Hearing Date;
- (b) neither the Implementation Deed nor the Spur Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Hearing Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Atlantic and Spur;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Atlantic and Spur having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Atlantic and Spur agree in writing).

3.2 Certificate

- (a) Atlantic and Spur must provide to the Court on the Second Court Hearing Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 ASX quotation

In the event that the condition in clause 3.1(10) (ASX Quotation) of the Implementation Deed is not satisfied and is waived by Atlantic and Spur:

- (a) each Scheme Shareholder Category 1 (other than an Ineligible Foreign Shareholder Category 1) will be deemed to have made an election under clause 5.1 to receive the Scheme Consideration Category 1 in the form of New Spur Common Shares and New Spur Share Purchase Warrants rather than CDIs; and
- (b) each Scheme Shareholder Category 2 (other than an Ineligible Foreign Shareholder Category 2) will be deemed to have made an election under clause 6.1 to receive the Scheme Consideration Category 2 in the form of New Spur Common Shares and New Spur Share Purchase Warrants rather than CDIs.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Atlantic must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible and in any event by 5.00pm on the 1st Business Day after the day on which the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration Category 1 in the manner contemplated by clause 5 and the Scheme Consideration Category 2 in the manner contemplated by clause 6, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Spur, without the need for any further act by any Scheme Shareholder (other than acts performed by Atlantic as attorney and agent for Scheme Shareholders under clause 9.5), by:
 - (1) Atlantic delivering to Spur a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Atlantic; and
 - (2) Spur duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Atlantic or the Atlantic Registry for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), Atlantic must enter, or procure the entry of, the name of Spur in the

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Scheme of Arrangement



Atlantic Share Register in respect of all the Scheme Shares transferred to Spur in accordance with this Scheme.

4.3 Termination

If the Scheme Consideration Category 1 has not been provided to Scheme Shareholders Category 1 in the manner contemplated by clause 5.2 and the Scheme Consideration Category 2 has not been provided to Scheme Shareholders Category 2 in the manner contemplated by clause 6.2 on or before the End Date (**Condition Subsequent**), this Scheme will automatically terminate and be of no further force or effect.

5 Scheme Consideration Category 1

5.1 Election

- (a) Subject to clause 5.1(b) and clause 5.4, each Scheme Shareholder Category 1 will receive the Scheme Consideration Category 1 in the form of CDIs. A Scheme Shareholder Category 1 who wishes to receive the Scheme Consideration Category 1 in the form of CDIs does not need to make an election under clause 5.1(b).
- (b) Subject to the remaining provisions of this clause 5.1 and clause 5.4, each Scheme Shareholder Category 1 will be entitled to elect to receive the Scheme Consideration Category 1 in the form of New Spur Common Shares and New Spur Share Purchase Warrants rather than CDIs, by completing the Election Form and returning it to the address specified in the Election Form so that it is received by the Atlantic Registry at or before the Election Date.
- (c) An Ineligible Foreign Shareholder Category 1 is not entitled to make any election under clause 5.1(b) and any election purportedly made by an Ineligible Foreign Shareholder Category 1 will be invalid. Ineligible Foreign Shareholders Category 1 will have their Scheme Consideration Category 1 dealt with in accordance with clause 5.4.
- (d) An election under clause 5.1(b) must be made in accordance with the terms and conditions on the Election Form.
- (e) A Scheme Shareholder Category 1 (other than an Ineligible Foreign Shareholder Category 1) who does not make a valid election under clause 5.1(b) will be deemed to have elected to receive the Scheme Consideration Category 1 in the form of CDIs.
- (f) Subject to clause 5.1(g), a valid election made or deemed to be made by a Scheme Shareholder Category 1 under this clause 5.1 will be deemed to apply in respect of the Scheme Shareholder Category 1's entire holding of Scheme Shares Category 1, regardless of whether the Scheme Shareholder Category 1's holding of Scheme Shares Category 1 is greater or less than the Scheme Shareholder Category 1's holding at the time it made its election.
- (g) A Scheme Shareholder Category 1 (other than an Ineligible Foreign Shareholder Category 1) that holds one or more parcels of Scheme Shares Category 1 as trustee or nominee for, or otherwise on account of, another person may in accordance with the Scheme Booklet or the Election Form make separate elections under clause 5.1(b) in relation to each of those parcels of Scheme Shares Category 1 (subject to it providing to Atlantic and Spur any substantiating information they reasonably require), and an election made in

respect of any such parcel, or an omission to make an election in respect of any such parcel, will not be taken to extend to the other parcels.

- (h) A Scheme Shareholder Category 1 may vary or withdraw any election made by it under this clause 5.1 at any time before the Election Date. To vary such an election, a Scheme Shareholder Category 1 must lodge with the Atlantic Registry a replacement Election Form at or before the Election Date. To withdraw such an election, a Scheme Shareholder Category 1 must follow the procedure set out in the Scheme Booklet or in the Election Form, or as may otherwise be agreed by Atlantic and Spur.
- (i) Subject to clause 5.1(j), an election which is not made or deemed to have been made in accordance with this clause 5.1 will not be a valid election for the purposes of this Scheme and will not be recognised by Atlantic or Spur for any purpose.
- (j) Atlantic may, with the agreement of Spur, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election made by a Scheme Shareholder Category 1 under this clause 5.1, and any such decision will be conclusive and binding on Atlantic, Spur and the relevant Scheme Shareholder Category 1.

5.2 Provision of Scheme Consideration Category 1

- (a) In the case of Scheme Consideration that is required to be provided to Scheme Shareholders Category 1 in the form of CDIs, Spur must, subject to clauses 5.1, 5.3, 5.4, 5.5 and 5.7:
 - (1) on or before the Implementation Date:
 - (A) issue to CDN such number of New Spur Common Shares and New Spur Share Purchase Warrants that is equal to the Scheme Consideration Category 1 to be provided in respect of the Scheme Shares Category 1 held by each such Scheme Shareholder Category 1, so as to enable CDN to issue an equivalent number of CDIs to the relevant Scheme Shareholder Category 1, on the basis that CDN will:
 - (i) hold those New Spur Common Shares and New Spur Share Purchase Warrants in accordance with the ASX Settlement Operating Rules on trust for the relevant Scheme Shareholder Category 1 (and each Scheme Shareholder Category 1 hereby consents to the New Spur Common Shares and New Spur Share Purchase Warrants being so held by CDN); and
 - (ii) issue CDIs to the relevant Scheme Shareholder Category 1 which represent its beneficial interest in the New Spur Common Shares and New Spur Share Purchase Warrants held by CDN on its behalf;
 - (B) procure that the name and address of CDN is entered in:
 - (i) the Spur Share Register in respect of those New Spur Common Shares; and
 - (ii) the Spur Warrant Register in respect of those New Spur Share Purchase Warrants,

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- each as referred to in clause 5.2(a)(1)(A);
- (C) use its best endeavours to procure that:
- (i) CDN issues to each Scheme Shareholder Category 1 the number of CDIs to which it is entitled under this clause 5; and
 - (ii) the name of each such Scheme Shareholder Category 1 is entered in the records maintained by CDN as the holder of the CDIs issued to that Scheme Shareholder Category 1;
- (2) on or before the date that is 10 Business Days after the Implementation Date, procure that a certificate, DRS Advice or holding statement (or equivalent document) is sent to CDN representing the total number of New Spur Common Shares and New Spur Share Purchase Warrants issued to CDN pursuant to this Scheme;
- (3) in the case of each Scheme Shareholder Category 1 who held Scheme Shares Category 1 on Atlantic's CHES subregister:
- (A) on or before the Implementation Date, use its best endeavours to procure that the CDIs are held on the CHES subregister; and
 - (B) on or before the date that is 10 Business Days after the Implementation Date, use its best endeavours to procure that a CDI holding statement (or equivalent document) is sent to each such Scheme Shareholder Category 1 which sets out the number of CDIs held on the CHES subregister by that Scheme Shareholder Category 1. Each such Scheme Shareholder Category 1 agrees that the holding statement (or equivalent document) may be sent to each Scheme Shareholder Category 1 by post in prepaid envelopes to the Registered Address of each Scheme Shareholder Category 1 and that neither Atlantic nor Spur will be responsible for any loss or delay in the delivery of any holding statement (or equivalent document), which will be posted at the risk of the Scheme Shareholder Category 1; and
- (4) in the case of each such Scheme Shareholder Category 1 who held Scheme Shares Category 1 on Atlantic's issuer sponsored subregister:
- (A) on or before the Implementation Date, use its best endeavours to procure that the CDIs are held on the issuer sponsored subregister; and
 - (B) on or before the date that is 10 Business Days after the Implementation Date, use its best endeavours to procure that a CDI holding statement is sent to each such Scheme Shareholder Category 1 which sets out the number of CDIs held on the issuer sponsored subregister by that Scheme Shareholder Category 1. Each such Scheme Shareholder Category 1 agrees that the holding statement may be sent to each Scheme Shareholder Category 1 by post in prepaid envelopes to the Registered Address of each Scheme Shareholder Category 1 and that neither Atlantic nor Spur will be responsible for any loss or delay in the delivery of any

holding statement, which will be posted at the risk of the Scheme Shareholder Category 1.

- (b) In the case of the Scheme Consideration that is required to be provided to Scheme Shareholders Category 1 in the form of New Spur Common Shares and New Spur Share Purchase Warrants, Spur must, subject to clauses 5.1, 5.3, 5.4, 5.5 and 5.7:
 - (1) on or before the Implementation Date:
 - (A) issue to the Scheme Shareholders Category 1 such number of New Spur Common Shares and New Spur Share Purchase Warrants that is equal to the Scheme Consideration Category 1 to be provided in respect of the Scheme Shares Category 1 held by each such Scheme Shareholder Category 1; and
 - (B) procure that the name and address of each such Scheme Shareholder Category 1 is entered in the Spur Share Register in respect of those New Spur Common Shares and the Spur Warrant Register in respect of those New Spur Share Purchase Warrants, each as referred to in clause 5.2(b)(1)(A); and
 - (2) on or before the date that is 10 Business Days after the Implementation Date, procure that a certificate, DRS Advice or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder Category 1 representing the number of New Spur Common Shares and New Spur Share Purchase Warrants issued to them pursuant to this Scheme.

5.3 Joint holders

In the case of Scheme Shares Category 1 held in joint names:

- (a) the CDIs, New Spur Common Shares and New Spur Share Purchase Warrants to be issued under this Scheme must be issued to and registered in the names of the joint holders;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Atlantic, the holder whose name appears first in the Atlantic Share Register as at the Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Atlantic, the holder whose name appears first in the Atlantic Share Register as at the Record Date or to the joint holders.

5.4 Ineligible Foreign Shareholders Category 1

- (a) Spur will be under no obligation to issue any New Spur Common Shares or New Spur Share Purchase Warrants, or to use its best endeavours to procure the issue of CDIs, under this Scheme to any Ineligible Foreign Shareholder Category 1 and instead:
 - (1) subject to clauses 5.5 and 5.7, Spur must, on or before the Implementation Date, issue the New Spur Common Shares and New Spur Share Purchase Warrants which would otherwise be required to be issued to CDN to be held on trust for, or otherwise issued directly

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to, the relevant Ineligible Foreign Shareholder Category 1 under this Scheme, to the Sale Agent;

- (2) Spur must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with Spur, sells or procures the sale of all the New Spur Common Shares and New Spur Share Purchase Warrants issued to the Sale Agent and remits to Atlantic, in Australian currency, the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges, and rounded down to the nearest whole cent) (**Proceeds**);
- (3) promptly after receiving the Proceeds in respect of the sale of all of the New Spur Common Shares referred to in clause 5.4(a)(2), Atlantic must pay, or procure the payment, to each Ineligible Foreign Shareholder Category 1 of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

where

B = the number of New Spur Common Shares that would otherwise have been issued to CDN to be held on trust for, or that would otherwise have been issued directly to, that Ineligible Foreign Shareholder Category 1 had it not been an Ineligible Foreign Shareholder Category 1 and which are issued to the Sale Agent;

C = the total number of New Spur Common Shares which would otherwise have been issued to CDN to be held on trust for, or that would otherwise have been issued directly to, all Ineligible Foreign Shareholders Category 1 and which are issued to the Sale Agent; and

D = the Proceeds in respect of the sale of all of the New Spur Common Shares referred to in clause 5.4(a)(2); and

- (4) promptly after receiving the Proceeds in respect of the sale of all of the New Spur Share Purchase Warrants referred to in clause 5.4(a)(2), Atlantic must pay, or procure the payment, to each Ineligible Foreign Shareholder Category 1 of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

where

B = the number of New Spur Share Purchase Warrants that would otherwise have been issued to CDN to be held on trust for, or that would otherwise have been issued directly to, that Ineligible Foreign Shareholder Category 1 had it not been an Ineligible Foreign Shareholder Category 1 and which are issued to the Sale Agent;

C = the total number of New Spur Share Purchase Warrants which would otherwise have been issued to CDN to be held on trust, or that would otherwise have been issued directly to, for all Ineligible Foreign Shareholders Category 1 and which are issued to the Sale Agent; and

D = the Proceeds in respect of the sale of all of the New Spur Share Purchase Warrants referred to in clause 5.4(a)(2).

- (b) None of Spur, Atlantic and the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Spur Common Shares and New Spur Share Purchase Warrants described in clause 5.4(a).
- (c) Atlantic must make payments to Ineligible Foreign Shareholders Category 1 under clause 5.4(a) by either (in the absolute discretion of Atlantic):
 - (1) where an Ineligible Foreign Shareholder Category 1 has, before the Record Date, made a valid election in accordance with the requirements of the Atlantic Registry to receive dividend payments from Atlantic by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder Category 1, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (2) otherwise, whether or not the Ineligible Foreign Shareholder Category 1 has made an election referred to in clause 5.4(c)(1), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder Category 1 by prepaid post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder Category 1 (or in the case of joint holders, in accordance with the procedures set out in clause 5.3).
- (d) If Atlantic receives professional advice that any withholding or other tax is required by law to be withheld from a payment to an Ineligible Foreign Shareholder Category 1, Atlantic is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder Category 1 (and payment of the reduced amount will be taken to be full payment of the relevant amount for the purposes of this Scheme, including clauses 5.4(a)(3) and 5.4(a)(4)). Atlantic must pay any amount so withheld to the relevant Tax Authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder Category 1, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder Category 1.
- (e) Each Ineligible Foreign Shareholder Category 1 appoints Atlantic as its agent to receive on its behalf any financial services guide (or equivalent or similar) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders Category 1 under the Corporations Act or other applicable laws.
- (f) Payment of the amount calculated in accordance with clause 5.4(a) to an Ineligible Foreign Shareholder Category 1 in accordance with this clause 5.4 satisfies in full the Ineligible Foreign Shareholder Category 1's entitlement to the Scheme Consideration Category 1.

5.5 Fractional entitlements and splitting

- (a) Where the calculation of the number of New Spur Common Shares and New Spur Share Purchase Warrants to be issued to CDN to be held on trust for a particular Scheme Shareholder Category 1, or otherwise to be issued directly to a Scheme Shareholder Category 1, would result in CDN or the Scheme Shareholder Category 1 (as the case may be) being issued a fraction of a New Spur Common Share and/or New Spur Share Purchase Warrant, the fractional entitlement must be rounded down to the nearest whole New Spur Common Share and/or New Spur Share Purchase Warrant.
- (b) If Spur (acting in good faith and after prior consultation with Atlantic) is of the opinion, formed reasonably, that several Scheme Shareholders Category 1,

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each of which held prior to the Record Date a holding of Atlantic Fully Paid Shares that would result in a fractional entitlement to Scheme Consideration Category 1, have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder Category 1's entitlement to the Scheme Consideration Category 1, Spur may direct Atlantic to give notice to those Scheme Shareholders Category 1:

- (1) setting out the names and Registered Addresses of all of them;
- (2) stating that opinion; and
- (3) attributing to one of them specifically identified in the notice the Scheme Shares Category 1 held by all of them,

and, after the notice has been so given, the Scheme Shareholder Category 1 specifically identified in the notice will, for the purposes of this Scheme, be taken to hold all those Scheme Shares Category 1 and each of the other Scheme Shareholders Category 1 whose names are set out in the notice will, for the purposes of this Scheme, be taken to hold no Scheme Shares Category 1.

5.6 Unclaimed monies

- (a) Atlantic may cancel a cheque issued under this clause 5 if the cheque:
 - (1) is returned to Atlantic; or
 - (2) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 5 years and 11 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder Category 1 to Atlantic (or the Atlantic Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Atlantic must reissue a cheque that was previously cancelled under this clause 5.6.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration Category 1 which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).

5.7 Orders of a court or Governmental Agency

If written notice is given to Atlantic (or the Atlantic Registry) of an order or direction made by a court of competent jurisdiction or by another Governmental Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares Category 1 held by a particular Scheme Shareholder Category 1, which would otherwise be payable or required to be issued to that Scheme Shareholder Category 1 or CDN on behalf of that Scheme Shareholder Category 1 in accordance with this clause 5, then Atlantic will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Atlantic from providing, or procuring the provision of, consideration to any particular Scheme Shareholder Category 1 in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Atlantic will be entitled to (as applicable):
 - (1) where the relevant Scheme Shareholder Category 1 is an Ineligible Foreign Shareholder Category 1, retain an amount, in Australian

currency, equal to the relevant Scheme Shareholder Category 1's share of any Proceeds (as calculated under clause 5.4(a)(3) and clause 5.4(a)(4)); and/or

- (2) direct Spur not to issue, or to issue to a trustee or nominee, such number of New Spur Common Shares and New Spur Share Purchase Warrants as would otherwise be issued to CDN to be held on trust for, or that would otherwise be issued directly to, that Scheme Shareholder Category 1 under clause 5.2,

until such time as provision of the consideration in accordance with this clause 5 is permitted by that order or direction or otherwise by law.

6 Scheme Consideration Category 2

6.1 Election

- (a) Subject to clause 6.1(b) and clause 6.4, each Scheme Shareholder Category 2 will receive the Scheme Consideration Category 2 in the form of CDIs. A Scheme Shareholder Category 2 who wishes to receive the Scheme Consideration Category 2 in the form of CDIs does not need to make an election under clause 6.1(b).
- (b) Subject to the remaining provisions of this clause 6.1 and clause 6.4, each Scheme Shareholder Category 2 will be entitled to elect to receive the Scheme Consideration Category 2 in the form of New Spur Common Shares and New Spur Share Purchase Warrants rather than CDIs, by completing the Election Form and returning it to the address specified in the Election Form so that it is received by the Atlantic Registry at or before the Election Date.
- (c) An Ineligible Foreign Shareholder Category 2 is not entitled to make any election under clause 6.1(b) and any election purportedly made by an Ineligible Foreign Shareholder Category 2 will be invalid. Ineligible Foreign Shareholders Category 2 will have their Scheme Consideration Category 2 dealt with in accordance with clause 6.4.
- (d) An election under clause 6.1(b) must be made in accordance with the terms and conditions on the Election Form.
- (e) A Scheme Shareholder Category 2 (other than an Ineligible Foreign Shareholder Category 2) who does not make a valid election under clause 6.1(b) will be deemed to have elected to receive the Scheme Consideration Category 2 in the form of CDIs.
- (f) Subject to clause 6.1(g), a valid election made or deemed to be made by a Scheme Shareholder Category 2 under this clause 6.1 will be deemed to apply in respect of the Scheme Shareholder Category 2's entire holding of Scheme Shares Category 2, regardless of whether the Scheme Shareholder Category 2's holding of Scheme Shares Category 2 is greater or less than the Scheme Shareholder Category 2's holding at the time it made its election.
- (g) A Scheme Shareholder Category 2 (other than an Ineligible Foreign Shareholder Category 2) that holds one or more parcels of Scheme Shares Category 2 as trustee or nominee for, or otherwise on account of, another person may in accordance with the Scheme Booklet or the Election Form make separate elections under clause 6.1(b) in relation to each of those parcels of Scheme Shares Category 2 (subject to it providing to Atlantic and Spur any substantiating information they reasonably require), and an election made in

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- respect of any such parcel, or an omission to make an election in respect of any such parcel, will not be taken to extend to the other parcels.
- (h) A Scheme Shareholder Category 2 may vary or withdraw any election made by it under this clause 6.1 at any time before the Election Date. To vary such an election, a Scheme Shareholder Category 2 must lodge with the Atlantic Registry a replacement Election Form at or before the Election Date. To withdraw such an election, a Scheme Shareholder Category 2 must follow the procedure set out in the Scheme Booklet or in the Election Form, or as may otherwise be agreed by Atlantic and Spur.
 - (i) Subject to clause 6.1(j), an election which is not made or deemed to have been made in accordance with this clause 6.1 will not be a valid election for the purposes of this Scheme and will not be recognised by Atlantic or Spur for any purpose.
 - (j) Atlantic may, with the agreement of Spur, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election made by a Scheme Shareholder Category 2 under this clause 6.1, and any such decision will be conclusive and binding on Atlantic, Spur and the relevant Scheme Shareholder Category 2.

6.2 Provision of Scheme Consideration Category 2

- (a) In the case of Scheme Consideration that is required to be provided to Scheme Shareholders Category 2 in the form of CDIs, Spur must, subject to clauses 6.1, 6.3, 6.4, 6.5 and 6.7:
 - (1) on or before the Implementation Date:
 - (A) issue to CDN such number of New Spur Common Shares and New Spur Share Purchase Warrants that is equal to the Scheme Consideration Category 2 to be provided in respect of the Scheme Shares Category 2 held by each such Scheme Shareholder Category 2, so as to enable CDN to issue an equivalent number of CDIs to the relevant Scheme Shareholder Category 2, on the basis that CDN will:
 - (i) hold those New Spur Common Shares and New Spur Share Purchase Warrants in accordance with the ASX Settlement Operating Rules on trust for the relevant Scheme Shareholder Category 2 (and each Scheme Shareholder Category 2 hereby consents to the New Spur Common Shares and New Spur Share Purchase Warrants being so held by CDN); and
 - (ii) issue CDIs to the relevant Scheme Shareholder Category 2 which represent its beneficial interest in the New Spur Common Shares and New Spur Share Purchase Warrants held by CDN on its behalf;
 - (B) procure that the name and address of CDN is entered in
 - (i) the Spur Share Register in respect of those New Spur Common Shares; and
 - (ii) the Spur Warrant Register in respect of those New Spur Share Purchase Warrants,

- each as referred to in clause 6.2(a)(1)(A);
- (C) use its best endeavours to procure that:
- (i) CDN issues to each Scheme Shareholder Category 2 the number of CDIs to which it is entitled under this clause 6; and
 - (ii) the name of each such Scheme Shareholder Category 2 is entered in the records maintained by CDN as the holder of the CDIs issued to that Scheme Shareholder Category 2;
- (2) on or before the date that is 10 Business Days after the Implementation Date, procure that a certificate, DRS Advice or holding statement (or equivalent document) is sent to CDN representing the total number of New Spur Common Shares and New Spur Share Purchase Warrants issued to CDN pursuant to this Scheme;
- (3) in the case of each Scheme Shareholder Category 2 who held Scheme Shares Category 2 on Atlantic's CHESS subregister:
- (A) on or before the Implementation Date, use its best endeavours to procure that the CDIs are held on the CHESS subregister; and
 - (B) on or before the date that is 10 Business Days after the Implementation Date, use its best endeavours to procure that a CDI holding statement (or equivalent document) is sent to each such Scheme Shareholder Category 2 which sets out the number of CDIs held on the CHESS subregister by that Scheme Shareholder Category 2. Each such Scheme Shareholder Category 2 agrees that the holding statement (or equivalent document) may be sent to each Scheme Shareholder Category 2 by post in prepaid envelopes to the Registered Address of each Scheme Shareholder Category 2, and that neither Atlantic nor Spur will be responsible for any loss or delay in the delivery of any holding statement (or equivalent document), which will be posted at the risk of the Scheme Shareholder Category 2; and
- (4) in the case of each such Scheme Shareholder Category 2 who held Scheme Shares Category 2 on Atlantic's issuer sponsored subregister:
- (A) on or before the Implementation Date, use its best endeavours to procure that the CDIs are held on the issuer sponsored subregister; and
 - (B) on or before the date that is 10 Business Days after the Implementation Date, use its best endeavours to procure that a CDI holding statement is sent to each such Scheme Shareholder Category 2 which sets out the number of CDIs held on the issuer sponsored subregister by that Scheme Shareholder Category 2. Each such Scheme Shareholder Category 2 agrees that the holding statement may be sent to each Scheme Shareholder Category 2 by post in prepaid envelopes to the Registered Address of each Scheme Shareholder Category 2 and that neither Atlantic nor Spur will be responsible for any loss or delay in the delivery of any

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holding statement, which will be posted at the risk of the Scheme Shareholder Category 2.

- (b) In the case of the Scheme Consideration that is required to be provided to Scheme Shareholders Category 2 in the form of New Spur Common Shares and New Spur Share Purchase Warrants, Spur must, subject to clauses 6.1, 6.3, 6.4, 6.5 and 6.7:
 - (1) on or before the Implementation Date:
 - (A) issue to the Scheme Shareholders Category 2 such number of New Spur Common Shares and New Spur Share Purchase Warrants that is equal to the Scheme Consideration Category 2 to be provided in respect of the Scheme Shares Category 2 held by each such Scheme Shareholder Category 2; and
 - (B) procure that the name and address of each such Scheme Shareholder Category 2 is entered in the Spur Share Register in respect of those New Spur Common Shares and the Spur Warrant Register in respect of those New Spur Share Purchase Warrants, each as referred to in clause 6.2(b)(1)(A); and
 - (2) on or before the date that is 10 Business Days after the Implementation Date, procure that a certificate, DRS Advice or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder Category 2 representing the number of New Spur Common Shares and New Spur Share Purchase Warrants issued to them pursuant to this Scheme.

6.3 Joint holders

In the case of Scheme Shares Category 2 held in joint names:

- (a) the CDIs to be issued under this Scheme must be issued to and registered in the names of the joint holders;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Atlantic, the holder whose name appears first in the Atlantic Share Register as at the Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Atlantic, the holder whose name appears first in the Atlantic Share Register as at the Record Date or to the joint holders.

6.4 Ineligible Foreign Shareholders Category 2

- (a) Spur will be under no obligation to issue any New Spur Common Shares or New Spur Share Purchase Warrants, or to use its best endeavours to procure the issue of CDIs, under this Scheme to any Ineligible Foreign Shareholder Category 2 and instead:
 - (1) subject to clauses 6.5 and 6.7, Spur must, on or before the Implementation Date, issue the New Spur Common Shares and New Spur Share Purchase Warrants which would otherwise be required to be issued to CDN to be held on trust for, or otherwise issued directly to, the relevant Ineligible Foreign Shareholder Category 2 under this Scheme, to the Sale Agent;

- (2) Spur must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with Spur, sells or procures the sale of all the New Spur Common Shares and New Spur Share Purchase Warrants issued to the Sale Agent and remits to Atlantic, in Australian currency, the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges, and rounded down to the nearest whole cent) (**Proceeds**);
- (3) promptly after receiving the Proceeds in respect of the sale of all of the New Spur Common Shares referred to in clause 6.4(a)(2), Atlantic must pay, or procure the payment, to each Ineligible Foreign Shareholder Category 2 of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

where

B = the number of New Spur Common Shares that would otherwise have been issued to CDN to be held on trust for, or that would otherwise have been issued directly to, that Ineligible Foreign Shareholder Category 2 had it not been an Ineligible Foreign Shareholder Category 2 and which are issued to the Sale Agent;

C = the total number of New Spur Common Shares which would otherwise have been issued to CDN to be held on trust for, or that would otherwise have been issued directly to, all Ineligible Foreign Shareholders Category 2 and which are issued to the Sale Agent; and

D = the Proceeds in respect of the sale of all of the New Spur Common Shares referred to in clause 6.4(a)(2); and
- (4) promptly after receiving the Proceeds in respect of the sale of all of the New Spur Share Purchase Warrants referred to in clause 6.4(a)(2), Atlantic must pay, or procure the payment, to each Ineligible Foreign Shareholder Category 2 of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

where

B = the number of New Spur Share Purchase Warrants that would otherwise have been issued to CDN to be held on trust for, or that would otherwise have been issued directly to, that Ineligible Foreign Shareholder Category 2 had it not been an Ineligible Foreign Shareholder Category 2 and which are issued to the Sale Agent;

C = the total number of New Spur Share Purchase Warrants which would otherwise have been issued to CDN to be held on trust for, or that would otherwise have been issued directly to, all Ineligible Foreign Shareholders Category 2 and which are issued to the Sale Agent; and

D = the Proceeds in respect of the sale of all of the New Spur Share Purchase Warrants referred to in clause 6.4(a)(2).
- (b) None of Spur, Atlantic and the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Spur Common Shares and New Spur Share Purchase Warrants described in clause 6.4(a).

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- (c) Atlantic must make payments to Ineligible Foreign Shareholders Category 2 under clause 6.4(a) by either (in the absolute discretion of Atlantic):
 - (1) where an Ineligible Foreign Shareholder Category 2 has, before the Record Date, made a valid election in accordance with the requirements of the Atlantic Registry to receive dividend payments from Atlantic by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder Category 2, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (2) otherwise, whether or not the Ineligible Foreign Shareholder Category 2 has made an election referred to in clause 6.4(c)(1), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder Category 2 by prepaid post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder Category 2 (or in the case of joint holders, in accordance with the procedures set out in clause 6.3).
- (d) If Atlantic receives professional advice that any withholding or other tax is required by law to be withheld from a payment to an Ineligible Foreign Shareholder Category 2, Atlantic is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder Category 2 (and payment of the reduced amount will be taken to be full payment of the relevant amount for the purposes of this Scheme, including clauses 6.4(a)(3) and 6.4(a)(4)). Atlantic must pay any amount so withheld to the relevant Tax Authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder Category 2, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder Category 2.
- (e) Each Ineligible Foreign Shareholder Category 2 appoints Atlantic as its agent to receive on its behalf any financial services guide (or equivalent or similar) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders Category 2 under the Corporations Act or other applicable laws.
- (f) Payment of the amount calculated in accordance with clause 6.4(a) to an Ineligible Foreign Shareholder Category 2 in accordance with this clause 6.4 satisfies in full the Ineligible Foreign Shareholder Category 2's entitlement to the Scheme Consideration Category 2.

6.5 Fractional entitlements and splitting

- (a) Where the calculation of the number of New Spur Common Shares and New Spur Share Purchase Warrants to be issued to CDN to be held on trust for a particular Scheme Shareholder Category 2, or otherwise to be issued directly to a Scheme Shareholder Category 2, would result in CDN or the Scheme Shareholder Category 2 (as the case may be) being issued a fraction of a New Spur Common Share and/or New Spur Share Purchase Warrant, the fractional entitlement must be rounded down to the nearest whole New Spur Common Share and/or New Spur Share Purchase Warrant.
- (b) If Spur (acting in good faith and after prior consultation with Atlantic) is of the opinion, formed reasonably, that several Scheme Shareholders Category 2, each of which held prior to the Record Date a holding of Atlantic Partly Paid Shares that would result in a fractional entitlement to Scheme Consideration Category 2, have, before the Record Date, been party to a shareholding

splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder Category 2's entitlement to the Scheme Consideration Category 2, Spur may direct Atlantic to give notice to those Scheme Shareholders Category 2:

- (1) setting out the names and Registered Addresses of all of them;
- (2) stating that opinion; and
- (3) attributing to one of them specifically identified in the notice the Scheme Shares Category 2 held by all of them,

and, after the notice has been so given, the Scheme Shareholder Category 2 specifically identified in the notice will, for the purposes of this Scheme, be taken to hold all those Scheme Shares Category 2 and each of the other Scheme Shareholders Category 2 whose names are set out in the notice will, for the purposes of this Scheme, be taken to hold no Scheme Shares Category 2.

6.6 Unclaimed monies

- (a) Atlantic may cancel a cheque issued under this clause 6 if the cheque:
 - (1) is returned to Atlantic; or
 - (2) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 5 years and 11 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder Category 2 to Atlantic (or the Atlantic Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Atlantic must reissue a cheque that was previously cancelled under this clause 6.6.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration Category 2 which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).

6.7 Orders of a court or Governmental Agency

If written notice is given to Atlantic (or the Atlantic Registry) of an order or direction made by a court of competent jurisdiction or by another Governmental Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares Category 2 held by a particular Scheme Shareholder Category 2, which would otherwise be payable or required to be issued to that Scheme Shareholder Category 2 or CDN on behalf of that Scheme Shareholder Category 2 in accordance with this clause 6, then Atlantic will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Atlantic from providing, or procuring the provision of, consideration to any particular Scheme Shareholder Category 2 in accordance with this clause 6, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Atlantic will be entitled to (as applicable):
 - (1) where the relevant Scheme Shareholder Category 2 is an Ineligible Foreign Shareholder Category 2, retain an amount, in Australian currency, equal to the relevant Scheme Shareholder Category 2's share of any Proceeds (as calculated under clause 6.4(a)(3) and clause 6.4(a)(4)); and/or

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- (2) direct Spur not to issue, or to issue to a trustee or nominee, such number of New Spur Common Shares and New Spur Share Purchase Warrants as would otherwise be issued to CDN to be held on trust for, or that would otherwise be issued directly to, that Scheme Shareholder Category 2 under clause 6.2,

until such time as provision of the consideration in accordance with this clause 6 is permitted by that order or direction or otherwise by law.

6.8 Status of New Spur Common Shares and New Spur Share Purchase Warrants

Subject to this Scheme becoming Effective, Spur must:

- (a) issue the New Spur Common Shares and New Spur Share Purchase Warrants required to be issued by it under this Scheme on terms such that each such New Spur Common Share and New Spur Share Purchase Warrant (as the case may be) will rank equally in all respects with each existing Spur Share or Spur Warrants (as applicable); and
- (b) ensure that each such New Spur Common Share and New Spur Share Purchase Warrant is duly and validly issued in accordance with all applicable laws and Spur's articles or other constitutional documents, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under Spur's articles or other constitutional documents).

7 Dealings in Atlantic Shares

7.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Atlantic Shares or other alterations to the Atlantic Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Atlantic Share Register as the holder of the relevant Atlantic Shares on or before the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Record Date at the place where the Atlantic Share Register is kept,

and Atlantic must not accept for registration, nor recognise for any purpose (except a transfer to Spur pursuant to this Scheme and any subsequent transfer by Spur or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

7.2 Register

- (a) Atlantic must register registrable transmission applications or transfers of the Atlantic Shares in accordance with clause 7.1(b) before the Record Date provided that, for the avoidance of doubt, nothing in this clause 7.2(a) requires Atlantic to register a transfer that would result in an Atlantic Shareholder holding a parcel of Atlantic Shares that is less than a 'marketable parcel' (for the

purposes of this clause 7.2(a) 'marketable parcel' has the meaning given in the Operating Rules).

- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Atlantic will be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration Category 1 and the Scheme Consideration Category 2, Atlantic must maintain the Atlantic Share Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration Category 1 has been provided to the Scheme Shareholders Category 1 and the Scheme Consideration Category 2 has been provided to the Scheme Shareholders Category 2. The Atlantic Share Register in this form will solely determine entitlements to the Scheme Consideration Category 1 and the Scheme Consideration Category 2.
- (d) All statements of holding for Scheme Shares (other than statements of holding in favour of any Excluded Shareholders) will cease to have effect after the Record Date as documents or evidence of title in respect of those shares and, as from that date, each entry current at that date on the Atlantic Share Register (other than entries on the Atlantic Share Register in respect of any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration Category 1 and the Scheme Consideration Category 2 in respect of the Atlantic Shares relating to that entry.
- (e) As soon as possible on or after the Record Date, and in any event within 2 Business Days after the Record Date, Atlantic will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder as shown in the Atlantic Share Register are available to Spur in the form Spur reasonably requires.

8 Quotation of Atlantic Shares

- (a) Atlantic will apply to the ASX to suspend trading on the ASX in Atlantic Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Spur, Atlantic must apply:
 - (1) for termination of the official quotation of Atlantic Shares on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

9 General Scheme provisions

9.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Atlantic may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Spur has consented; and

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- (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for Atlantic has consented to.

9.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
- (1) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (3) agrees to, on the direction of Spur, destroy any share certificates relating to their Scheme Shares; and
 - (4) acknowledges that this Scheme binds Atlantic and all Scheme Shareholders (including those who do not attend the Scheme Meeting or those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Atlantic and Spur on the Implementation Date, and appointed and authorised Atlantic as its attorney and agent to warrant to Spur on the Implementation Date, that:
- (1) all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be:
 - (A) in the case of the Scheme Shares Category 1, fully paid; and
 - (B) in the case of the Scheme Shares Category 2, be paid up to \$0.09 per Scheme Share Category 2,and, in the case of the Scheme Shares Category 1 and the Scheme Shares Category 2, free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Atlantic Shares to Spur together with any rights and entitlements attaching to those shares. Atlantic undertakes that it will provide such warranty to Spur as agent and attorney of each Scheme Shareholder; and
 - (2) they have no existing right to be issued any Atlantic Shares, Atlantic options, Atlantic performance rights, Atlantic convertible notes or any other Atlantic securities, other than the right to be issued Atlantic Shares upon the exercise of Atlantic Options (as appropriate). Atlantic undertakes that it will provide such warranty to Spur as agent and attorney of each Scheme Shareholder.

9.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Spur will, at the time of transfer of them to Spur, vest in Spur free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal*

Property Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

- (b) Immediately upon the provision of the Scheme Consideration Category 1 to each Scheme Shareholder Category 1 in the manner contemplated by clause 5 and the Scheme Consideration Category 2 to each Scheme Shareholder Category 2 in the manner contemplated by clause 6, Spur will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Atlantic of Spur in the Atlantic Share Register as the holder of the Scheme Shares.

9.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration Category 1 to each Scheme Shareholder Category 1 in the manner contemplated by clause 5 and the Scheme Consideration Category 2 to each Scheme Shareholder Category 2 in the manner contemplated by clause 6, and until Atlantic registers Spur as the holder of all Scheme Shares in the Atlantic Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Spur as attorney and agent (and directed Spur in each such capacity) to appoint any director, officer, secretary or agent nominated by Spur as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 9.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Spur reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 9.4(a), Spur and any director, officer, secretary or agent nominated by Spur under clause 9.4(a) may act in the best interests of Spur as the intended registered holder of the Scheme Shares.

9.5 Authority given to Atlantic

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Atlantic and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Spur Deed Poll against Spur, and Atlantic undertakes in favour of each Scheme Shareholder that it will enforce the Spur Deed Poll against Spur on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Atlantic and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Atlantic accepts each such appointment. Atlantic as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 9.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

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9.6 Binding effect of Scheme

This Scheme binds Atlantic and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Atlantic.

10 General

10.1 Stamp duty

Spur will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Spur Deed Poll, the performance of the Spur Deed Poll and each transaction effected by or made under this Scheme and the Spur Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 10.1(a).

10.2 Consent

Each of the Scheme Shareholders consents to Atlantic doing all things necessary or incidental to the implementation of this Scheme whether on behalf of the Scheme Shareholders, Atlantic or otherwise.

10.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Atlantic, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Atlantic's registered office or at the office of the Atlantic Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an Atlantic Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10.4 Governing law

- (a) This Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.



10.5 Further action

Atlantic must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

10.6 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Atlantic nor Spur nor any director, officer, secretary or employee of Atlantic or Spur shall be liable for anything done or omitted to be done in the performance of this Scheme or the Spur Deed Poll in good faith.

Annexure G

Scheme of Arrangement



Schedule 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Atlantic Fully Paid Share	an issued fully paid ordinary share in the capital of Atlantic.
Atlantic Option	an option granted by Atlantic under the Atlantic Option Plan to acquire by way of issue one Atlantic Fully Paid Share for \$0.027 per Atlantic Fully Paid Share and having an expiry date of 28 August 2017.
Atlantic Option Plan	the <i>Atlantic Gold NL Director/Employee Share Option Plan</i> dated 9 April 2006.
Atlantic Partly Paid Share	an issued partly paid ordinary share in the capital of Atlantic.
Atlantic Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277.
Atlantic Share	an Atlantic Fully Paid Share or an Atlantic Partly Paid Share (as the context requires).
Atlantic Share Register	the register of members of Atlantic maintained by Atlantic or the Atlantic Registry in accordance with the Corporations Act.
Atlantic Shareholder	a person who is registered in the Atlantic Share Register as the holder

Term	Meaning
	of an Atlantic Share.
Business Day	a other than a Saturday, Sunday or public holiday, on which banks are open for business in Sydney and Vancouver.
CDI	a CHESS Depositary Interest, being a unit of beneficial ownership in a New Spur Common Share or New Spur Share Purchase Warrant (as appropriate) registered in the name of CDN.
CDN	CHESS Depositary Nominees Pty Limited ACN 071 346 506.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd ACN 008 504 532.
Condition Subsequent	has the meaning given in clause 4.3.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Federal Court of Australia (New South Wales Registry), or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Spur and Atlantic.
DRS Advice	a direct registration system advice evidencing ownership of securities in the registration system of Spur's Canadian registry service provider.
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	when used in relation to this Scheme, the date on which this Scheme becomes Effective.
Election Date	5.00pm on the 5 th Business Day after the Effective Date, or such other date (after the Effective Date) as Atlantic and Spur agree in writing.
Election Form	an election form for the purposes of: 1 a Scheme Shareholder Category 1 making an election under

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Scheme of Arrangement



Schedule 1 Definitions and interpretation

Term	Meaning
	clause 5.1(b); or 2 a Scheme Shareholder Category 2 making an election under clause 6.1(b).
End Date	1 the date that is the 1st Business Day that is 6 months after the date on which the Implementation Deed is executed; or 2 such other date as agreed in writing between Spur and Atlantic.
Excluded Shareholder	any Atlantic Shareholder which is Spur or a Related Body Corporate of Spur.
First Court Hearing Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Governmental Agency	any Australian, Canadian or other foreign government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian, including: 1 ASIC and ASX; 2 TSXV; 3 a Tax Authority; 4 a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; 5 any regulatory organisation established by statute; and 6 without limiting the foregoing, the Nova Scotia Minister of Environment.
Implementation Date	the 5 th Business Day after the Record Date, or such other date (after the Record Date) as agreed in writing by Spur and Atlantic.
Implementation Deed	the merger implementation deed dated 15 May 2014 between Atlantic and Spur relating to the implementation of this Scheme.
Ineligible Foreign Shareholder Category 1	a Scheme Shareholder Category 1 whose address shown in the Atlantic Share Register on the Record Date is a place outside Australia and its external territories, Singapore or New Zealand, unless Spur

Term	Meaning
	determines that it is lawful and not unduly onerous or impracticable to issue New Spur Common Shares and New Spur Share Purchase Warrants to that Scheme Shareholder Category 1 or to CDN to be held on trust for that Scheme Shareholder Category 1.
Ineligible Foreign Shareholder Category 2	a Scheme Shareholder Category 2 whose address shown in the Atlantic Share Register on the Record Date is a place outside Australia and its external territories, Singapore or New Zealand, unless Spur determines that it is lawful and not unduly onerous or impracticable to issue New Spur Common Shares and New Spur Share Purchase Warrants to that Scheme Shareholder Category 2 or to CDN to be held on trust for that Scheme Shareholder Category 2.
New Spur Common Share	a fully paid common share in the capital of Spur to be issued under this Scheme.
New Spur Share Purchase Warrant	a warrant in respect of an unissued fully paid common share in the capital of Spur to be issued under this Scheme.
Operating Rules	the official operating rules of ASX.
Record Date	5.00 pm on the 5 th Business Day after the Effective Date, or such other date (after the Effective Date) as Atlantic and Spur agree in writing.
Registered Address	in relation to an Atlantic Shareholder, the address shown in the Atlantic Share Register as at the Record Date.
Related Body Corporate	has the meaning given to that term in section 50 of the Corporations Act.
Sale Agent	the person appointed by Spur, after consultation with Atlantic, to sell the New Spur Common Shares and New Spur Share Purchase Warrants that are to be issued under clauses 5.4(a)(1) and 6.4(a)(1) of this Scheme.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Atlantic and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Atlantic and Spur.

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Scheme of Arrangement



Schedule 1 Definitions and interpretation

Term	Meaning
Scheme Booklet	the scheme booklet published by Atlantic in connection with this Scheme.
Scheme Consideration Category 1	for each Scheme Share Category 1 held by a Scheme Shareholder Category 1: 0.05564 New Spur Common Shares either in the form of CDIs or New Spur Common Shares; and 0.02782 New Spur Share Purchase Warrants either in the form of CDIs or New Spur Share Purchase Warrants, subject to the terms of this Scheme.
Scheme Consideration Category 2	for each Scheme Share Category 2 held by a Scheme Shareholder Category 2: 0.005564 New Spur Common Shares either in the form of CDIs or New Spur Common Shares; and 0.002782 New Spur Share Purchase Warrants either in the form of CDIs or New Spur Share Purchase Warrants, subject to the terms of this Scheme.
Scheme Meeting	the meeting of the Atlantic Shareholders (other than the Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Share	a Scheme Share Category 1 or a Scheme Share Category 2 (as appropriate).
Scheme Share Category 1	an Atlantic Fully Paid Share on issue as at the Record Date (other than an Atlantic Fully Paid Share held by an Excluded Shareholder).
Scheme Share Category 2	an Atlantic Partly Paid Share on issue at the Record Date (other than an Atlantic Partly Paid Share held by an Excluded Shareholder).
Scheme Shareholder	a Scheme Shareholder Category 1 or a Scheme Shareholder Category 2 (as appropriate).
Scheme Shareholder Category 1	a holder of a Scheme Share Category 1 as at the Record Date (other than an Excluded Shareholder).

Term	Meaning
Scheme Shareholder Category 2	a holder of a Scheme Share Category 2 as at the Record Date (other than an Excluded Shareholder).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Spur as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Hearing Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Spur	Spur Ventures Inc. of Suite 3083 – 595 Burrard Street, Vancouver, British Columbia, Canada.
Spur Deed Poll	the deed poll dated on or around the First Court Hearing Date executed by Spur substantially in the form of Attachment 1 under which Spur covenants in favour of the Scheme Shareholders to perform the obligations attributed to it under this Scheme.
Spur Share Register	the register of shareholders maintained by Spur or its agent.
Spur Warrant Register	the register of warrant holders maintained by Spur or its agent.
Tax	means all forms of taxes, duties, imposts, charges, withholdings, rates, levies, clawbacks or other governmental impositions of whatever nature and by whatever authority imposed, assessed or charged together with all costs, charges, interest, penalties, fines and other additional statutory charges incidental or related to the imposition, assessment or charge of those amounts.
Tax Authority	means any governmental authority responsible for the imposition, collection or recovery of any Tax.
TSXV	the TSX Ventures Exchange, or any of the financial markets operated by it (as the context requires).

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Scheme of Arrangement



2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Governmental Agency as well as an individual;
- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them;
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in New South Wales, Australia;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity by 2 or more parties (including where 2 or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of 2 or more parties (including where 2 or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (p) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

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Scheme of Arrangement



Attachment 1

Spur Deed Poll

[Attached]

Annexure H

DDV Gold

Sale Agreement

Annexure H

DDV Gold Sale Agreement



Share Sale Agreement

Parties

Spur Ventures Inc.

Atlantic Gold NL

ACN 062 091 909

Robert Sultan
Norton Rose Fulbright Australia
Level 15, RACV Tower, 485 Bourke Street
Melbourne VIC 3000
Telephone: +61 3 8686 6571
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Our ref: 2808013

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DDV Gold Sale Agreement

Share Sale Agreement dated 15 May 2014

Parties

Spur Ventures Inc.

of Suite 3083, 595 Burrard Street, Vancouver B.C., Canada
(**Spur**)

Atlantic Gold NL ACN 062 091 909

of Suite 506, 815 Pacific Highway, Chatswood, NSW 2067, Australia
(**Atlantic**)

Introduction:

- A** DDV Gold is a private company incorporated in New Brunswick, Canada.
- B** Atlantic is the registered and beneficial owner of all of the DDV Gold Shares.
- C** DDV Gold is indebted to Atlantic in relation to the DDV Gold Loan.
- D** Atlantic wishes to sell all of the DDV Gold Shares and assign its right, title and interest in and to the DDV Gold Loan to Spur, and Spur wishes to purchase the DDV Gold Shares and accept an assignment of the DDV Gold Loan from Atlantic, on and subject to the terms and conditions set out in this Agreement.

It is agreed:

1 Definitions and interpretation

1.1 Definitions

In this Agreement, the following terms have the following meanings:

- (1) **Agreement** means this document, including any Schedule or Annexure to it.
- (2) **Atlantic Representations and Warranties** means the representations and warranties of Atlantic set out in Schedule 2.
- (3) **Books and Records** means all books of account, Tax Returns and other tax records of DDV Gold (whether in written, electronic or other form) other than the Corporate Records.
- (4) **Business Day** means a day other than a Saturday, Sunday or public holiday, on which banks are open for business in Vancouver and Sydney.
- (5) **Closing** means completion of the sale and purchase of the DDV Gold Shares and the assignment of the DDV Gold Loan in accordance with clause 7.
- (6) **Closing Date** means:
 - (a) 5 Business Days after the last of the conditions precedent in clauses 3.1(1) and 3.1(7) is satisfied or waived; or

- (b) any other date agreed in writing by Atlantic and Spur.
- (7) **Corporate Records** means all corporate records of DDV Gold, including:
- (a) all constituent and constating documents, including articles and by-laws;
 - (b) all minutes of meetings and resolutions of shareholders and directors, including any committees thereof; and
 - (c) the minute books, share certificates, central securities register, register of transfers and register of directors.
- (8) **DDV Gold** means D.D.V. Gold Limited, a wholly-owned Canadian Subsidiary of Atlantic.
- (9) **DDV Gold Contractual Party** means any person who is a counterparty to any contract with a member of the Atlantic Group and whose identity has been agreed in writing between Spur and Atlantic;
- (10) **DDV Gold Loan** means all amounts owing by DDV Gold to Atlantic as at Closing, together with all interest (if any) that has accrued or may accrue in the future.
- (11) **DDV Gold Material Adverse Change** means any event, change, condition, thing, occurrence, circumstance or matter that:
- (a) occurs on or after the date of this Agreement; or
 - (b) is likely to occur on or after the date of this Agreement,
- (each a **DDV Gold Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, things, occurrences, circumstances or matters of a like kind that have occurred or are likely to occur, has resulted in or could be reasonably be expected to result in:
- (c) a material adverse effect on the business, financial condition, assets, liabilities, results of operations, trading position, profitability or prospects, of DDV Gold;
 - (d) a diminution or reduction in the value of the consolidated net assets DDV Gold by A\$2,500,000 or more compared to what it would reasonably have been expected to have been but for such DDV Gold Specified Event; or
 - (e) the loss or diminution (other than a loss or diminution of a minor or trivial nature) of any portion of the DDV Gold's interest in either of the Development Properties,
- other than any event, change, condition, thing, occurrence, circumstance or matter:
- (f) that arises from any change occurring, directly or indirectly, as a result of any event, occurrence, circumstance or matter required or permitted by this Agreement, the Merger Implementation Deed or the transactions contemplated by them, including any cost or expense associated therewith which is:
 - (i) provided for in the Agreed Budget;
 - (ii) provided for in the Agreed Budget but the actual amount of the cost or expense incurred exceeds the amount provided for that cost or

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expense in the Agreed Budget by an amount not exceeding the Agreed Contingency; or

(iii) otherwise incurred with the prior written consent of Spur;

(g) that is Fairly Disclosed in the Atlantic Due Diligence Materials or the Atlantic Disclosure Letter;

(12) **DDV Gold Prescribed Event** means the occurrence of any of the following:

- (a) DDV Gold converting all or any of its shares into a larger or smaller number of shares;
- (b) DDV Gold resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) DDV Gold:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement;
- (d) DDV Gold making, declaring, paying or distributing or announcing an intention to make, declare or distribute any dividend, bonus or other share of its shareholder profits or shareholder assets or returning or agreeing to return any capital to its members (whether in cash or in specie);
- (e) DDV Gold issuing shares, or granting an option over its shares to any person, or agreeing to make such an issue or grant such an option to any person;
- (f) DDV Gold issuing convertible securities or agreeing to issue securities or other instruments convertible into shares or debt securities to any person;
- (g) DDV Gold disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property including the Development Properties;
- (h) other than liens and statutory encumbrances arising in the ordinary course of business, DDV Gold creating, or agreeing to create, any Encumbrance over any of its business or property;
- (i) DDV Gold making or permitting any change to the terms and conditions of the current employment contracts of its officers, directors, executives, senior management or employees or otherwise increasing compensation or benefits or accelerating compensation or benefits for any of the above;
- (j) DDV Gold declaring, agreeing to pay or becoming liable to pay a bonus (or similar payment) to any director, officer, employee, consultant or contractor of the Atlantic Group other than as set out in the Agreed Budget;
- (k) DDV Gold resolving to be wound up;
- (l) DDV Gold becoming subject to an Insolvency Event;
- (m) DDV Gold making any change or amendment to its constituent documents or passing any ordinary, special or extraordinary resolutions;

- (n) DDV Gold making any material change to its accounting practices or policies, other than to comply with generally accepted Canadian accounting standards or IFRS as adopted in Canada;
- (o) DDV Gold failing to operate its business in accordance with the Agreed Budget or otherwise deviating from the Agreed Budget, other than:
 - (i) where DDV Gold incurs an expense or cost which is provided for in the Agreed Budget but the actual amount of the expense or cost exceeds the amount provided for that cost or expense in the Agreed Budget by an amount not exceeding the Agreed Contingency; or
 - (ii) with the prior written consent of Spur;
- (p) DDV Gold incurring or agreeing to incur capital or other expenditure from the date of this Agreement other than as specified in the Agreed Budget (including where capital or other expenditure contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency);
- (q) DDV Gold incurring, or agreeing to make or incur, any financial indebtedness other than as set out in the Agreed Budget;
- (r) without limiting the foregoing, DDV Gold:
 - (i) disposing or offering or agreeing to dispose (including by granting or offering or agreeing to grant any rights to third parties) of:
 - (A) real property or material asset; or
 - (B) any right, title or interest in the Development Properties:
 - (ii) acquiring, or agreeing to acquire, one or more companies, trusts, businesses, real property or material asset (or any interest in the foregoing) or entering into, or agreeing to enter into, any joint venture, partnership or similar arrangement;
 - (iii) entering into any contract, commitment or arrangement (including leasing, acquiring, or offering or agreeing to acquire or lease, any asset) which:
 - (A) is outside the ordinary course of business or that requires payments or foregoing of revenue by DDV Gold of an amount other than as set out in the Agreed Budget (including where a payment or foregoing of revenue contemplated in the Agreed Budget is incurred or foregone (as applicable) in an amount not exceeding the Agreed Contingency); or
 - (B) requires DDV Gold to incur any expenditure, whether or not in the ordinary course of business, in excess of A\$50,000 (whether individually or in aggregate) after the period covered by the Agreed Budget, including under any contract, commitment or arrangement relating to drilling work, feasibility studies or consulting or advisory services;
 - (iv) receiving financial accommodation from a person (other than the Spur Group) or providing financial accommodation to any person other than the Spur Group;

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DDV Gold Sale Agreement

- (v) amending the terms of issue of the DDV Gold Shares or any other securities of DDV Gold;
 - (vi) entering into, amending, compromising or agreeing to enter into, amend or compromise any contract, commitment or other arrangement with a Related Party of DDV Gold;
 - (vii) amending or terminating, or agreeing to amend or terminate, any contract, commitment or other arrangement where there is a financial impact exceeding A\$50,000 upon DDV Gold other than:
 - (A) as specified in the Agreed Budget (including where a cost or expense contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency); or
 - (B) with the prior written consent of Spur;
 - (viii) entering into any agreement, arrangement, or transaction with respect to derivative instruments which relate to the price of gold or to interest rates (including swaps, futures contracts, forward commitments, commodity derivatives, hedges or options) or similar instruments; or
 - (ix) amending in any material respect any arrangement in place as at the date of this Agreement with a Financial Adviser, or entering into any arrangements with one or more new Financial Advisers which may involve the payment of fees in respect of the transactions contemplated by this Agreement (other than as specified in the Agreed Budget (including where a payment contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency)); or
 - (s) DDV Gold authorising, committing or agreeing to do any of the matters set out above,
- provided that none of the above matters will constitute a DDV Gold Prescribed Event where:
- (t) Spur has given prior written approval to the proposed event; or
 - (u) the event is required or permitted to be done by this Agreement or the Merger Implementation Deed.
- (13) **DDV Gold Shares** means the 100 fully paid common shares on issue in DDV Gold, being all of the issued and outstanding shares in the capital of the DDV Gold.
 - (14) **Effective Date** means the date on which this Agreement becomes effective in accordance with clause 2.
 - (15) **End Date** means:
 - (a) the date that is the 1st Business Day that is 3 months after the Effective Date; or
 - (b) such other date as agreed in writing between Spur and Atlantic.
 - (16) **Merger Implementation Deed** means the *Merger Implementation Deed* dated on or about the date of this Agreement between Spur and Atlantic.

- (17) **New Spur Common Share** means a fully paid common share in the capital of Spur to be issued, in accordance with the terms and conditions of issue of the Spur Series A Preferred Shares, on:
- (a) the transfer, distribution or provision of a Spur Series A Preferred Share comprising part of the Preferred Share Consideration to an Atlantic Shareholder pursuant to the Spur Share and Warrant Distribution; or
 - (b) the conversion by Atlantic of a Spur Series A Preferred Share comprising part of the Preferred Share Consideration;
- (18) **New Spur Share Purchase Warrant** means a warrant in respect of an unissued fully paid common share in the capital of Spur to be issued, in accordance with the terms and conditions of issue of the Spur Preferred Share Warrants, on:
- (a) the transfer, distribution or provision of a Spur Preferred Share Warrant comprising part of the Preferred Share Warrant Consideration to an Atlantic Shareholder pursuant to the Spur Share and Warrant Distribution, the key terms and conditions of which are set out in Annexure C; or
 - (b) the conversion by Atlantic of Spur Series A Preferred Shares comprising part of the Preferred Share Consideration;
- (19) **Preferred Share Consideration** means such number of Spur Series A Preferred Shares that is equal to the aggregate number of fully paid common shares in the capital of Spur which would have been issued to Scheme Shareholders Category 1 and Scheme Shareholders Category 2 on the Implementation Date, either in the form of CDIs or fully paid common shares in the capital of Spur, if the Scheme had become Effective.
- (20) **Preferred Share Warrant Consideration** means such number of Spur Preferred Share Warrants that is equal to the aggregate number of warrants in respect of an unissued fully paid common share in the capital of Spur which would have been issued to Scheme Shareholders Category 1 and Scheme Shareholders Category 2 on the Implementation Date, either in the form of CDIs or warrants in respect of an unissued fully paid common share in the capital of Spur, if the Scheme had become Effective.
- (21) **Relevant Atlantic Representations and Warranties** has the meaning given in clause 12.1(2)(a).
- (22) **Relevant Spur Representations and Warranties** has the meaning given in clause 12.1(2)(b).
- (23) **Spur Preferred Share Warrant** means a warrant in respect of an unissued Spur Series A Preferred Share, the key terms and conditions of which are set out in Annexure B and Annexure C.
- (24) **Spur Representations and Warranties** means the representations and warranties of Spur set out in Schedule 1.
- (25) **Spur Series A Preferred Share** means a preferred share in the capital of Spur, the key terms and conditions of which are set out in Annexure A.
- (26) **Spur Share Register** means the register of shareholders maintained by Spur or its agent.
- (27) **Spur Share and Warrant Distribution** means, subject to receipt of all necessary Regulatory Approvals including, for the avoidance of doubt, any approval of

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DDV Gold Sale Agreement

shareholders of Atlantic, a corporate transaction under which Atlantic transfers, distributes or otherwise provides or offers to provide:

- (a) the Spur Series A Preferred Shares comprising the Preferred Share Consideration; and
- (b) the Spur Preferred Share Warrants comprising the Preferred Share Warrant Consideration,

to Atlantic Shareholders (pro rata amongst those Atlantic Shareholders in accordance with the number of Atlantic Shares held by the relevant Atlantic Shareholder immediately before Closing, or as close to pro rata as is practicable in the circumstances).

- (28) **Spur Warrant Register** means the register of warrant holders maintained by Spur or its agent.
- (29) **Tax Returns** means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in written, electronic or other form) and any amendments, schedules, attachments, supplements, appendices and exhibits thereto, which have been prepared or filed or required to be prepared or filed in respect of Tax.
- (30) **Transaction Regulatory Approval** has the meaning given in clause 3.1(1).

1.2 Terms defined in the Merger Implementation Deed

Capitalised terms not otherwise defined in this Agreement which are defined in the Merger Implementation Deed have the same meaning given to those terms in the Merger Implementation Deed, unless the context requires otherwise.

1.3 Interpretation

In this Agreement, headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Agreement, and unless the context otherwise requires:

- (1) words importing the singular include the plural and vice versa;
- (2) words importing a gender include any gender;
- (3) other parts of speech and grammatical forms of a word or phrase defined in this Agreement have a corresponding meaning;
- (4) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Governmental Agency;
- (5) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Agreement and a reference to this Agreement includes any annexure, exhibit and schedule;
- (6) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Governmental Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;

- (7) a reference to a document includes all amendments or supplements to, or replacements, restatements or novations of, that document;
- (8) a reference to a party to a document includes that party's successors and permitted assigns;
- (9) no provision of this Agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Agreement or that provision;
- (10) a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day (unless otherwise specified);
- (11) the words "include", "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (12) a reference to "A\$" or '\$' is to Australian currency;
- (13) a reference to "C\$" is to Canadian currency;
- (14) a reference to any time is a reference to that time in Vancouver, Canada; and
- (15) if an act, matter or thing must be done on a specified day which is not a Business Day, such act, matter or thing must be done on the next Business Day.

1.4 Inconsistent agreements

If a provision of this Agreement is inconsistent with a provision of the Confidentiality Agreement or the Heads of Agreement, the provision of this Agreement prevails to the extent of that inconsistency.

2 Condition to legally binding agreement

This Agreement will not become effective and the rights and obligations of the parties under this Agreement (other than this clause 2 and clauses 1, 3, 9, 11, 12, 13 and 14 (except for clause 14.1)) will only become legally binding if the Merger Implementation Deed is terminated by either party under clause 3.5(3) of the Merger Implementation Deed as a result of either:

- (1) the condition precedent in clause 3.1(12) (Atlantic shareholder approval) of the Merger Implementation Deed not being satisfied;
- (2) the condition precedent in clause 3.1(13) (Court approval) of the Merger Implementation Deed not being satisfied; or
- (3) the condition precedent in clause 3.1(14) (Orders convening Scheme Meeting) of the Merger Implementation Deed not being satisfied.

3 Conditions precedent to Closing

3.1 Conditions precedent

The following conditions must be satisfied or waived in accordance with clause 3.2 before Closing may take place:

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- (1) **Transaction Regulatory Approvals:** each of Spur and Atlantic obtaining all Regulatory Approvals including, for the avoidance of doubt, approvals of their respective shareholders which are necessary, or which the parties agree are desirable, to implement the transactions contemplated by this Agreement (**Transaction Regulatory Approvals**) by the End Date and such Transaction Regulatory Approvals remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;
- (2) **Restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any Court or Governmental Agency or other material legal restraint or prohibition preventing or delaying Closing is in effect at 8:00 am on the Closing Date;
- (3) **No DDV Gold Prescribed Event:** no DDV Gold Prescribed Event occurs during the period commencing on and from the date of this Agreement and expiring at 8.00 am on the Closing Date;
- (4) **No Spur Prescribed Event:** no Spur Prescribed Event occurs during the period commencing on and from the date of this Agreement and expiring at 8.00 am on the Closing Date;
- (5) **No DDV Gold Material Adverse Change:** no DDV Gold Material Adverse Change occurs, or is discovered or announced, disclosed or otherwise becomes known to Spur during the period commencing on and from the date of this Agreement and expiring at 8.00 am on the Closing Date;
- (6) **No Spur Material Adverse Change:** no Spur Material Adverse Change occurs, or is discovered or announced, disclosed or otherwise becomes known to Atlantic during the period commencing on and from the date of this Agreement and expiring at 8.00 am on the Closing Date;
- (7) **TSXV Quotation:**
 - (a) the New Spur Common Shares which are to be issued by Spur, in accordance with the terms and conditions of issue of the Spur Series A Preferred Shares, on:
 - (i) the transfer, distribution or provision of the Spur Series A Preferred Shares comprising the Preferred Share Consideration to an Atlantic Shareholder pursuant to the Spur Share and Warrant Distribution; or
 - (ii) the conversion by Atlantic of Spur Series A Preferred Shares comprising part of the Preferred Share Consideration; and
 - (b) the New Spur Share Purchase Warrants which are to be issued by Spur, in accordance with the terms and conditions of issue of the Spur Preferred Share Warrants, on:
 - (i) the transfer, distribution or provision of the Spur Preferred Share Warrants comprising the Preferred Share Warrant Consideration to an Atlantic Shareholder pursuant to the Spur Share and Warrant Distribution; or
 - (ii) the conversion by Atlantic of Spur Series A Preferred Shares comprising part of the Preferred Share Consideration,

have, before the End Date, been conditionally approved for listing on the TSXV subject only to the satisfaction of customary listing conditions and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;

- (8) **No breach:** no material breach of this Agreement by either party has occurred (which has not been remedied to the satisfaction of the other party) before 8.00 am on the Closing Date; and
- (9) **Contractual Consents:** Atlantic and/or DDV Gold (as applicable) obtaining any approvals or consents from any DDV Gold Contractual Party which Spur considers (acting reasonably and after prior good faith consultation with Atlantic) are necessary or desirable to implement the transactions contemplated by this Agreement (**Contractual Consents**) by the End Date and such Contractual Consents remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

3.2 Best endeavours and waiver of conditions precedent

- (1) The conditions precedent in clauses 3.1(3) (No DDV Gold Prescribed Event), 3.1(5) (No DDV Gold Material Adverse Change) and 3.1(9) (Contractual Consents) are for the sole benefit of Spur and any breach or non-fulfilment of those conditions may only be waived by Spur giving its written consent and Atlantic must use its best endeavours to procure that each of those conditions is satisfied.
- (2) The conditions precedent in clauses 3.1(4) (No Spur Prescribed Event) and 3.1(6) (No Spur Material Adverse Change) are for the sole benefit of Atlantic and any breach or non-fulfilment of those conditions may only be waived by Atlantic giving its written consent and Spur must use its best endeavours to procure that each of those conditions is satisfied.
- (3) The condition in clause 3.1(8) (No breach) is:
 - (a) in respect of a material breach by Atlantic of this Agreement, for the sole benefit of Spur and any breach or non-fulfilment of the condition in that respect may only be relied on or waived by Spur giving its written consent; and
 - (b) in respect of a material breach by Spur of this Agreement, for the sole benefit of Atlantic and any breach or non-fulfilment of the condition in that respect may only be relied on or waived by Atlantic giving its written consent.
- (4) Each other condition precedent in clause 3.1 are for the benefit of each party and any breach or non-fulfilment of any of those conditions may only be waived with the written consent of each party and each party must use its best endeavours to procure that each of those conditions are satisfied.
- (5) Without limiting the generality of clause 14.1, Atlantic and Spur must cooperate, to the extent reasonably practicable, to assist one another with satisfying their obligations under this clause 3.2.
- (6) Where a Party is required to use its best endeavours to procure that a condition precedent in clause 3.1 is satisfied (alone or together with the other party), that party must use its best endeavours, and must ensure that each of its Related Bodies Corporate uses its best endeavours, to procure that:

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- (a) each such condition precedent is satisfied as soon as practicable after the Effective Date and continues to be satisfied at all times until the last time it is to be satisfied (as the case may require);
 - (b) there is no occurrence within the control of the party or its Related Bodies Corporate that would prevent any such condition precedent being satisfied, except to the extent required by law.
- (7) A party entitled to waive a condition precedent under this clause 3.2 may do so in its absolute discretion.
- (8) If a party waives the breach or non-fulfilment of a condition precedent in clause 3.1, that waiver will not preclude it from suing the other party for any breach of this Agreement that resulted from the breach or non-fulfilment of the condition precedent that was waived, or arising from the same event which gave rise to the breach or non-fulfilment of the condition.

3.3 Transaction Regulatory Approvals

To the extent permitted by law and each party's respective legal obligations and without limiting the generality of clause 3.1(1):

- (1) as soon as practicable after the Effective Date, the parties must cooperate in good faith to develop a plan for communications with Governmental Agencies that are required to be approached for the purpose of procuring the satisfaction of any condition precedent in clause 3.1(1) (each a **Relevant Governmental Agency**);
- (2) each party (as applicable) must then promptly apply for all relevant Transaction Regulatory Approvals for which it is responsible, providing a copy to the other party of all such applications, and take all steps it is responsible for as part of the approval process for the transactions contemplated by this Agreement, including responding to requests for information at the earliest practicable time;
- (3) each party:
 - (a) subject to the requirements of the Relevant Governmental Agency, will have the right to be present and make submissions at or in relation to any proposed meeting by the other party or its advisers with a Relevant Governmental Agency in relation to the transactions contemplated by this Agreement (except to the extent that such meeting involves the discussion of commercially sensitive information);
 - (b) must consult with the other party in advance in relation to all material communications with any Relevant Governmental Agency relating to any Transaction Regulatory Approval;
 - (c) must promptly provide copies to the other party of any written communication sent to or received from a Relevant Governmental Agency in connection with the transactions contemplated by this Agreement (except to the extent that such written communication contains commercially sensitive information of that party in correspondence with the Relevant Governmental Agency); and
 - (d) must provide the other party with all information reasonably requested in connection with the application for any Transaction Regulatory Approval; and
- (4) notwithstanding any other provision of this Agreement, for the purpose of obtaining approval of a Relevant Governmental Agency, neither Spur nor Atlantic is required

to agree to any conditions or to provide or agree to provide any written undertakings to a Relevant Governmental Agency which are not reasonably acceptable to Spur or Atlantic (as the case may be).

3.4 Status of conditions precedent

- (1) Each party must promptly give the other written notice of:
 - (a) satisfaction of a condition precedent in clause 3.1 and must keep the other informed of any material development of which it becomes aware that may lead to the breach or a failure to satisfy a condition precedent in clause 3.1;
 - (b) a breach or failure to satisfy a condition precedent in clause 3.1; or
 - (c) any event that will prevent a condition precedent in clause 3.1 being satisfied.
- (2) If Atlantic provides Spur with a notice (**DDV Gold MAC Event Notice**) under clause 3.4(1) stating that an event, occurrence, circumstance or matter has arisen or occurred which results in or constitutes a breach or non-fulfilment of the condition precedent under clause 3.1(5) (No DDV Gold Material Adverse Change) (**DDV Gold MAC Event**), Spur must, by no later than 7:00 pm on the 10th Business Day after the date of receipt of the DDV Gold MAC Event Notice, provide a written notice (**Spur Response Notice**) to Atlantic stating whether it:
 - (a) waives, in accordance with clause 3.2, the breach or non-fulfilment of the condition precedent under clause 3.1(5) which arises as a result of the relevant DDV Gold MAC Event the subject of the DDV Gold MAC Event Notice (such waiver being subject to Spur reserving its rights in respect of any future DDV Gold MAC Event which arises or occurs before 8:00 am on the Closing Date); or
 - (b) seeks to rely on the relevant DDV Gold MAC Event the subject of the DDV Gold MAC Event Notice as a breach or non-fulfilment of the condition precedent under clause 3.1(5).

The parties agree that if Atlantic provides Spur with a DDV Gold MAC Event Notice and Spur does not provide Atlantic with a Spur Response Notice within the period contemplated in this clause 3.4(2) then Spur will be deemed to have waived, in accordance with clause 3.2, any breach or non-fulfilment of the condition precedent under clause 3.1(5) which arises as a result of the DDV Gold MAC Event the subject of the relevant DDV Gold MAC Event Notice.

- (3) If Spur provides Atlantic with a notice (**Spur MAC Event Notice**) under clause 3.4(1) stating that an event, occurrence, circumstance or matter has arisen or occurred which results in or constitutes a breach or non-fulfilment of the condition precedent under clause 3.1(6) (No Spur Material Adverse Change) (**Spur MAC Event**), Atlantic must, by no later than 7:00 pm on the 10th Business Day after the date of receipt of the Spur MAC Event Notice, provide a written notice (**Atlantic Response Notice**) to Spur stating whether it:
 - (a) waives, in accordance with clause 3.2, the breach or non-fulfilment of the condition precedent under clause 3.1(6) which arises as a result of the relevant Spur MAC Event the subject of the Spur MAC Event Notice (such waiver being subject to Atlantic reserving its rights in respect of any future Spur MAC Event which arises or occurs before 8:00 am on the Closing Date); or

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- (b) seeks to rely on the relevant Spur MAC Event the subject of the Spur MAC Event Notice as a breach or non-fulfilment of the condition precedent under clause 3.1(6).

The parties agree that if Spur provides Atlantic with a Spur MAC Event Notice and Atlantic does not provide Spur with an Atlantic Response Notice within the period contemplated in this clause 3.4(3) then Atlantic will be deemed to have waived, in accordance with clause 3.2, any breach or non-fulfilment of the condition precedent under clause 3.1(6) which arises as a result of the Spur MAC Event the subject of the relevant Spur MAC Event Notice.

- (4) A Transaction Regulatory Approval will be regarded as having been obtained notwithstanding that a condition or conditions may have been attached to that Transaction Regulatory Approval if the condition is reasonably satisfactory to Atlantic and Spur.

3.5 Conditions precedent not met

- (1) If:

- (a) there is an event or occurrence that would, or does, prevent any of the conditions precedent contained in clause 3.1 being satisfied;
- (b) there is an event or occurrence that would, or does, prevent any of the conditions precedent contained in clause 3.1 being satisfied by the time and date specified in this Agreement for the satisfaction of that condition precedent; or
- (c) conditions precedent contained in clause 3.1 are not satisfied or waived by the date specified in this Agreement for its satisfaction,

then unless:

- (d) the relevant condition is waived in accordance with clause 3.2; or
- (e) the party entitled to waive the relevant condition in accordance with clause 3.2 confirms in writing to the other party that it will not rely on the event or occurrence that would or does prevent the relevant condition from being satisfied,

either party may (subject to clauses 3.5(2) and 12.6) terminate this Agreement without liability to the other party because of that termination.

- (2) A party may not terminate this Agreement under clause 3.5(1) if:

- (a) the relevant condition in clause 3.1 has not been satisfied, or is incapable of being satisfied, or there is an occurrence that will prevent the relevant condition being satisfied by the date specified in this Agreement for its satisfaction, as a result of an act or omission by that party or any of its Related Bodies Corporate which:
 - (i) results in a material breach of this Agreement; and
 - (ii) either alone or together with other circumstances prevents that condition being satisfied or capable of being satisfied; or
- (b) the relevant condition in clause 3.1 is stated in clause 3.2 to be for the sole benefit of the other party.

4 Sale and Purchase

4.1 Sale and purchase of DDV Gold Shares

- (1) Subject to the terms and conditions of this Agreement, Atlantic agrees to sell to Spur, and Spur agrees to purchase from Atlantic, the DDV Gold Shares, in each case, free from all Encumbrances.
- (2) Atlantic agrees to sell the DDV Gold Shares to Spur together with all rights:
 - (a) attached to them as at the date of this Agreement; and
 - (b) that accrue between the date of this Agreement and Closing.
- (3) Title to and risk in the DDV Gold Shares:
 - (a) remains solely with Atlantic until Closing; and
 - (b) passes to Spur on Closing.

4.2 Assignment of DDV Gold Loan

Subject to the terms and conditions of this Agreement, Atlantic agrees to assign its right, title and interest in and to the DDV Gold Loan free from all Encumbrances to Spur, and Spur agrees to accept an assignment of Atlantic's right, title and interest in and to the DDV Gold Loan from Atlantic. Atlantic represents and warrants to Spur that DDV Gold has consented to this assignment.

5 Consideration

5.1 Consideration

- (1) Subject to clause 5.3, the consideration to be provided by Spur to Atlantic for the transfer of the DDV Gold Shares is C\$1.
- (2) The consideration to be provided by Spur to Atlantic for the assignment of the DDV Gold Loan is the issue by Spur to Atlantic of:
 - (a) the Preferred Share Consideration; and
 - (b) the Preferred Share Warrant Consideration.

5.2 Provision of consideration

At Closing, Spur must provide the consideration contemplated in clause 5.1 in accordance with clause 7.2(2).

5.3 Allocation of consideration

Should the fair market value of the consideration provided by Spur to Atlantic for the assignment of the DDV Gold Loan exceed the amount of the DDV Gold Loan, any remaining balance shall be allocated to the consideration for the transfer of the DDV Gold Shares.

5.4 Tax Election

At the sole discretion of Atlantic, if requested, Spur agrees to:

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- (1) file a joint Canadian income tax election pursuant to subsection 85(1) of the *Income Tax Act (Canada)* with Atlantic in respect of the transfer of the DDV Gold Shares by Atlantic to Spur. Atlantic shall determine the agreed amount to be elected in such tax election; and
- (2) assist Atlantic with the lodgement of a Form T2062 with the Canada Revenue Agency.

6 Pre-Closing covenants

6.1 Conduct of business

From the date of this Agreement up to and including the earlier of the date on which this Agreement is terminated and the Closing Date, Atlantic must procure that DDV Gold's business and operations are conducted in the ordinary and normal course consistent and in a manner consistent with the Approved Budget (including where a cost or expense contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency), unless otherwise agreed in writing by Spur (acting reasonably).

6.2 Specific obligations

Without limiting clause 6.1 and other than with the prior written approval of Spur which approval will not be unreasonably withheld) or as required by this Agreement or as contemplated by the Agreed Budget (including where a cost or expense contemplated in the Agreed Budget is incurred in an amount not exceeding the Agreed Contingency), Atlantic must use, and must procure that DDV Gold uses, its best endeavours, on and from the date of this Agreement up to and including the earlier of the date on which this Agreement is terminated and the Closing Date, to:

- (1) maintain DDV Gold's business and assets and conduct DDV Gold's business in the ordinary, usual and proper course consistent with the manner in which the business and assets were maintained and the business was conducted immediately prior to the date of this Agreement;
- (2) keep available the services of DDV Gold's Officers and must not terminate the services of any of DDV Gold's senior managers;
- (3) preserve DDV Gold's relationships with Governmental Agencies, customers, suppliers, licensors, licensees, joint venturers, regulatory authorities and other with whom DDV Gold has business dealings; and
- (4) promptly notify Spur of any material Claim which may be threatened, brought, asserted or commenced against DDV Gold or its Officers, and consult with Spur in relation to such matter to the extent Spur reasonably requires.

6.3 Atlantic prohibited actions

Other than with the prior written approval of Spur or as required by this Agreement, Atlantic must not, and must procure that DDV Gold does not, on and from the date of this Agreement up to and including the earlier of the date on which this Agreement is terminated and the Closing Date:

- (1) take any action which gives rise to or would reasonably be expected to give rise to a DDV Gold Prescribed Event or a DDV Gold Material Adverse Change; or
- (2) do or fail to do anything as a result of which any of the warranties provided by Atlantic in clause 9 are breached or are false, inaccurate or misleading.

6.4 **Spur prohibited actions**

Other than with the prior written approval of Atlantic or as required by this Agreement, Spur must not, and must procure that each of its Subsidiaries does not, on and from the date of this Agreement up to and including the earlier of the date on which this Agreement is terminated and the Closing Date:

- (1) take any action which gives rise to or would reasonably be expected to give rise to a Spur Prescribed Event or a Spur Material Adverse Change; or
- (2) do or fail to do anything as a result of which any of the warranties provided by Spur in clause 9 are breached or are false, inaccurate or misleading.

7 **Closing**

7.1 **Date, time and place of Closing**

Closing will take place at the offices of Spur, Vancouver, Canada at 9.00 am on the Closing Date or at such other place, on such other date and such other time as may be agreed upon in writing by the parties.

7.2 **Closing procedures**

At Closing:

- (1) Atlantic must deliver or cause to be delivered to Spur the following:
 - (a) the original share certificate(s) for the DDV Gold Shares in the name of Atlantic endorsed for transfer to, or to the order of, Spur;
 - (b) a share certificate for the DDV Gold Shares in the name of Spur and any other documents necessary to establish Spur's title to the DDV Gold Shares and that may be required by DDV Gold for registration of the transfer of the DDV Gold Shares to Spur, together with evidence satisfactory to Spur that Spur has been entered into the Corporate Records as the registered holder of the DDV Gold Shares;
 - (c) the resignation, effective as at Closing, of each director and officer of DDV Gold specified by Spur to Atlantic in writing at least 3 Business Days prior to Closing;
 - (d) the Corporate Records
 - (e) all ledgers, journals and books of account of DDV Gold; and
 - (f) all documents of title in the possession of DDV Gold relating to the ownership of DDV Gold's assets, including the Development Properties.
- (2) Spur shall:
 - (a) pay to Atlantic the cash consideration contemplated in clause 5.1(1);
 - (b) issue to Atlantic the Preferred Share Consideration and the Preferred Share Warrant Consideration; and
 - (c) procure that the name and address of Atlantic is entered in:

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- (i) the Spur Share Register in respect of those Spur Series A Preferred Shares comprising the Preferred Share Consideration; and
- (ii) the Spur Warrant Register in respect of those Spur Preferred Share Warrants comprising the Preferred Share Warrant Consideration.

7.3 Requirements interdependent

- (1) Subject to clause 7.3(2), the actions to take place as contemplated by clauses 7.2(1) and 7.2(2) are interdependent and must be carried out, as nearly as may be possible, simultaneously. If one action does not take place, then without prejudice to any rights available to any party as a consequence:
 - (a) there is no obligation on any party to undertake or perform any of the other actions; and
 - (b) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions.
- (2) Spur may, in its sole discretion, waive any or all of the actions that Atlantic is required to perform under clause 7.2(1) and Atlantic may, in its sole discretion, waive any or all of the actions that Spur is required to perform under clause 7.2(2).

7.4 Notice to Close

- (1) If a party (**Defaulting Party**) fails to satisfy its obligations under clause 7.2 on the day and at the place and time for Closing determined under clause 7.1 then the other party (**Notifying Party**) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of 10 Business Days from the date of the notice and declaring time to be of the essence.
- (2) If the Defaulting Party fails to satisfy those obligations within those 10 Business Days the Notifying Party may, without limitation to any other rights it may have, terminate this Agreement by giving written notice to the Defaulting Party.

8 After Closing

8.1 Appointment of Mr. Wally Bucknell as a Spur Director

Immediately following Closing, Spur must procure that, subject to receiving a consent to act as a Spur Director from Mr. Wally Bucknell, Mr. Wally Bucknell is appointed as a Spur Director.

8.2 Spur Share and Warrant Distribution

- (1) Spur acknowledges that:
 - (a) after Closing, Atlantic may, in accordance with the terms and conditions of issue of the Spur Series A Preferred Shares, exercise its right to convert some of the Spur Series A Preferred Shares comprising the Preferred Share Consideration into New Spur Common Shares and, if it elects to do so, Spur Preferred Share Warrants comprising the Preferred Share Warrant Consideration equal to 50% of the number of Spur Series A Preferred Shares converted by Atlantic will, in accordance with the terms and conditions of issue of the Spur Preferred Share Warrants, automatically convert into New Spur Share Purchase Warrants; and

- (b) as soon as reasonably practicable after Closing, Atlantic proposes (to the extent it can) to undertake the Spur Share and Warrant Distribution.
- (2) Spur agrees to provide Atlantic, at Atlantic's cost, with all reasonable assistance, including providing Atlantic with all necessary information in relation to the Spur Group which Atlantic reasonably requires to undertake any proposed conversion contemplated in clause 8.2(1)(a) and complete the Spur Share and Warrant Distribution.
- (3) Without limiting the generality of clause 8.2(2), Spur must use its best endeavours to procure that:
 - (a) the New Spur Common Shares which are to be issued by Spur, in accordance with the terms and conditions of issue of the Spur Series A Preferred Shares, on:
 - (i) the transfer, distribution or provision of the Spur Series A Preferred Shares comprising the Preferred Share Consideration to an Atlantic Shareholder pursuant to the Spur Share and Warrant Distribution; or
 - (ii) the conversion by Atlantic of Spur Series A Preferred Shares comprising part of the Preferred Share Consideration; and
 - (b) the New Spur Share Purchase Warrants which are to be issued by Spur, in accordance with the terms and conditions of issue of the Spur Preferred Share Warrants, on:
 - (i) the transfer, distribution or provision of the Spur Preferred Share Warrants comprising the Preferred Share Warrant Consideration to an Atlantic Shareholder pursuant to the Spur Share and Warrant Distribution; or
 - (ii) the conversion by Atlantic of Spur Series A Preferred Shares comprising part of the Preferred Share Consideration,

will, in each case, be issued in the form of CDIs and will be approved for official quotation on the ASX, subject only to any conditions which ASX may reasonably require.

8.3 Books and Records

For a period of 6 years from the Closing Date, Spur shall procure that DDV Gold retains all original Books and Records relating to DDV Gold in respect of the period prior to and including the Closing Date. So long as any such Books and Records are retained by Spur pursuant to this Agreement, Atlantic may inspect and make copies (at its own expense) of them at any time during normal business hours upon reasonable notice for the sole purpose of

- (1) preparing and submitting any Tax Returns or other information, notices, computations, returns and payments required in respect of any applicable Tax law; or
- (2) preparing and submitting any accounts necessary for compliance with any applicable law,

provided that Atlantic must not cause any undue interference to the business operations of DDV Gold. Spur may have its representatives present during any such inspection.

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8.4 Period after Closing

From Closing until the DDV Gold Shares are registered in the name of Spur, Atlantic must:

- (1) appoint Spur as the sole proxy of the holders of DDV Gold Shares to attend shareholders' meetings and exercise the votes attaching to the DDV Gold Shares;
- (2) not vote at any shareholders' meetings of DDV Gold; and
- (3) take all other actions in the capacity of a registered holder of the DDV Gold Shares as Spur directs.

9 Representations and Warranties

9.1 Spur Representations and Warranties

Spur represents and warrants to Atlantic each of the Spur Representations and Warranties as at the date of this Agreement and on each subsequent day until 8.00 am on the Closing Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).

9.2 Atlantic Representations and Warranties

Atlantic represents and warrants to Spur each of the Atlantic Representations and Warranties as at the date of this Agreement and on each subsequent day until 8.00 am on the Closing Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).

9.3 Atlantic indemnity

Atlantic indemnifies the Spur Indemnified Parties from and against all Losses that Spur or any of the other Spur Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Atlantic Representations and Warranties.

9.4 Spur indemnity

Spur indemnifies Atlantic Indemnified Parties from and against all Losses that Atlantic or any of the other Atlantic Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Spur Representations and Warranties.

9.5 Limitation of liability

A party is not liable for any breach of a representation or warranty to the extent that the facts, matters and circumstances giving rise to the breach are expressly required or permitted to be done pursuant to and in accordance with this Agreement or otherwise permitted in writing by the other party.

9.6 Survival of representations

- (1) The representations and warranties provided by each party under this clause 9:
 - (a) are severable;
 - (b) will survive the termination of this Agreement; and
 - (c) are given with the intent that liability under them will not be confined to breaches of them discovered prior to the date of termination of this Agreement.

- (2) The indemnities provided by each party under this clause 9 will:
 - (a) be severable;
 - (b) be a continuing obligation;
 - (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of such party under this Agreement; and
 - (d) survive termination of this Agreement.

10 Releases

10.1 Spur directors and officers

- (1) Atlantic releases its rights against, and agrees with Spur that it will not make a Claim against, any Spur Indemnified Party (other than Spur or its Related Bodies Corporate) in connection with:
 - (a) any breach of any representations, covenants and warranties of Spur or any member of the Spur Group in this Agreement; or
 - (b) any disclosures containing any statement which is false or misleading whether in content or by omissions,

to the extent that the Spur Indemnified Party has acted in good faith and has not engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 10.1 limits Atlantic's right to terminate this Agreement under clause 12.1.
- (2) This clause 10.1 is subject to any restriction contained in the Corporations Act.
- (3) Spur receives and holds the benefit of this clause 10.1 in its own right and as trustee for the other Spur Indemnified Parties (to the extent it relates to them).

10.2 Atlantic Directors and officers

- (1) Spur releases its rights against, and agrees with Atlantic that it will not make a Claim against, any Atlantic Indemnified Party (other than Atlantic or its Related Bodies Corporate) in connection with:
 - (a) any breach of any representations, covenants and warranties of Atlantic or any member of the Atlantic Group in this Agreement; or
 - (b) any disclosures containing any statement which is false or misleading whether in content or by omissions,

to the extent that the Atlantic Indemnified Party has acted in good faith and has not engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 10.2 limits Spur's right to terminate this Deed under clause 12.1.
- (2) This clause 10.2 is subject to any restriction contained in the Corporations Act.
- (3) Atlantic receives and holds the benefit of this clause 10.2 in its own right and as trustee for the other Atlantic Indemnified Parties (to the extent it relates to them).

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DDV Gold Sale Agreement

11 Public announcements

11.1 Public announcement and submissions

Subject to clause 11.2, each party must consult with the other prior to making any public announcements in connection with the transactions contemplated by this Agreement and must not make any public announcements in connection with the transactions contemplated by this Agreement other than in a form approved by each party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

11.2 Required disclosure

Where a party is required by law, the ASX Listing Rules, the TSXV Exchange Rules or any other applicable stock exchange regulation to make any announcement or make any disclosure relating to the transactions contemplated by this Agreement, it must use all reasonable endeavours, to the extent practicable, lawful and otherwise in accordance with applicable securities laws and the ASX Listing Rules or the TSXV Exchange Rules (as applicable), to consult with the other party prior to making the relevant disclosure and take account of any reasonable comments received from the other party (in a timely fashion) in relation to the form and content of the announcement or disclosure.

11.3 Media and analyst briefings

Each party must use its reasonable endeavours (subject to its disclosure obligations (if any) under the ASX Listing Rules, the TSXV Exchange Rules, the Corporations Act and any other applicable laws) to ensure that any briefing to analysts or the media in relation to the transactions contemplated by this Agreement or the subject matter of this Agreement is a joint briefing by representatives of each party.

12 Termination

12.1 Termination for breach

- (1) This Agreement may be terminated by Spur or Atlantic by written notice to the other, at any time prior to 8:00 am on the Closing Date, if:
 - (a) the other party is in material breach of this Agreement or there has been a material breach of a representation or warranty given by that other party under clause 9.1 or 9.2 (as applicable);
 - (b) the non-defaulting party has given notice to the other party specifying the material breach and stating an intention to terminate this Agreement; and
 - (c) if the material breach is capable of remedy, it has not been remedied within 5 Business Days (or any shorter period ending at 7:00 pm on the last Business Day before the Closing Date) from the date a notice under clause 12.1(1)(b) is given.
- (2) The parties agree that for the purposes of clause 12.1(1)(a):
 - (a) any breach by Atlantic of the Atlantic Representations and Warranties contained in paragraphs 6, 7, 11, 12, 13, 15, 17, 18 and 21 of Schedule 2 (**Relevant Atlantic Representations and Warranties**) will be deemed to be a material breach of that representation or warranty;

- (b) any breach by Spur of the Spur Representations and Warranties contained in paragraphs 6, 12 and 13 of Schedule 1 (**Relevant Spur Representations and Warranties**) will be deemed to be a material breach of that representation or warranty; and
- (c) any breach by Spur of the Spur Representations and Warranties contained in paragraph 9 of Schedule 1 will be deemed to be a material breach of that representation or warranty, other than where, at 20 August 2014 (being the approximate Implementation Date anticipated by the parties), the Spur Group will, or is likely to, have cash deposits with banks or other financial institutions which, in aggregate, will be an amount of at least 95% of C\$28,000,000:
 - (i) net of the aggregate amount of any trade creditors and interest bearing debt of the Spur Group; and
 - (ii) less any costs and expenses relating to, or incurred in connection with, a Spur Permitted Transaction, the Transaction or the DDV Gold Alternative Transaction.

12.2 No-fault termination

Subject to clause 12.3, this Agreement may be terminated by either party by written notice to the other:

- (1) if the Closing has not occurred on or before the date falling 5 Business Days after the End Date; or
- (2) in accordance with and pursuant to clause 3.5(1).

12.3 Condition for no-fault termination

This Agreement may not be terminated by a party under clause 12.2 if the relevant event described in clause 12.2 is a result of (either alone or together with other events or circumstances) an act or omission by that party or any of its Related Bodies Corporate.

12.4 Termination by Spur

Spur may terminate this Agreement by written notice to Atlantic if:

- (1) a DDV Material Adverse Change occurs prior to 8.00 am on the Closing Date;
- (2) a DDV Prescribed Occurrence occurs prior to 8.00 am on the Closing Date; or
- (3) an Insolvency Event occurs in relation to Atlantic or DDV Gold prior to 8.00 am on the Closing Date.

12.5 Termination by Atlantic

Atlantic may terminate this Agreement by written notice to Spur if:

- (1) a Spur Material Adverse Change occurs prior to 8.00 am on the Closing Date;
- (2) a Spur Prescribed Occurrence occurs prior to 8.00 am on the Closing Date; or
- (3) an Insolvency Event occurs in relation to Spur or any of its Related Bodies Corporate prior to 8.00 am on the Closing Date.

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DDV Gold Sale Agreement

12.6 Effect of termination

- (1) Termination of this Agreement under clause 12.1, 12.2 (including under clause 3.5(1)), 12.4 or 12.5 does not affect any accrued rights arising from a breach of this Agreement prior to termination.
- (2) This clause 12.6 and clauses 1, 9, 10, 13 and 14 (other than clause 14.1) survive termination of this Agreement.

12.7 Notification of breach and compliance certificate

- (1) Atlantic and Spur will respectively promptly advise each other in writing upon becoming aware of:
 - (a) a representation or warranty provided in this Agreement by either party becoming false in any material way; or
 - (b) a material breach of this Agreement by it.
- (2) By 7:00 pm on the Business Day immediately before the Closing Date, each of Spur and Atlantic must execute and deliver to the other party a certificate signed on behalf of that party by a director and made in accordance with a resolution of the relevant Board (or a committee of that Board appointed for that purpose) confirming that (except as previously disclosed in writing):
 - (a) it has complied in all material respects with its obligations under this Agreement;
 - (b) the representations and warranties given by it in clause 9 remain true and correct in all material respects, or if any such representation or warranty is not true and accurate as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or inaccurate;
 - (c) in the case of Atlantic only, the Relevant Atlantic Representations and Warranties remain true and correct in all respects; and
 - (d) in the case of Spur only, the Relevant Spur Representations and Warranties remain true and correct in all respects.

13 Confidentiality

13.1 Atlantic's obligations

Atlantic acknowledges and agrees that:

- (1) it will not make any use of the Spur Confidential Information or any part of it except in connection with the any transaction contemplated by this Agreement and preparing the necessary disclosure and other regulatory documents required to implement the Spur Share and Warrant Distribution and, without limitation, will not make any use of the Spur Confidential Information or any part of it to the competitive disadvantage of Spur or any of its Related Parties;
- (2) it will keep the Spur Confidential Information in confidence and will not disclose the Spur Confidential Information except:
 - (a) to such Representatives of Atlantic as require the Spur Confidential Information for the purposes of any transaction contemplated by this

Agreement and preparing the necessary disclosure and other regulatory documents required to implement the Spur Share and Warrant Distribution only, but only if any such person is aware of, and agrees to comply with, the obligations of Atlantic under this clause 13.1;

- (b) to the extent required by:
 - (i) law, any regulation or rule or any legal process;
 - (ii) the rules of a recognised stock exchange on which the securities of Atlantic or a Related Body Corporate of Atlantic are quoted; or
 - (iii) a court order or order or decree of any Governmental Agency binding upon Atlantic or a Related Body Corporate of Atlantic; or
- (c) with the prior consent of Spur;
- (3) it will promptly notify Spur of any suspected or actual unauthorised use, copying or disclosure of the Spur Confidential Information;
- (4) it will, upon request by Spur, return to Spur all Spur Confidential Information provided to Atlantic or its Representatives, together with any notes, records or copies of, or other documents incorporating the Spur Confidential Information generated by any such person, provided however that Atlantic may retain such Spur Confidential Information (and any notes, records, copies of or other documents incorporating the Spur Confidential Information) as it is required to retain by law or where it necessarily forms part of the minutes or papers of the Atlantic Board or committee of directors (provided that Atlantic will not be released or discharged from its obligations and undertaking in relation to that Confidential Information under this clause 13.1); and
- (5) subject to clause 1.4, it will continue to be bound by the Confidentiality Agreement in respect of all Spur Confidential Information received by it on, before or after the date of this Deed in accordance with the terms of the Confidentiality Agreement.

13.2 Spur's obligations

Spur acknowledges and agrees that:

- (1) it will not make any use of the Atlantic Confidential Information or any part of it except in connection with any transaction contemplated by this Agreement and, without limitation, will not make any use of the Atlantic Confidential Information or any part of it to the competitive disadvantage of Atlantic or any of its Related Parties;
- (2) it will keep the Atlantic Confidential Information in confidence and will not disclose the Atlantic Confidential Information except:
 - (a) to such Representatives of Spur as require the Atlantic Confidential Information in connection with any transaction contemplated by this Agreement, but only if any such person is aware of, and agrees to comply with, the obligations of Spur under this clause 13.2;
 - (b) to the extent required by:
 - (i) law, any regulation or rule or any legal process;

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- (ii) the rules of a recognised stock exchange on which the securities of Spur or a Related Body Corporate of Spur are quoted; or
 - (iii) a court order or order or decree of any Governmental Agency binding upon Spur or a Related Body Corporate of Spur; or
- (c) with the prior consent of Atlantic;
- (3) it will promptly notify Atlantic of any suspected or actual unauthorised use, copying or disclosure of the Atlantic Confidential Information;
- (4) it will, upon request by Atlantic, return to Atlantic or destroy all Atlantic Confidential Information provided to Spur and its Representatives, together with any notes, records, copies of or other documents incorporating the Atlantic Confidential Information generated by any such person, provided however that Spur may retain such Atlantic Confidential Information (and any notes, records, copies of or other documents incorporating the Atlantic Confidential Information) as it is required to retain by law or where it necessarily forms part of the minutes or papers of the Spur Board or committee of directors (provided that Spur will not be released or discharged from its obligations and undertaking in relation to that Confidential Information under this clause 13.2); and
- (5) subject to clause 1.4, it will continue to be bound by the Confidentiality Agreement in respect of all Atlantic Confidential Information received by it on, before or after the date of this Agreement in accordance with the terms of the Confidentiality Agreement.

14 General

14.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to give effect to this Agreement, including to bind the party and any other person intended to be bound under this Agreement.

14.2 Notices

Any notice, demand, consent or other communication given or made under this Agreement is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail or email. If it is sent by mail within Canada to an address in Canada, it is taken to have been received 3 Business Days after it is posted. If it is sent by mail to an address outside Canada or sent by post from outside Canada, it is taken to have been received 6 Business Days after it is posted. If it is sent by email, it is taken to have been received when the addressee actually receives it.

Spur

Address: Suite 3083, 595 Burrard Street, Vancouver B.C., Canada
Attention: Irfan Shariff and Chris Batalha
Email: ishariff@spur-ventures.com and chrisbatalha@spur-ventures.com

Atlantic

Address: Suite 506, 815 Pacific Highway, Chatswood, New South Wales 2067, Australia
Attention: Wally Bucknell
Email: wallybucknell@atlanticgold.com.au

14.3 Discretion in exercising rights

A party may exercise a right or remedy in any way it considers appropriate (including by imposing conditions), unless this Agreement expressly states otherwise.

14.4 Conflict of interest

The parties' rights and remedies under this Agreement may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

14.5 Stamp duties

Spur:

- (1) agrees to pay all stamp duties (if any) and any fines, penalties and interest payable and assessed by legislation or by any revenue office in respect of this Agreement or the steps or transactions be taken under or contemplated by or related to this Agreement; and
- (2) indemnifies Atlantic against any liability arising from failure to comply with clause 14.5(1).

14.6 Disclosure

With the prior consent of the other party (such consent not to be unreasonably withheld or delayed) each party may disclose information relating to the transactions contemplated by this Agreement to a Tax Authority for the purpose of obtaining any Tax relief, pre-determinations, exemptions, approvals or rulings from a Tax Authority.

14.7 Expenses

Except as otherwise provided in this Agreement, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this Agreement, all other related documentation and the proposed, attempted or actual implementation of the transactions contemplated by this Agreement.

14.8 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this Agreement or any part of it.

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14.9 Amendments

This Agreement, or a right created under it, may only be varied by a document signed by or on behalf of each of the parties.

14.10 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

14.11 Waiver

- (1) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Agreement.
- (2) Any waiver or consent given by any party under this Agreement will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (3) No waiver of a breach of any term of this Agreement will operate as a waiver of another breach of that term or of a breach of any other term of this Agreement.

14.12 No representation or reliance

- (1) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Agreement, except for representations or inducements expressly set out or acknowledged in this Agreement.
- (2) Each party acknowledges and confirms that it does not enter into this Agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out or acknowledged in this Agreement.

14.13 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this Agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

14.14 Remedies cumulative

The rights and remedies provided in this Agreement are in addition to other rights and remedies given by law independently of this Agreement.

14.15 No liability for loss

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this Agreement.

14.16 Counterparts

- (1) This Agreement may be executed in any number of counterparts. Each counterpart is an original but the counterparts together are one and the same Agreement.

- (2) This Agreement is binding on the parties on the exchange of counterparts. A copy of a counterpart sent by facsimile machine, email or other electronic means:
 - (a) must be treated as an original counterpart;
 - (b) is sufficient evidence of the execution of the original; and
 - (c) may be produced in evidence for all purposes in place of the original.

14.17 Entire agreement

To the extent permitted by law, in relation to the subject matter of this Agreement, the Confidentiality Agreement and, where applicable, the defined terms used herein but defined in the Merger Implementation Deed:

- (1) embodies the entire understanding of the parties and constitutes the entire terms agreed upon between the parties; and
- (2) supersedes any prior agreement (whether or not in writing) between the parties.

14.18 Governing law

- (1) This Agreement is governed by and will be construed according to the laws of New South Wales, Australia.
- (2) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia and of the Commonwealth of Australia.

Schedule 1 – Spur representations and warranties

1. Each member of Spur Group is a validly existing corporation registered under the laws of its place of incorporation.
2. The execution and delivery of this Agreement by Spur has been properly authorised by all necessary corporate action and Spur has full corporate power and lawful authority to execute and deliver this Agreement and to perform or cause to be performed its obligations under this Agreement.
3. Subject to laws generally affecting creditors' rights and the principles of equity, this Agreement has been duly executed and constitutes legal, valid and binding obligations on Spur, enforceable against it in accordance with its terms.
4. This Agreement does not conflict with or result in the breach of or a default under:
 - (i) any provision of Spur's constitution;
 - (ii) any material term or provision of any material agreement (including any financing arrangements) or any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it or any other member of the Spur Group is bound,

and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this Agreement.

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5. No Insolvency Event has been declared, commenced or threatened with respect to any member of the Spur Group and there is no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have an adverse and material effect on Spur's ability to fulfil its obligations under this Agreement.
6. As at the of this Agreement and as at Closing, and other than:
- (i) as agreed to in writing by Atlantic;
 - (ii) as contemplated by this Agreement or a Spur Permitted Transaction; and
 - (iii) any shares issued or to be issued on the exercise of an option on issue in Spur as at 7 April 2014; and
 - (iv) any options to be issued or granted in accordance with, or under, the Spur Stock Option Plan,
- the only shares, options, performance rights, convertible notes and other securities that Spur has, or will have, on issue or has agreed, or will have agreed, to issue are in aggregate:
- (v) 60,407,187 common shares;
 - (vi) 4,650,000 employee options,
- and other than as set out in paragraphs 6(i) to 6(vi) above, no:
- (vii) member of the Spur Group has any other shares, options, performance rights, convertible notes or other securities on issue, other than any of the foregoing which is held by another member of the Spur Group;
 - (viii) person has any agreement, option, warrant, right (whether contingent or otherwise) or privilege (whether contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for, issuance of, conversion into or exchange for, any of the Spur common shares or other securities of Spur or its Subsidiaries; and
 - (ix) member of the Spur Group is under any obligation to issue or grant, or has made any offers, or entered into any agreement, that may result in the issue or grant of, or give a party the right to be issued or be granted, shares, options, performance rights, convertible notes or other securities, whether or not any such offer or agreement is in writing and whether or not such offer or agreement is legally binding.
7. The audited consolidated financial statements of Spur for the year ended 31 December 2013 comply as to form in all material respects with all Canadian laws and accounting requirements applicable to the preparation of financial statements, have been prepared on a basis consistent with past practices in accordance with in all material respects all relevant Canadian laws and accounting standards applicable in Canada, including generally accepted accounting principles in Canada (Canadian GAAP) or International Financial Reporting Standards as issued by the International Accounting Standards Board as applicable at 31 December 2013 and fairly present in all material respects the consolidated financial position of Spur as at 31 December 2013 and the consolidated results of its operations and cash flows for the period ended 31 December 2013.
8. Except as Fairly Disclosed in the Spur Disclosure Letter, Spur and its Subsidiaries have complied in all material respects with all Governmental Agencies having jurisdiction over them and have all material licences and permits necessary for them to conduct their respective business as presently being conducted.

9. As at 20 August 2014 (being the approximate Implementation Date anticipated by the parties), the Spur Group will have cash deposits with banks or other financial institutions which, in aggregate, will be an amount of at least C\$28,000,000:
 - (i) net of the aggregate amount of any trade creditors and interest bearing debt of the Spur Group; and
 - (ii) less any costs and expenses relating to, or incurred in connection with, the Scheme, the Spur Permitted Transaction and the transactions contemplated by this Agreement.
10. Spur is not in breach of its continuous or periodic disclosure obligations under any applicable law, rule or regulation, including the TSXV Exchange Rules, subject to the announcement of the execution of this Agreement.
11. Except as Fairly Disclosed in the Spur Disclosure Letter, there are no material actions, suits, arbitrations, legal or administrative proceedings pending or threatened against Spur or any of its Subsidiaries. Neither Spur nor any of its Subsidiaries is the subject of any material pending or material threatened investigation. Neither Spur nor any of its Subsidiaries nor the respective assets, properties or business of Spur or any of its Subsidiaries is subject to any judgment, order, writ, injunction or decree of any court, Governmental Agency or arbitration tribunal.
12. Each document comprising the Spur Due Diligence Materials is complete in all material respects and accurate in all material respects. Spur has not intentionally withheld from the Spur Due Diligence Materials given before the date of this Agreement any written information that is known to Spur to be material to Atlantic as a proposed holder of shares and warrants of Spur. Any statement of opinion or belief contained in the Spur Due Diligence Materials is honestly held and there are reasonable grounds for that opinion or belief.
13. Spur's Notice of Articles and Articles are in the forms contained in the Spur Due Diligence Materials.
14. Spur's public record is in all material respects complete, accurate and up to date and no material change has occurred in the business, operations, affairs or capital of Spur that has not been publicly disclosed.

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Schedule 2 – Atlantic representations and warranties

1. Atlantic and DDV Gold are validly existing corporations registered under the laws of their place of incorporation.
2. The execution and delivery of this Agreement by Atlantic has been properly authorised by all necessary corporate action and Atlantic has full corporate power and lawful authority to execute and deliver this Agreement and to perform or cause to be performed its obligations under this Agreement.
3. Subject to laws generally affecting creditors' rights and the principles of equity, this Agreement has been duly executed and constitutes legal, valid and binding obligations on Atlantic, enforceable against it in accordance with its terms.
4. This Agreement does not conflict with or result in the breach of or a default under:
 - (i) any provision of Atlantic's constitution; or
 - (ii) any material term or provision of any material agreement (including any financing arrangements) or any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it or DDV Gold are bound; andand it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this Agreement.
5. No Insolvency Event has been declared, commenced or threatened with respect to Atlantic or DDV Gold and there no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have an adverse and material effect on Atlantic's ability to fulfil its obligations under this Agreement.
6. Atlantic is the legal and beneficial owner of the DDV Gold Shares and the DDV Gold Loan free from all Encumbrances.
7. The DDV Gold Shares represent all of the issued and outstanding securities in the capital of DDV Gold and:
 - (i) DDV Gold has no other shares, options, performance rights, convertible notes or other securities on issue;
 - (ii) DDV Gold is not under any obligation to issue or grant, or has made any offers, or entered into any agreement, that may result in the issue or grant of, or give a party the right to be issued or be granted, shares, options, performance rights, convertible notes or other securities, whether or not any such offer or agreement is in writing and whether or not such offer or agreement is legally binding; and
 - (iii) no person has any agreement, option, warrant, right (whether contingent or otherwise) or privilege (whether contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for, issuance of, conversion into or exchange for, any of the DDV Gold Shares or other securities of DDV Gold; and
8. The consolidated financial statements of Atlantic for the year ended 31 December 2013 as disclosed to the ASX comply as to form in all material respects with the Corporations Act and all applicable accounting requirements applicable to the preparation of all financial statements, have been prepared on a basis consistent with past practices (except to the extent that adoption of International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS**) requires a change to past practices) in

accordance with in all material respects all relevant Australian laws and accounting standards applicable in Australia, including generally accepted accounting principles in Australia (Australian GAAP) or IFRS as applicable at 31 December 2013 and fairly present in all material respects the consolidated financial position of Atlantic as at 31 December 2013 and the consolidated results of its operations and cash flows for the period ended 31 December 2013.

9. Except as Fairly Disclosed in the Atlantic Disclosure Letter, DDV Gold has all material licences, environmental approvals, permits and other consents necessary for operations and activities of its business as presently conducted.
10. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, DDV Gold has complied in all material respects with all Governmental Agencies having jurisdiction over it and has all material licences and permits necessary for it to conduct its business as presently being conducted.
11. Each document comprising the Atlantic Due Diligence Materials is complete in all material respects and accurate in all material respects. Atlantic has not intentionally withheld from the Atlantic Due Diligence Materials given before the date of this Agreement any written information that is known to Atlantic to be material to Spur as purchaser of the DDV Gold Shares. Each statement of opinion or belief contained in the Atlantic Due Diligence Materials is honestly held and there are reasonable grounds for holding that opinion or belief.
12. As at the date of this Agreement, the Atlantic Group has not less than A\$275,000 in cash, net of trade creditors, interest bearing debt and subscriptions received under the share purchase plan announced to the ASX on 7 April 2014.
13. All material assets of the Atlantic Group (other than the DDV Gold Loan) are owned by DDV Gold.
14. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, there are no material actions, suits, arbitrations, legal or administrative proceedings pending or threatened against Atlantic or DDV Gold. Neither Atlantic nor DDV Gold is the subject of any material pending or material threatened investigation. Neither Atlantic nor DDV Gold nor the respective assets, properties or business of Atlantic or DDV Gold is subject to any judgment, order, writ, injunction or decree of any court, Governmental Agency or arbitration tribunal.
15. Atlantic's public record is in all material respects complete, accurate and up to date and no material change has occurred in the business, operations, affairs or capital of DDV Gold or the Development Properties that has not been Fairly Disclosed to the ASX.
16. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, none of the Development Properties:
 - (i) has any material liabilities (other than any annual expenditure commitments); or
 - (ii) is subject to any significant Encumbrances or any litigation,
 in each case, that has not been Fairly Disclosed to the ASX.
17. Except as Fairly Disclosed in the Atlantic Disclosure Letter, all titles and permits held by DDV Gold in respect of the Development Properties are in good standing.
18. Except as Fairly Disclosed in the Atlantic Disclosure Letter, DDV Gold is the beneficial and legal owner of 100% right, title and interest, free and clear of any material title defect or Encumbrance, of each of the Development Properties.

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19. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, none of the Development Properties or any minerals or product derived from the Development Properties are subject to or bound by any royalty, royalty interest or similar payment or interest, whether registered or unregistered, and neither Atlantic or DDV Gold has granted any royalty, royalty interest or similar payment or interest in or affecting the Development Properties.
20. Except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, DDV Gold owns, possesses or have obtained, and is in compliance with, all necessary licenses, easements, permits, certificates, mining conventions, consents, orders, grants and other qualifications and authorizations necessary to conduct its business on the Development Properties, as applicable, as currently conducted.
21. Each of the mining claims comprising the Development Properties is in good standing and is held in full compliance with applicable laws. Each of the mining claims comprising the Development Properties has been duly and validly located according to industry standards in the jurisdiction where it is located, and, except as Fairly Disclosed in the Atlantic Disclosure Letter or the Atlantic Due Diligence Materials, none of such mining claims is in conflict with any claims owned by other persons. All payments due to any Governmental Agency in respect of any of the mining claims comprising the Development Properties have been made, and there have been no defaults or other acts contrary to or breach of the requirements of applicable laws which have or would permit the termination or cancellation of any such mining claims.

EXECUTED as an agreement:

Signed for and on behalf of **Spur Ventures Inc.** by its authorised representative in the presence of:

Signature of witness

Signature of authorised representative

Name of witness
(BLOCK LETTERS)

Name of authorised representative
(BLOCK LETTERS)

Executed by **Atlantic Gold NL** ACN 062 091 909 in accordance with section 127 of the *Corporations Act 2001*:

Director/company secretary

Director

Name of director/company secretary
(BLOCK LETTERS)

Name of director
(BLOCK LETTERS)

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DDV Gold Sale Agreement

Annexure A – Key Terms and Conditions of Spur Series A Preferred Shares

<i>Description</i>	Spur Series A Preferred Shares
<i>Special Rights and Restrictions</i>	Subject to regulatory approvals including the TSXV, the Spur Series A Preferred Shares shall have attached thereto special rights and restrictions upon issuance, a summary of which follows:
<i>Conversion by Atlantic</i>	Atlantic may, at its election and at any time, convert Spur Series A Preferred Shares held by Atlantic into New Spur Common Shares provided that the number of Spur Series A Preferred Shares to be converted, when aggregated with the total number of Spur Series A Preferred Shares previously converted by Atlantic, does not exceed 10% of the total number of Spur Series A Preferred Shares issued to Atlantic upon the acquisition by Spur of DDV Gold.
<i>Conversion upon Distribution to Atlantic Shareholders</i>	Any Spur Series A Preferred Shares distributed or transferred by Atlantic to its shareholders, subject to any requisite Atlantic Shareholder approval, will automatically convert into New Spur Common Shares upon such distribution or transfer.
<i>10% Holding Limitation</i>	Atlantic shall not distribute or transfer the Spur Series A Preferred Shares (and, hence, such shares shall not be converted), until and unless the board of directors of Spur is satisfied that: (a) no person, or combination of persons acting jointly or in concert (as such concept is defined by applicable Canadian securities legislation) shall, taking into account the conversion of such Spur Series A Preferred Shares into New Spur Common Shares and all other Spur common shares held by such person(s), hold 10% or more of the total number of Spur common shares then outstanding; and (b) such distribution or transfer by Atlantic will not otherwise cause a change of control of Spur as such concept is defined by the policies of the TSXV.
<i>Dividends</i>	No dividends will be paid or payable to any holder of the Spur Series A Preferred Shares.
<i>Voting</i>	The holders of the Spur Series A Preferred Shares shall not as such be entitled to vote at any meetings of the common shareholders of Spur but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of Spur or the sale of its undertaking or a substantial part thereof or the creation of any class or classes of shares ranking in priority to the Spur Series A Preferred Shares.
<i>Distribution of Assets or Property Upon Wind Up or Dissolution (Priority)</i>	In the event of any distribution of the assets or property of Spur among its shareholders as such other than by way of dividend or by way of redemption or purchase for cancellation of the Spur Series A Preferred Shares or upon the winding-up or other liquidation or dissolution of Spur, no assets or property of Spur shall be distributed to the shareholders of Spur ranking junior to the Spur Series A Preferred Shares until there has been paid to the holders of the Spur Series A Preferred Shares, an amount equal to the redemption price of such Spur Series A Preferred Shares. The redemption price of the Spur Series A Preferred Shares shall mean the amount paid up thereon.
<i>Purchase by Spur for Cancellation</i>	Spur may at any time and from time to time purchase the Spur Series A Preferred Shares for cancellation: (a) on the open market; (b) with the consent of the holders of the Spur Series A Preferred Shares; or (c) pursuant

	to tenders received by Spur upon request for tenders addressed to all of the holders of the Spur Series A Preferred Shares, the whole or any part of the Spur Series A Preferred Shares at the lowest price which, in the opinion of the directors of Spur, such shares are obtainable.
<i>Amendment</i>	Any amendment to the Articles of Spur to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Spur Series A Preferred Shares or to create any special shares ranking in priority to or on a parity with the Spur Series A Preferred Shares, in addition to the authorization by a special resolution, shall be authorized by at least three-quarters (3/4) of the votes cast at a meeting of the holders of Spur Series A Preferred Shares duly called for that purpose.

Annexure H

DDV Gold Sale Agreement

Annexure B – Key Terms and Conditions of Spur Preferred Share Warrants

Each Spur Preferred Share Warrant will be exercisable for a period of 4 years following the date of issuance at a price of C\$0.60 per Spur Preferred Share Warrant and, if exercised, will result in the issue of one Spur Series A Preferred Share (see Annexure A for the key terms and conditions of issue of the Spur Series A Preferred Shares). It is expected that the definitive terms and conditions of the Spur Preferred Share Warrants will be set forth in a warrant indenture to be entered into between Spur and Computershare Trust Company of Canada, acting in its capacity as warrant agent in relation to the Spur Preferred Share Warrants.

Each Spur Preferred Share Warrant transferred, distributed or provided to Atlantic Shareholders pursuant to the Spur Share and Warrant Distribution, subject to any requisite Atlantic Shareholder approval, will automatically, as of the date of such transfer, distribution or provision, become a New Spur Share Purchase Warrant.

If Atlantic exercises its rights under the “Conversion by Atlantic” term of issue of the Spur Series A Preferred Shares (as set out in Annexure A), Spur Preferred Share Warrants held by Atlantic equal to 50% of the number of Spur Series A Preferred Shares converted by Atlantic into common shares of Spur will each be converted into New Spur Share Purchase Warrants (see Annexure C for the key terms and conditions of issue of the New Spur Share Purchase Warrants).

Annexure C – Key Terms and Conditions of New Spur Share Purchase Warrants

The following is a summary of the key terms and conditions of the New Spur Share Purchase Warrants, the definitive terms and conditions of which will be set forth in a warrant indenture (**Warrant Indenture**) to be entered into between Spur and Computershare Trust Company of Canada, acting in its capacity as warrant agent (**Warrant Agent**) in relation to the New Spur Share Purchase Warrants.

<i>Entitlement</i>	Each New Spur Share Purchase Warrant entitles the holder thereof to one fully paid common share in the capital of Spur upon exercise of the New Spur Share Purchase Warrant, subject to any adjustments.
<i>Exercise Price</i>	The amount payable upon the exercise of each New Spur Share Purchase Warrant will be C\$0.60 (Exercise Price), subject to any adjustments.
<i>Expiry Date</i>	Each New Spur Share Purchase Warrant will expire at 5:00 pm (Vancouver time) on the date that is 4 years after the date of issuance (Expiry Date). A New Spur Share Purchase Warrant not exercised before the Expiry Date will automatically lapse on the Expiry Date.
<i>Exercise Period</i>	The New Spur Share Purchase Warrants are exercisable at any time on or prior to 5:00 pm (Vancouver time) on the Expiry Date (Exercise Period).
<i>Exercise</i>	The New Spur Share Purchase Warrants may be exercised during the Exercise Period by completing and returning an exercise notice (Exercise Notice), returning the New Spur Share Purchase Warrant certificate (if any), and paying the Exercise Price for each New Spur Share Purchase Warrant being exercised in accordance with the requirements set out in the Exercise Notice. An Exercise Notice will be able to be obtained from Spur, its share registry in Australia or the Warrant Agent.
<i>Exercise Date</i>	An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice, the receipt of the New Spur Share Purchase Warrant certificate (if any) and the date of receipt of the payment of the Exercise Price for each New Spur Share Purchase Warrant being exercised in cleared funds.
<i>Issue of CDIs or New Spur Shares</i>	Subject to an election otherwise: (i) a holder on the New Spur Share Purchase Warrant register maintained in Australia holding New Spur Share Purchase Warrants in the form of CDIs (quoted on ASX) will on exercise be issued new Spur common shares in the form of CDIs listed on the ASX; and (ii) a holder on the New Spur Share Purchase Warrant register maintained in Canada holding New Spur Share Purchase Warrants (listed on TSXV) will on exercise be issued new Spur common shares (certificated or uncertificated) tradable on TSXV.
<i>New Spur Common Shares issued on exercise</i>	New Spur common shares issued on exercise of the New Spur Share Purchase Warrants rank equally with the existing issued Spur common shares.
<i>Adjustment Provisions</i>	The number of new Spur common shares issuable upon exercise of the New Spur Share Purchase Warrants will be subject to adjustment in certain events, including the consolidation, subdivision, return of capital, reduction of capital,

Annexure H

DDV Gold Sale Agreement

	pro rata cancellation of capital, and in any other case where the issued capital of Spur is reconstructed such that a holder of New Spur Share Purchase Warrants will not receive a benefit that holders of ordinary securities of Spur do not receive, subject to TSXV approval.
<i>Participation in New Issues</i>	There are no participation rights or entitlements inherent in the New Spur Share Purchase Warrants and holders of New Spur Share Purchase Warrants will not be entitled to participate in new issues of capital offered to shareholders of Spur during the currency of the New Spur Share Purchase Warrants without exercising the New Spur Share Purchase Warrants.
<i>No changes to exercise price or number of underlying securities</i>	The New Spur Share Purchase Warrants give no rights to change the exercise price or number of new Spur common shares to be issued on exercise of the New Spur Share Purchase Warrants other than those which apply to a reconstruction of capital described above and to be further detailed in the Warrant Indenture.
<i>Transferability</i>	The New Spur Share Purchase Warrants are transferable, subject to any restriction under applicable securities laws.
<i>Register of New Spur Share Purchase Warrants</i>	(i) Spur will maintain a principal register of holders of New Spur Share Purchase Warrants which complies, so far as is practicable, with the requirements of section 170 of the Corporations Act 2001 (Australia) (as amended) (New Spur Share Purchase Warrant Register). (ii) The New Spur Share Purchase Warrant Register will be kept by or on behalf of Spur in Sydney, New South Wales and the Canadian sub register in Vancouver, British Columbia. (iii) Spur may establish further sub registers of holders of New Spur Share Purchase Warrants. (iv) The holder of a New Spur Share Purchase Warrant registered in the New Spur Share Purchase Warrant Register will be the absolute owner of the New Spur Share Purchase Warrant represented by that registration for all purposes.
<i>Other Terms</i>	The provisions of the Warrant Indenture will apply to the New Spur Share Purchase Warrants, but certain provisions as specified will apply only to New Spur Share Purchase Warrants registered on the Canadian sub register (and not to New Spur Share Purchase Warrants registered on the Australian register).
<i>Governing law</i>	The Warrant Indenture will be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

Annexure I

Notice of Scheme Meeting

Annexure I
Notice of Scheme Meeting

Atlantic Gold NL
ABN 82 062 091 909

Notice of scheme meeting

Notice is hereby given that, by an order of the Federal Court of Australia made on Thursday 26 June 2014 pursuant to section 411(1) of the Corporations Act, a meeting of Atlantic Shareholders (other than Excluded Shareholders) will be held on

Thursday 31 July 2014 at
Launceston Room, Lower Ground Floor North Wing,
The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000
commencing at 10:00 am (Sydney time).

The Court has directed that Mr Ronald Hawkes, or failing him, Mr Wally Bucknell act as chairperson of the Scheme Meeting and has directed the chairperson to report the result of the Scheme Meeting to the Court.

Purpose of meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a members' scheme of arrangement (with or without any alterations or conditions required by the Court to which Atlantic and Spur agree) proposed to be made between Atlantic and the Scheme Shareholders pursuant to Part 5.1 of the Corporations Act (the **Scheme**).

To enable you to make an informed voting decision, further information on the Scheme is set out in Atlantic's scheme booklet dated on or about the date of this notice of meeting (the **Scheme Booklet**). A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Capitalised terms used in this notice have the meaning given to them in section 13 of the Scheme Booklet, unless the context otherwise requires.

Business

To consider and, if thought fit, with or without amendment, to pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

"That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Atlantic and holders of its fully paid ordinary shares and partly paid ordinary shares (other than Excluded Shareholders), as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Federal Court of Australia to which Atlantic and Spur agree."

Dated 26 June 2014
By order of the Court

Annexure I

Notice of Scheme Meeting

GENERAL

This notice of meeting relates to the Scheme Meeting and should be read in conjunction with the Scheme Booklet, of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is contained in Annexure E of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the defined meanings set out in section 14 of the Scheme Booklet, unless the context otherwise requires.

MAJORITY REQUIRED FOR THE SCHEME RESOLUTION

In accordance with section 411(4)(a) of the Corporations Act, for the proposed Scheme to be binding, the Scheme Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of Atlantic Shareholders (other than Excluded Shareholders) present and voting (whether in person or by proxy, attorney or, in the case of Corporate Atlantic Shareholders, corporate representative) at the Scheme Meeting; and
- at least 75% of the total number of votes cast on the Scheme Resolution (whether in person or by proxy, attorney or, in the case of Corporate Atlantic Shareholders, corporate representative) at the Scheme Meeting.

COURT APPROVAL

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to approval of the Court. If the Scheme Resolution is agreed to the required majorities set out above and the conditions precedent referred to in section 7.17 of the Scheme Booklet (other than receipt of Court approval) are satisfied or (where applicable) waived by the time required under the Scheme, Atlantic intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders approving the Scheme must be lodged with ASIC.

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

A person's entitlement to vote at the Scheme Meeting will be determined in accordance with their holding of Atlantic Shares (as recorded in the Atlantic Share Register) at 7:00 pm (Sydney time) on Tuesday 29 July. Accordingly, only those Atlantic Shareholders (other than Excluded Shareholders) entered on the Atlantic Share Register at that time will be entitled to attend and vote at the Scheme Meeting and share transfers registered after that time will be disregarded in determining entitlements to attend and

vote at the Scheme Meeting. The remaining comments in these explanatory notes are addressed to Atlantic Shareholders entitled to attend and vote at the Scheme Meeting.

VOTING AND VOTING ENTITLEMENTS

Voting will be conducted by poll.

In accordance with rule 15.1(b) of the Articles of Association of Atlantic, each Atlantic Shareholder who is registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014 will have the following voting rights at the Scheme Meeting:

- 1 vote for each Atlantic Fully Paid Share held; and
- $\frac{9}{20}$ th's of a vote for each Atlantic Partly Paid Share held (being, the fraction of a vote which represents the amount in cash paid up on each Atlantic Partly Paid Share over the issue price of each Atlantic Partly Paid Share).

HOW TO VOTE

Atlantic Shareholders entitled to vote at the Scheme Meeting can vote in one of the following ways:

- by attending the Scheme Meeting and voting in person;
- by appointing one or two proxies to attend and vote on their behalf, by using the Scheme Proxy Form enclosed with the Scheme Booklet;
- by appointing an attorney to attend the Scheme Meeting and to vote on their behalf, by using a power of attorney; or
- in the case of corporate shareholders, appointing a corporate representative to attend the meeting and to vote on its behalf, by using a certificate of appointment of corporate representative.

ATTENDANCE

If an Atlantic Shareholder entitled to vote at the Scheme Meeting or their proxies, attorneys or corporate representative(s) plan to attend the Scheme Meeting, they should arrive at the venue at least 30 minutes before the scheduled time for commencement of the Scheme Meeting, so that their shareholding can be checked against the Atlantic Share Register, any power of attorney or certificate of appointment of corporate representative verified, and their attendance noted.

JOINTLY HELD SECURITIES

If Atlantic Shares are held jointly by one or more persons, only one of the joint holders may vote. If more than one of the joint holders attempts to vote in person at the Scheme Meeting, only the vote of the holder whose name appears first on the Atlantic Share Register will be counted.

VOTING BY PROXY

An Atlantic Shareholder who is entitled to attend and vote at the Scheme Meeting can appoint a proxy to attend and vote for them at the Scheme Meeting in accordance with the directions set out on the Scheme Proxy Form.

An Atlantic Shareholder who is entitled to cast two or more votes can appoint no more than two proxies. Each proxy has the right to vote on the poll and also to speak at the Scheme Meeting.

If an Atlantic Shareholder appoints two proxies, each proxy must be appointed to represent a specified number or proportion of the shareholder's voting rights. If a number or proportion is not specified on the Scheme Proxy Form, then each proxy is entitled to exercise half of the voting rights regardless of any proportion stated on any other form.

If Atlantic Shares are held jointly between one or more persons, in order for the proxy appointment to be valid, each joint holder must sign the Scheme Proxy Form.

If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as that person thinks fit.

If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on the poll and the shares the subject of the proxy appointment will not be counted in determining the required majority.

A proxy need not be a shareholder of Atlantic. A Scheme Proxy Form accompanies this notice.

Atlantic Shareholders who return their Scheme Proxy Form(s) with a direction how to vote but without nominating the identity of their proxy will be taken to have appointed the chairperson of the Scheme Meeting as their proxy to vote on their behalf. If a Scheme Proxy Form is returned but the nominated proxy does not attend the Scheme Meeting, the chairperson of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Undirected proxy appointments in favour of the chairperson of the Scheme Meeting, the company secretary of Atlantic or any other officer of Atlantic will be used to support the Scheme Resolution.

A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing of the revocation has been received by Atlantic before commencement of the Scheme Meeting (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the three ways noted below.

For an appointment of a proxy to be effective, the proxy's appointment (and, if the appointment is signed by an attorney, the authority under which it was signed or a

certified copy of the authority, unless the authority has previously been noted by the Atlantic Registry) must be received by the Atlantic Registry by 10:00 am (Sydney time) on Tuesday 29 July 2014 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- mailing the Scheme Proxy Form to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria 3001 or using the reply paid envelope provided;
- hand delivering the Scheme Proxy Form to Computershare Investor Services Pty Limited at 452 Johnston Street, Abbotsford, Victoria 3067; or
- faxing the Scheme Proxy Form to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 (0)3 9473 2555 (outside Australia).

Scheme Proxy Forms received after this time will be invalid. Proxies of eligible Atlantic Shareholders will be admitted to the Scheme Meeting and given a voting card on providing, at the point of entry to the meeting, written evidence of their name and address.

The appointment of a proxy does not preclude an eligible Atlantic Shareholder from attending in person, revoking the proxy and voting at the Scheme Meeting.

VOTING BY CORPORATE REPRESENTATIVE

An Atlantic Shareholder which is a body corporate and which is entitled to attend and vote at the Scheme Meeting, may appoint an individual to act as its body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Atlantic will require a "Certificate of Appointment of Corporate Representative" to be executed by the appointing Atlantic Shareholder in accordance with the Corporations Act. A form of certificate may be obtained from Computershare Investor Services Pty Limited by calling 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or by visiting www.investorcentre.com under the help tab, "Printable Forms".

The certificate of appointment may set out restrictions on the representative's powers. The certificate should be lodged at the registration desk on the day of the Scheme Meeting or be received by the Atlantic Registry by 10:00 am (Sydney time) on Tuesday 29 July 2014 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- mailing the certificate of appointment to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria 3001 or using the reply paid envelope provided;

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Notice of Scheme Meeting

- hand delivering the certificate of appointment to Computershare Investor Services Pty Limited at 452 Johnston Street, Abbotsford, Victoria 3067; or
- faxing the certificate of appointment to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 (0)3 9473 2555 (outside Australia).

If a certificate is completed by an individual or corporation under power of attorney, the power of attorney, or a certified copy of the power of attorney, must accompany the completed certificate, unless the power of attorney has previously been noted by the Atlantic Registry.

Body corporate representatives of eligible Atlantic Shareholders will be admitted to the Scheme Meeting on providing, at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointor.

VOTING BY ATTORNEY

An Atlantic Shareholder who is entitled to attend and vote at the Scheme Meeting may appoint an attorney to attend and vote at the Scheme Meeting on their behalf. The attorney need not be another Atlantic Shareholder. Each attorney will have the right to vote on the poll and also to speak at the Scheme Meeting.

The power of attorney appointing the attorney to attend and vote at the Scheme Meeting must be duly executed by the appointing Atlantic Shareholder and specify the appointing Atlantic Shareholder's name, the company (that is, Atlantic), and the attorney, and also specify the meetings at the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certificated copy of the power of attorney, should be lodged at the registration desk on the day of the Scheme Meeting or be received by the Atlantic Registry by 10:00 am (Sydney time) on Tuesday 29 July 2014 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- mailing the power of attorney, or a certificated copy of the power of attorney, to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria 3001 or using the reply paid envelope provided;
- hand delivering the power of attorney, or a certificated copy of the power of attorney, to Computershare Investor Services Pty Limited at 452 Johnston Street, Abbotsford, Victoria 3067; or
- faxing the power of attorney, or a certificated copy of the power of attorney, to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia)

or +61 (0)3 9473 2555 (outside Australia).

Attorneys of eligible Atlantic Shareholders will be admitted to the Scheme Meeting and given a voting card on providing, at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors.

The appointment of an attorney does not preclude an eligible Atlantic Shareholder from attending in person and voting at the Scheme Meeting.

ADVERTISEMENT

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the Scheme Meeting from the ASX Market Announcements Platform (which can be accessed on the ASX website at www.asx.com.au (Atlantic ASX Code: ATV)) or on Atlantic's website at www.atlanticgold.com.au.

If you have any questions, please contact Atlantic on +61 (0)2 9410 0993.

Annexure J

Notice of Extraordinary General Meeting

Annexure J

Notice of Extraordinary General Meeting

Atlantic Gold NL
ABN 82 062 091 909

Notice of extraordinary general meeting

Notice is hereby given that a meeting of Atlantic Shareholders will be held on

Thursday 31 July 2014 at

Launceston Room, Lower Ground Floor North Wing,

The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000

commencing at 11:00 am (Sydney time) or immediately after the Scheme Meeting (whichever is later).

Purpose of meeting

The purpose of the EGM is to consider and, if thought fit, to approve the sale of Atlantic's wholly-owned Canadian subsidiary, DDV Gold, to Spur on the terms and conditions set out in the DDV Gold Sale Agreement (DDV Gold Alternative Transaction).

To enable you to make an informed voting decision, further information on the DDV Gold Alternative Transaction is set out in Atlantic's scheme booklet dated on or about the date of this notice of meeting (the Scheme Booklet). The Scheme Booklet comprises the explanatory statement in relation to the EGM Resolution and the DDV Gold Alternative Transaction. A copy of the DDV Gold Sale Agreement is contained in the Scheme Booklet, of which this notice forms part.

Capitalised terms used in this notice have the meaning given to them in section 13 of the Scheme Booklet, unless the context requires otherwise.

Business

To consider and, if thought fit, to pass the following ordinary resolution:

"That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, the sale by Atlantic of DDV Gold to Spur on the terms and conditions of the DDV Gold Sale Agreement, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is approved and the Atlantic Board is authorised to take all action necessary or expedient to enable Atlantic to comply with its obligations under the DDV Gold Sale Agreement."

Dated 26 June 2014

By order of the Atlantic Board

Voting Exclusion Statement

Atlantic will disregard any votes cast on the EGM Resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a holder of Atlantic Shares, if the EGM Resolution is passed.

However, Atlantic need not disregard a vote if:

- (a) it is cast by a person as proxy for an Atlantic Shareholder who is entitled to vote, in accordance with the directions on the EGM Proxy Form; or
- (b) it is cast by the person chairing the EGM as proxy for an Atlantic Shareholder who is entitled to vote, in accordance with the direction on the EGM Proxy Form to vote as the proxy decides.

Annexure J

Notice of Extraordinary General Meeting

GENERAL

This notice of meeting relates to the EGM and should be read in conjunction with the Scheme Booklet, of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the EGM Resolution.

A copy of the DDV Gold Sale Agreement is contained in Annexure F of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the defined meanings set out in section 13 of the Scheme Booklet, unless the context otherwise requires.

MAJORITY REQUIRED FOR THE EGM RESOLUTION

In accordance with ASX Listing Rule 11.2, for the EGM Resolution to be passed at the EGM it must be agreed to by a majority in number of votes cast on the EGM Resolution by Atlantic Shareholders entitled to vote (whether in person or by proxy, attorney or, in the case of Corporate Atlantic Shareholders, corporate representative) at the EGM.

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

A person's entitlement to vote at the EGM will be determined in accordance with their holding of Atlantic Shares (as recorded in the Atlantic Share Register) at 7:00 pm (Sydney time) on Tuesday 29 July 2014. Accordingly, only those Atlantic Shareholders entered on the Atlantic Share Register at that time will be entitled to attend and vote at the EGM and share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the EGM. The remaining comments in these explanatory notes are addressed to Atlantic Shareholders entitled to attend and vote at the EGM.

VOTING AND VOTING ENTITLEMENTS

Voting will be conducted by poll.

In accordance with rule 15.1(b) of the Articles of Association of Atlantic, each Atlantic Shareholder who is registered on the Atlantic Share Register at 7:00 pm (Sydney time) on Tuesday 29 July 2014 will have the following voting rights at the EGM:

- 1 vote for each Atlantic Fully Paid Share held; and
- 9/20ths of a vote for each Atlantic Partly Paid Share held (being, the fraction of a vote which represents the amount in cash paid up on each Atlantic Partly Paid Share over the issue price of each Atlantic Partly Paid Share).

HOW TO VOTE

Atlantic Shareholders entitled to vote at the EGM can vote in one of the following ways:

- by attending the EGM and voting in person;
- by appointing one or two proxies to attend and vote on their behalf, by using the EGM Proxy Form enclosed with the Scheme Booklet;
- by appointing an attorney to attend the EGM and to vote on their behalf, by using a power of attorney; or
- in the case of corporate shareholders, appointing a corporate representative to attend the meeting and to vote on its behalf, by using a certificate of appointment of corporate representative.

ATTENDANCE

If an Atlantic Shareholder entitled to vote at the EGM or their proxies, attorneys or corporate representative(s) plan to attend the EGM, they should arrive at the venue at least 30 minutes before the scheduled time for commencement of the EGM, so that their shareholding can be checked against the Atlantic Share Register, any power of attorney or certificate of appointment of corporate representative verified, and their attendance noted.

JOINTLY HELD SECURITIES

If Atlantic Shares are held jointly by one or more persons, only one of the joint holders may vote. If more than one of the joint holders attempts to vote in person at the EGM, only the vote of the holder whose name appears first on the Atlantic Share Register will be counted.

VOTING BY PROXY

An Atlantic Shareholder who is entitled to attend and vote at the EGM can appoint a proxy to attend and vote for them at the EGM in accordance with the directions set out on the EGM Proxy Form.

An Atlantic Shareholder who is entitled to cast two or more votes can appoint no more than two proxies. Each proxy has the right to vote on the poll and also to speak at the EGM.

If an Atlantic Shareholder appoints two proxies, each proxy must be appointed to represent a specified number or proportion of the shareholder's voting rights. If a number or proportion is not specified on the EGM Proxy Form, then each proxy is entitled to exercise half of the voting rights regardless of any proportion stated on any other form.

If Atlantic Shares are held jointly between one or more persons, in order for the proxy appointment to be valid, each joint holder must sign the EGM Proxy Form.

If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as that person thinks fit.

If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the

shareholder's behalf on the poll and the shares the subject of the proxy appointment will not be counted in determining the required majority.

A proxy need not be a shareholder of Atlantic. An EGM Proxy Form accompanies this notice.

Atlantic Shareholders who return their EGM Proxy Form(s) with a direction how to vote but without nominating the identity of their proxy will be taken to have appointed the chairperson of the EGM as their proxy to vote on their behalf. If an EGM Proxy Form is returned but the nominated proxy does not attend the EGM, the chairperson of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Undirected proxy appointments in favour of the chairperson of the EGM, the company secretary of Atlantic or any other officer of Atlantic will be used to support the EGM Resolution.

A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing of the revocation has been received by Atlantic before commencement of the EGM (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the three ways noted below.

For an appointment of a proxy to be effective, the proxy's appointment (and, if the appointment is signed by an attorney, the authority under which it was signed or a certified copy of the authority, unless the authority has previously been noted by the Atlantic Registry) must be received by the Atlantic Registry by 11:00 am (Sydney time) on Tuesday 29 July 2014 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- mailing the EGM Proxy Form to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria 3001 or using the reply paid envelope provided;
- hand delivering the EGM Proxy Form to Computershare Investor Services Pty Limited at 452 Johnston Street, Abbotsford, Victoria 3067; or
- faxing the EGM Proxy Form to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 (0)3 9473 2555 (outside Australia).

EGM Proxy Forms received after this time will be invalid.

Proxies of eligible Atlantic Shareholders will be admitted to the EGM and given a voting card on providing, at the point of entry to the meeting, written evidence of their name and address.

The appointment of a proxy does not preclude an eligible

Atlantic Shareholder from attending in person, revoking the proxy and voting at the EGM.

VOTING BY CORPORATE REPRESENTATIVE

An Atlantic Shareholder which is a body corporate and which is entitled to attend and vote at the EGM, may appoint an individual to act as its body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Atlantic will require a "Certificate of Appointment of Corporate Representative" to be executed by the appointing Atlantic Shareholder in accordance with the Corporations Act. A form of certificate may be obtained from Computershare Investor Services Pty Limited by calling 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or by visiting www.investorcentre.com under the help tab, "Printable Forms".

The certificate of appointment may set out restrictions on the representative's powers. The certificate should be lodged at the registration desk on the day of the EGM or be received by the Atlantic Registry by 11:00 am (Sydney time) on Tuesday 29 July 2014 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- mailing the certificate of appointment to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria 3001 or using the reply paid envelope provided;
- hand delivering the certificate of appointment to Computershare Investor Services Pty Limited at 452 Johnston Street, Abbotsford, Victoria 3067; or
- faxing the certificate of appointment to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 0(3) 9473 2555 (outside Australia).

If a certificate is completed by an individual or corporation under power of attorney, the power of attorney, or a certified copy of the power of attorney, must accompany the completed certificate, unless the power of attorney has previously been noted by the Atlantic Registry.

Body corporate representatives of eligible Atlantic Shareholders will be admitted to the EGM on providing, at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointor.

VOTING BY ATTORNEY

An Atlantic Shareholder who is entitled to attend and vote at the EGM may appoint an attorney to attend and vote at the EGM on their behalf. The attorney need not be another

Annexure J

Notice of Extraordinary General Meeting

Atlantic Shareholder. Each attorney will have the right to vote on the poll and also to speak at the EGM.

The power of attorney appointing the attorney to attend and vote at the EGM must be duly executed by the appointing Atlantic Shareholder and specify the appointing Atlantic Shareholder's name, the company (that is, Atlantic), and the attorney, and also specify the meetings at the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certificated copy of the power of attorney, should be lodged at the registration desk on the day of the Scheme Meeting or be received by the Atlantic Registry by 11:00 am (Sydney time) on Tuesday 29 July 2014 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- mailing the power of attorney, or a certificated copy of the power of attorney, to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria 3001 or using the reply paid envelope provided;
- hand delivering the power of attorney, or a certificated copy of the power of attorney, to Computershare Investor Services Pty Limited at 452 Johnston Street, Abbotsford, Victoria 3067; or
- faxing the power of attorney, or a certificated copy of the power of attorney, to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 0(3) 9473 2555 (outside Australia).

Attorneys of eligible Atlantic Shareholders will be admitted to the EGM and given a voting card on providing, at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors.

The appointment of an attorney does not preclude an eligible Atlantic Shareholder from attending in person and voting at the EGM.

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Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the EGM from the ASX Market Announcements Platform (which can be accessed on the ASX website at www.asx.com.au (Atlantic ASX Code: ATV)) or on Atlantic's website at www.atlanticgold.com.au.

If you have any questions, please contact Atlantic on +61 (0)2 9410 0993.

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Mr Walter Bucknell
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Mr Rod Hanson

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Double Bay NSW 2028

Company secretary

Ms Julie Fidler

Share registry

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Legal Adviser

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